

**THE BOARD OF COMMISSIONERS
OF
PUBLIC UTILITY DISTRICT NO. 1 OF FRANKLIN COUNTY, WASHINGTON**

MINUTES OF THE AUGUST 22, 2023
REGULAR COMMISSION MEETING

The Board of Commissioners of Public Utility District No. 1 of Franklin County, Washington held a regular meeting at 1411 W. Clark St., Pasco, WA, on August 22, 2023, at 1:00 p.m. Remote technology options were provided for the public to participate.

Those who participated from the District in person or via remote technology for all or part of the meeting were Commissioner Bill Gordon, President; Commissioner Stu Nelson, Vice President; Commissioner Roger Wright, Secretary; Scott Rhees, General Manager/CEO; Holly Dohrman, Assistant General Manager; Steve Ferraro, Operations Director; Victor Fuentes, Engineering Director; Tyler Whitney, outside General Counsel; and Rosario Viera, Public Information Officer.

Additional staff that participated in person or via remote technology for all or part of the meeting were Walker Mattlin, Journeymen Lineman; Viola Shoell, Supervisor of Business Analytics; Ben Hooper, Superintendent of Broadband/Fleet/Metering; and Shyanne Palmus, Community Relations Coordinator.

Public participating in person or via remote technology for all or part of the meeting was Isaac Kastama, Principal; and Adan Espino, Associate; both from Water Street Public Affairs.

OPENING

Commissioner Gordon called the regular meeting to order at 1:00 p.m. and called on Mr. Mattlin to lead the Pledge of Allegiance.

PUBLIC COMMENT

Commissioner Gordon called for public comment and there was none. Staff noted that no public comment was provided prior to the meeting.

EMPLOYEE RECOGNITION

Commissioner Gordon reported that he met Mr. Mattlin at the District's Safety BBQ in July and had a pleasant conversation with him. He called on Mr. Ferraro who provided information on the training requirements for a linemen and thanked Mr. Mattlin for his hard work. The Commission asked Mr. Mattlin to share a bit of his journey and Mr. Mattlin reported that he had invested lots of hours in school, and training. He expressed his appreciation to be an employee of the District and for the opportunity to receive the on-the-job training experience.

Commissioner Gordon presented Mr. Mattlin with a Certificate of Achievement and the Commission congratulated him on his success.

Commissioner Gordon reordered the agenda to accommodate the arrival of Ms. Shoell and moved on to the Commissioner Reports.

COMMISSIONER REPORTS

Commissioner Wright reported that:

- He attended PPC's Member Forum and noted that BPA presented their 2024-2028 Strategic Plan. He noted his disappointment with BPA's presentation and reported it lacked clear direction and did not offer insight into what BPA's intent moving forward was.
- He attended NoaNet's Strategic Planning meeting and noted it had gone very well. He reported that NoaNet is moving in a very positive direction and is making prudent decisions, such as relocating its offices, that will further position NoaNet for continued successes. He provided a brief update on the transition of NoaNet employees to the Public Employee Retirement Systems plan.

Commissioner Nelson reported that:

- He attended the Pasco and Tri Cities Hispanic Chamber's monthly luncheons.
- He also attended PPC's monthly meeting.

Commissioner Gordon reported that:

- He attended the Columbia Safety Nuclear Review Board meeting and noted there were discussions on the planned outage for the refueling of the Columbia Generating Station. He reported that he had expressed that the planned outage was not completed timely and noted that Energy Northwest conducts a root cause analyses after each outage. He noted that in his opinion there was a lack of accountability of the employees responsible for completion of the refueling. Discussion ensued.

EMPLOYEE CHECK-IN

Commissioner Gordon welcomed Ms. Shoell and asked what her job entailed as a supervisor at the District, and she reported that she manages the Business Systems department and oversees two employees. She reported that the main functions were to assist District employees improve processes and gain efficiencies. Commissioner Gordon asked about accountability of employees and Ms. Shoell reported on the tools that she utilizes to assist her employees be successful and take ownership in their work.

Commissioner Gordon asked general wellbeing questions that included what Ms. Shoell was most

proud of, favorite parts of her job, biggest challenge, and what change she would make at the District.

Ms. Shoell reported that she was most proud of the commitment to keep low-cost rates and noted the commitment was across the board. She credited this to employees knowing how their role fits into keeping rates as low as possible. She reported that helping others succeed was her favorite part of the job. She noted that her biggest challenge was re-learning ways to communicate and using the virtual technology. She noted that initially it was a challenge but is now a very beneficial tool. Ms. Shoell reported that a change she would make is to have both the Administrative and Operations sites at the same location. She reported that in her opinion, this would be very beneficial and expressed her reasons why. Commissioner Wright noted that in his experience he had not seen this to always be a positive. Ms. Shoell reported that a safety improvement she has seen is in the cyber area and noted that many improvements have been done to keep the District and its customers safe. The Commission thanked Ms. Shoell for attending.

LEGISLATIVE UPDATE

Commissioner Gordon welcomed Mr. Kastama.

