The Board of Commissioners
of
Public Utility District No. 1 of Franklin County

MINUTES OF THE AUGUST 25, 2020
REGULAR COMMISSION MEETING

The Board of Commissioners of Public Utility District No. 1 of Franklin County held a regular meeting at 1411 West Clark St., Pasco, WA, on August 25, 2020 at 1:00 p.m. This meeting was ran in accordance with the *Proclamation by the Governor, Amending and Extending 20-05, 20-28 Open Public Meetings Act and Public Records Act 20-28-.8;* a conference call option was provided for the public to participate.

Those who participated via conference call from the District 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; Holly Dohrman, Assistant General Manager; Travis Scott, Operations Director; Steve Ferraro, Safety and Labor Relations Director; Mike Gonzalez, Public Relations Director; Brian Iller, outside General Counsel, and Rosario Viera, Supervisor of Executive Administration.

Additional staff participating via conference call for all or part of the meeting was Ben Hooper, Broadband Manager.

There was no public participating via conference call for all or part of the meeting.

OPENING

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

PUBLIC COMMENT

There was no public participating via the conference call.

COMMISSIONER REPORTS

Commissioner Nelson reported that:

- He participated in the Tri City Hispanic Chamber monthly virtual meeting and noted that the local school superintendents provided an update on their respective school districts.

Commissioner Wright reported that:

- NoaNet is doing well and its board members are researching capital financing options for NoaNet in the future. He reported on the capital financing options being considered which include: individual project financing by NoaNet members, commercial bank financing, either with current bank or another bank, a member line of credit, continued use of cash, and bonding. Commissioner Wright noted that bonding may be a favorable opportunity, as interest rates are historically low and would provide NoaNet the flexibility needed to continue to build infrastructure. He reported that he will be meeting with District staff to discuss the matter further. Discussion ensued. Commissioner Gordon and Commissioner

Nelson expressed general agreement with the District supporting NoaNet in bonding for its future capital projects.

Commissioner Gordon did not report.

CONSENT AGENDA

The Commission reviewed the Consent Agenda. The Commission asked questions on various items listed on the warrant registers and staff provided the information.

Commissioner Wright requested a correction to his report and noted that there was no formal NoaNet meeting in July.

He also requested that clarification be provided to Mr. Gonzalez's staff report and have it read "Once the current ads for the Help Campaign and promotion of mask use are completed, *this type of advertising* will be put on hold. *He noted that District will continue to provide pertinent customer information.*" Commissioner Wright reported that it was important to note that the District is still proving customers with pertinent information.

Commissioner Wright moved and Commissioner Nelson seconded to approve the Consent Agenda as follows:

1) To approve the minutes of the July 28, 2020 Regular Commission Meeting with the noted corrections to the respective reports of Commissioner Wright and Mr. Gonzalez.

2) To approve payment of expenditures for July 2020 amounting to $7,485,914.38 as audited and certified by the auditing officer as required by RCW 42.24.080, and as reviewed/certified by the General Manager 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	$ 708,425.18
Wire Transfers (Wires)	4,793,380.86
Automated and Refund Vouchers (Checks)	1,229,325.62
Direct Deposits (EFT)	754,782.72
Voids	(0.00)
Total:	$ 7,485,914.38

3) To declare final acceptance of the work completed as inspected by the District; to authorize release of available retainage; and to approve final payment in the amount of $1,082.60 for work completed by Boyd's Tree Services under Contract 9095, Tree Trimming Services.

The motion passed unanimously.

AGENDA ITEM 6
RE-OPENING THE INTEGRATED RESOURCE PLAN PUBLIC HEARING, PRESENTING THE FINAL 2020 INTEGRATED RESOURCE PLAN, CLOSING THE PUBLIC HEARING AND ADOPTING A RESOLUTION APPROVING THE 2020 INTEGRATED RESOURCE PLAN FOR THE PERIOD 2021-2030.

Commissioner Gordon re-opened the public hearing on the District's Integrated Resource Plan (IRP) and called on Ms. Dohrman to present the agenda item. Ms. Dohrman reviewed the background information as noted on the Agenda Item Summary included in the meeting packet and reported that the IRP was reviewed last month with the Commission. The Commission asked various questions and Ms. Dohrman provided the information.

Staff recommended that after hearing any public comment, and review and discussion, the Commission close the public hearing and adopt the resolution approving the 2020 Integrated Resource Plan for the period 2021-2030. Commissioner Gordon called for public comment and no public was participating.

Commissioner Nelson moved and Commissioner Wright seconded to close the 2020 Integrated Resource Plan public hearing and adopt Resolution 1340 as presented. The motion passed unanimously.

AGENDA ITEM 7
ADOPTING A RESOLUTION APPROVING A REVISED BROADBAND SERVICES AND FACILITIES RATE SCHEDULE AND SUPERSEDING RESOLUTION 1323.

Mr. Ferraro presented this agenda item and reviewed the background information as noted on the Agenda Item Summary included in the meeting packet. He reported that staff had reviewed and discussed the proposed changes at the July 28, 2020 Commission meeting. He asked Mr. Hooper to address the Commission and provide more information.

Mr. Hooper reported on the proposed revisions. He noted that the broadband market changes rapidly and the revisions will help the District and smaller Retail Service Providers (RSPs) remain competitive. Mr. Hooper reported that other utilities are offering an Aid to Construction Credit and have successfully increased services. Discussion ensued. Staff reviewed their recommendation.

Commissioner Wright moved and Commissioner Nelson seconded to adopt Resolution 1341 as presented. The motion passed unanimously.

Mr. Ferraro requested that Mr. Hooper provide the Commission an update on the District's broadband. Mr. Hooper reported that the District currently serves 33 RSPs and that requests for new services continue to increase. He noted the RSPs in Connell have been able to provide more reliable service because of the District's infrastructure.

Commissioner Wright reported that the demand for fast and more reliable broadband is growing and that the District should begin to work in partnership with other public entities to identify what the District's role should be in providing broadband services to the unserved and underserved areas of the City and County. Mr. Rhees reported that the District has already been contacted by the City of Pasco for collaboration on this matter and that staff will continue to work with them to the extent allowed. There was discussion on the current legislation that would allow utilities to be a RSP. Discussion ensued.

Mr. Hooper provided an update on small cell service and noted that the District has received a request for this service. He noted that the requestor was provided the District's Small Cell Agreement for completion. The Commission asked questions regarding the placing of equipment for small cell service on District poles. Discussion ensued. Mr. Iller reported that the District's Small Cell Agreement was written in compliance with the FCC rulings on small cells, and for the purpose of protecting the District and its customers.

The Commission thanked Mr. Hooper for the information provided.

AGENDA ITEM 8

REVIEWING ADMINISTRATIVE POLICIES.

Ms. Dohrman presented this agenda item and reviewed the background information as noted on the Agenda Item Summary included in the meeting packet. She noted that staff has been actively reviewing policies and procedures to consolidate when possible, and update as needed for better understanding. She reported that the Administrative Documents Review at a Glance document was included in the packet and she reviewed it.

Ms. Dohrman reported that staff has updated the following three policies:

- GM -16, Purchasing Approval and Payment Authority - revised to include the use of electronic signatures, aligning the General Manager approval limits with the new bid laws, and cleaning up position titles.
- HR- 23, Reimbursement of Interview & Moving Expenses – this is a combination of two existing policies, and was revised to provide clarification on the process, and approval of the covered expenses.
- GM – 60, Managing Anonymous Allegations – revised to remove position titles from the Allegations Committee. The process for dealing with an anonymous complaint against a Commissioner or a member of management remains the same.

She reported that staff will send these polices via email to the Commission for their review. She noted that staff will bring these policies for Commission consideration of approval or adoption to the September Commission meeting. She reported no motion was needed.

AGENDA ITEM 9

PROVIDING AN UPDATE ON THE PANDEMIC EMERGENCY EVENT.

Mr. Rhees presented this agenda item and reported that on March 16, 2020 he had declared a Pandemic Emergency event. He reported on the work status of employees and provided updates on the District's departments. Mr. Rhees reported that staff continues to monitor all aspects of the District closely and reviewed the handouts on the accounts receivable aging report and power supply loads. He expressed his gratitude towards customers and noted that most customers have been working with the District to remain current on their electric service accounts.