Mr. Kastama introduced his associate, Mr. Espino who provided a brief summary on his work experience. Through a presentation Mr. Kastama provided a legislative update that included a summary on the 2023 legislative session, the notable bills that were considered, and bills that passed. He reviewed the budgeted items that included funding for low-income assistance, continued studies for viable replacements of the Lower Snake River Dams, fire mitigation planning, improved broadband, and the Climate Commitment Act. The presentation included information on the upcoming legislative session. He provided his insights on the upcoming elections. There were questions and discussion throughout the presentation.

The Commission thanked Mr. Kastama and Mr. Espino for attending and providing the information.

CONSENT AGENDA

The Commission reviewed the Consent Agenda. Commissioner Wright asked questions on various items on the Warrant Registers and Ms. Dohrman provided the information. There was discussion on the Write Offs. Commissioner Wright moved and Commissioner Nelson seconded to approve the Consent Agenda as noted below. The motion passed unanimously.

- 1) To approve the minutes of the July 25, 2023, Regular Commission meeting.

- 2) To approve payment of expenditures for July 2023 amounting to \$7,815,592.42 as audited and certified by the auditing officer as required by RCW 42.24.080, and as reviewed/certified by the General Manager/CEO as required by RCW 54.16.100, and expense reimbursement claims certified as required by RCW 42.24.090 and as listed in the attached registers and made available to the Commission for inspection prior to this action as follows:

Expenditure Type:	Amounts:
Direct Deposit Payroll – Umpqua Bank	\$ 547,863.07
Wire Transfers	4,884,834.41
Automated and Refund Vouchers (Checks)	910,911.58
Direct Deposits (EFTs)	1,471,983.36
Voids	(0.00)
Total:	\$ 7,815,592.42

- 3) To approve the Write Offs in substantially the amount listed on the August 2023 Write Off Report totaling \$5,957.92.

AGENDA ITEM 8, REPORTING ON THE REMEDIATION SERVICES FOR THE 8618 N RAILROAD AVENUE PROPERTY.

Mr. Fuentes noted that at the July 25, 2023 Commission meeting the Commission authorized the General Manager/CEO to proceed with the remediation of the property located at 8618 N Railroad Avenue in an amount not to exceed \$350,000. He reported that the District requested quotes from contractors on the District’s Small Works Roster to provide the remediation services required to prepare the property for the construction of the Railroad Avenue Substation. Staff received and evaluated two (2) quotes:

Contractor:

DJ’s Electrical Inc.	\$266,279
Ray Poland & Sons	\$126,250

Mr. Fuentes noted that staff determined that the quote submitted by Ray Poland & Sons was the lowest responsive quote and within the amount authorized by the Commission. He noted that a purchase order has been issued to Ray Poland & Sons for the work. The Commission requested a site visit after the remediation is complete. He reported that no action was needed, and he was reporting only.

AGENDA ITEM 9, BROADBAND STRATEGIC DIRECTION UPDATE PRESENTATION AND DISCUSSION.

Mr. Ferraro introduced the agenda item and called on Mr. Hooper to provide additional information.

Mr. Hooper reported that in March 2023, staff had provided a broadband strategic update that included a recommendation of pursuing commercial retail authority. At that time, the Commission requested staff bring this matter to a future Commission meeting and provide information on changes in broadband and feedback received from the District's Retail Service Providers (RSPs). Through the presentation, Mr. Hooper reported on the District's broadband Mission and Vision statements, current projected broadband revenues, and grant funding opportunities. He reported on the RSPs that have been purchased by larger broadband service providers since the March update and shared the comments received from the current RSPs regarding the District's broadband services.

Mr. Hooper reviewed some potential opportunities that included private/public partnerships. Mr. Rhees reported on the integration opportunity with Noanet and noted that there have been several discussions with NoaNet staff on the matter. There was general discussion on the services NoaNet would be able to provide and the terms that would be needed to integrate the District's services with NoaNet. Discussion ensued.

Commissioner Gordon asked what can be done to help mitigate an overbuild by other broadband service providers and Mr. Hooper reported that staff is reviewing possible adjustments to the broadband services rate schedule. He noted that adjustments to the rates always come with both positive and negative impacts. Commissioner Wright noted that adjusting the rates may be necessary to mitigate the overbuild, which would have a greater negative impact. Commissioner Wright reiterated the importance in finding solutions to mitigate overbuilds.

Commissioner Gordon requested staff provide a broadband update quarterly moving forward.

CLAIMS

Mr. Fuentes reported that there were no new claims to report.

Mr. Rhees requested an executive session prior to beginning his General Manager/CEO report.

At 3:05 p.m., Commissioner Gordon called for an executive session to discuss current litigation as allowed per RCW 42.30.110(i) *to discuss with legal counsel representing the agency litigation when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency*, to begin immediately and end at 3:10 p.m.

At 3:10 p.m., Commissioner Gordon ended the executive session and reconvened the regular meeting.