Mr. Rhees noted that staff will bring closed customer accounts that need to be written off to the October meeting. The Commission asked when Mr. Rhees plans on bringing staff back into the buildings. Mr. Rhees noted that bargaining employees would be brought back into the building when the County has entered into Phase 2 of the Governor's Safe Start Washington process, and the other employees will continue to work remotely. He reported that the District would resume its normal business hours of 8:30 a.m. to 5 p.m. at Phase 2 as well.

The Commission asked about re-opening the lobby to customers and what is being done. Mr. Rhees noted that staff is actively preparing for the re-opening of the lobby to make sure the necessary precautions are in place, and noted that this would not happen until the County entered into Phase 3. Mr. Rhees noted that no motion was needed and he was reporting only.

CLAIMS

Ms. Dohrman reported there were no new claims to report.

GENERAL MANAGER'S REPORT:

Mr. Rhees noted that his report was provided as part of Agenda Item 9 and called on staff to provide their respective reports.

ASSISTANT GENERAL MANAGER'S REPORT:

Ms. Dohrman reported that:

- The meeting packet included the July monthly budget status reports and she reviewed them. She noted that the requested power charts on water and daily pricing were included. Ms. Dohrman reported that the District continues to perform well. There was discussion on the capital spending report and the Commission asked about the system maintenance capital projects that were being deferred. Mr. Rhees reported that staff is monitoring system reliability and infrastructure to ensure reliability is not compromised.
- For her audit, she noted employees were provided remote work set ups and cell phones. She reported that the items employees received were compared to what IT documented was given to the employee. She noted minor items, such as cables and head sets were missing on a few lists, but for the most part the lists were accurate.

STAFF REPORTS:

Mr. Gonzalez reported that:

- He continues to work with the District's lobbyist and WPUDA on the moratorium for customer disconnects and a proposed "compassionate disconnect" process that would enable utilities to disconnect services.
- He is working on a dam documentary and noted that the first videos have been filmed and uploaded on the District's social media sites. He noted that the videos are being viewed.
- He continues to work with Northwest River Partners on the maximum daily temperature load for the Columbia River System.
- The District's social media sites are gaining followers.

Mr. Ferraro reported that:

- The Engineering department is working on various projects, including a residential subdivision, system study with BPA, and research for additional transmission capacity. He noted that processes are being reviewed and the field engineers are working on creating a work order output form to help capture hours and material costs, etc. for projects.
- The HR department completed a Health Advocate Census audit to ensure that covered employees have access to the benefits and services.

- For his audit, he reviewed the current listing for District Commercial Driver's License (CDL) holders to what the federal testing program reports. He noted they matched and District CDL holders are being randomly tested according to law.

Mr. Scott reported that:

- There were 35 outages since the last Commission meeting and noted that 11 of those outages were due to the storm that had occurred in mid-August. He noted that staff had responded quickly and that electric service had been restored timely to customers.
- The meter shop and line crews continue to work on the Landis & Gyr Gridstream meter installation outside of the City of Pasco.
- The line crews continue to work on staggered start and stop times to ensure crews remain healthy and available for work.
- In follow up to his July meeting audit report, he researched the Pasco bulk fuel terminal site. He noted that the site had been deemed contaminated but that treatment systems have been in place since 2018. The soil at the site has been tested and passed the criteria.
- For his audit, he performed a more in depth review of the District's fuel charges. He noted that he compared mileage and weekly OPIS rates from the invoices, to the fuel usage recorded in the District's systems. He noted that the accounting department had provided a report that he was able to use for his comparison and found that charges were not charged to the appropriate department. He noted that this has been corrected.
- Landis and Gyr Gridstream meters have been installed in the Connell area and noted that because of this, staff received an alarm indicating a meter outage. The Connell area service representative was dispatched to verify the outage and when he arrived was able to see that the meter had been tampered with. Mr. Scott reported that after visiting the site for himself, he was certain that the District was able to avoid a meter tampering circumstance due to the alert received.

Mr. Iller did not report.

MEETING ADJOURNMENT

With no further business to come before the Commission, Commissioner Gordon adjourned the meeting at 2:24 p.m. The next regular meeting will be on September 22, 2020 and begin at 1:00 p.m. and will be run in accordance with the current Governor Proclamation in effect.

William Gordon

William Gordon, President

Stuart Nelson

Stuart Nelson, Vice President

Roger Wright

Roger Wright, Secretary