GENERAL MANAGER/CEO REPORT

Mr. Rhees reported that:

- The purchase agreement for the property located at 8618 N Railroad Avenue with Grays Harbor Public Utility District No. 1 (Grays PUD) was executed, and noted the final agreed upon purchase price was \$350,000. He reported that Grays PUD has 15 days from the day of the agreement execution to transfer their ownership of the property.
- He will attend both September Commission meetings virtually and noted that he will be in travel status for the PPC Executive Committee visit to Southwest Power Pool Headquarters.
- There is a transmission line that runs from BPA's substation down Court Street to the Ruby Street substation that is owned by BPA. He noted that the transmission line is in dire need of upgrades that would benefit the District. He reported that these upgrades are not a priority for BPA. Mr. Rhees reported that staff will pursue taking ownership of the line to complete the needed upgrades.
- Staff is looking at potentially going out for a new bond issue this fall.
- Staff is evaluating the land near the Cochrane substation to assess the feasibility of surplus the property.
- Staff is coordinating a meeting with local legislatures.

ASSITANT GENERAL MANAGER REPORT

Ms. Dohrman reported that:

- Customers continue to sign up for paperless billing and she provided an update on the current customers enrolled.
- The July monthly Key Performance Indicators report was included in the meeting packet, and she reviewed it. Commissioner Wright requested information on the current slice customers remaining and Ms. Dohrman noted she will provide the information at the next meeting.

OPERATIONS DIRECTOR REPORT

Mr. Ferraro reported that:

- Staff installed a 2,500 KVA transformer for the new Amazon buildings.
- Of the 43 meters left to be exchanged with smart meters staff has successfully exchanged all but three. He noted that staff will work with the remaining customers to get the final three meters exchanged.
- Lockout/tagout training was provided to the line crews.
- He and Mr. Fuentes participated in the annual review with a representative from Federated Rural Electric Insurance Exchange (Federated).
- For his audit, employee eligibility verifications were reviewed. He noted there were two missing, and the matter is being resolved.

PUBLIC INFORMATION OFFICER REPORT

Ms. Viera reported that:

- In follow up to the last month's discussion regarding surveying customers for the proposed 4-day X 10-hour work week, she reviewed staff's plan for the survey. The Commission concurred with the survey plan.
- Staff drafted the preliminary 2024 Commissioner Budget, and she provided a handout for Commission review.
- An Employee Recognition Luncheon is scheduled for Thursday, September 21 at 11:30 a.m. to 1:30 p.m. in the downtown garage.
- This week is World Water Week which includes August 24 as the national hydropower day. The District participated by posting to social media and amplifying the posts of the hydro industry using the "#HydroDay" hashtag.
- Mr. Rhees will provide a State of the PUD presentation to the Pasco Kiwanis group on September 14.
- As reminders she noted that Public Power Week is October 1-7, RiverFest will be October 7, from 10 am - 2 pm at Columbia Park and there are two Commission meetings next month, both on September 26. The special meeting will begin at 10 a.m. and is for the purpose of hearing a presentation on the District's Electric System. The other is the regular meeting at 1 p.m.

ENGINEERING DIRECTOR REPORT

Mr. Fuentes reported that:

- He was requesting the Commission meet on September 12, 2023 for the "if needed" regular meeting to allow staff to seek authorization to execute the contract for construction services needed for the Railroad Avenue Substation. The Commission agreed to meet on September 12, 2023 for the regular meeting.
- The Net Metering slide included in the KPI July report had lower numbers than previously reported on. He noted that the previous numbers included the direct current output instead of the alternating current output. He reported that the program requires alternating current output information and staff will use this data moving forward. Commissioner Wright requested staff show a map showing the general areas where net metering is on the District's system. Mr. Fuentes reported he will provide the information at a future meeting. Commissioner Gordon noted it was important to have a plan prepared for when the District meets the cumulative generation capacity.
- For his audit, he reported on the meeting with Federated and noted that many questions are asked regarding pole and line inspections and includes a physical tour of the District's electric service infrastructure. He noted that the meeting had gone well.

OUTSIDE GENERAL COUNSEL

Mr. Whitney reported that:

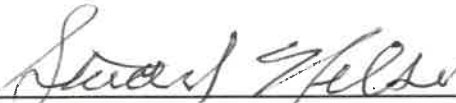
- As part of the purchase agreement for the property located at 8618 N Railroad Avenue, he was assisting the District with obtaining the water rights associated with the property.

CLOSING OF MEETING - ADJOURNMENT

With no further business to come before the Commission, Commissioner Gordon adjourned the regular meeting at 3:41 p.m. The next meeting will be a special meeting at 10 a.m., on September 12, 2023 for the purpose of hearing a presentation on the District's Electric System, the next regular meeting will be on September 26, 2023, at 1:00 p.m. Both meetings will be held at the District's Auditorium located at 1411 W. Clark St. Pasco, WA. Remote technology options will be provided for members of the public to participate.



William Gordon, President



Stuart Nelson, Vice President



Roger Wright, Secretary