

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

MINUTES OF THE OCTOBER 24, 2023
SPECIAL COMMISSION MEETING

The Board of Commissioners of Public Utility District No. 1 of Franklin County, Washington held a special meeting at 1411 W. Clark St., Pasco, WA, on October 24, 2023, at 8:00 a.m. Remote technology options were provided for the public to participate.

Those who participated from the District via remote technology or in person 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; Steve Ferraro, Operations Director; Victor Fuentes, Engineering Director; Katrina Fulton, Finance and Customer Service Director; and Rosario Viera, Public Information Officer.

Additional staff that participated in person or via remote technology for all or part of the meeting were Rich Sargent, Power Manager; Norm Rummel, Senior Power Analyst; Jenny Orvis, Senior Accountant; and Shelly Olson, Records Coordinator.

There were no members of the public participating in person or via remote technology for all or part of the meeting.

OPENING

Commissioner Gordon called the special meeting to order at 8:00 a.m. and called on Ms. Orvis to lead the Pledge of Allegiance.

Commissioner Gordon noted that the purpose of the special meeting was to conduct regular business as was noted on the special meeting notice that was published and reported that action will be taken at the meeting.

PUBLIC COMMENT

There was no public participating in person, via the remote technology option or written public comment provided prior to the meeting.

EMPLOYEE MINUTE

Commissioner Gordon welcomed Ms. Orvis and noted that it was the intent of the Commission to hear from employees and check how they are doing. Commissioner Gordon asked general

wellbeing questions that included what Ms. Orvis was most proud of, favorite parts of her job, biggest challenge, and what change she would make at the District.

Ms. Orvis reported she was most proud of being part of the accounting team. She noted that she feels very supported by her peers and feels very much a part of a team. She reported that her favorite part of her job is preparing the District's financial statements and solving discrepancies to ensure perfectly balanced accounts. She expressed that there wasn't a lot of challenges during the pandemic as the accounting team had already adopted electronic processes making workflow seamless. She noted her appreciation for the IT department in getting employees setup to work remotely. She reported that a change she would make would be to implement a 4-day x 10-hour week schedule. She noted that having three days off for personal time would be rewarding. She reported that a safety improvement for her is the ability to work remotely and noted that she does not have to worry about working alone in the building and having to walk to and from her car in the early mornings or late evenings.

The Commission thanked Ms. Orvis for attending.

COMMISSIONER REPORTS

Commissioner Wright did not report.

Commissioner Nelson reported that:

- He attended the Pasco Chamber meeting and reported that the local candidates for City Council were present.
- He attended the PPC monthly meeting.

Commissioner Gordon reported that:

- He recently traveled overseas and shared some of his travel experiences.
- He attended Part 2 of the Wellness event out at Operations site and noted he appreciated the speaker's message.

CONSENT AGENDA

The Commission reviewed the Consent Agenda. 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 September 26, 2023, Special Commission meeting and September 26, 2023, Regular Commission meeting.
- 2) To approve payment of expenditures for September 2023 amounting to \$15,347,178.42 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	\$ 495,104.72
Wire Transfers	12,212,934.17
Automated and Refund Vouchers (Checks)	1,164,980.47
Direct Deposits (EFTs)	1,474,782.55
VOIDS	(623.49)
Total:	\$ 15,347,178.42

- 3) To approve the Write Offs in substantially the amount listed on the October 2023 Write Off Report totaling \$3,657.12.
- 4) To approve expenditure for a conservation contract with Reser's Fine Foods, Inc., Contract No. 10268 for refrigeration upgrades in the amount of \$248,510, effective October 3, 2023.

AGENDA ITEM 6, RE-OPENING THE 2024 BUDGETS PUBLIC HEARING, PRESENTING THE UPDATED PRELIMINARY 2024 OPERATING AND CAPITAL BUDGETS, AND RECESSING THE PUBLIC HEARING.

Commissioner Gordon re-opened the 2024 Operating and Capital Budgets hearing. There was no public participating in the meeting to provide public comment and no public comment was received prior to the meeting. Commissioner Gordon called on Ms. Fulton for presentation of the Agenda Item.

Ms. Fulton reported that there were no changes to the preliminary budgets that were presented in September as indicated on Attachments A and B of the Agenda Item.

Commissioner Gordon requested staff keep budget carry overs to a minimum. Staff reviewed the recommendation.

Commissioner Wright moved and Commissioner Nelson seconded to recess the 2024 Operating and Capital Budgets public hearing to the November 14, 2023, Commission Meeting. The motion passed unanimously.

AGENDA ITEM 7, DISCUSSING PROPOSED REVISIONS TO ADMINISTRATIVE POLICY 54, DISTRICT FINANCIAL POLICY.

Ms. Fulton introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary that was in the meeting packet. She reviewed the revised Financial

Policy (Attachment A of the Agenda Item). There were questions and discussion during the review of the Financial Policy. Ms. Fulton noted that staff will bring back the revised Financial Policy for final Commission review and consideration of adoption to the November 14, 2023 Commission meeting.

AGENDA ITEM 8, POWER RESOURCES PRESENTATION.

Mr. Rhees reported that Ms. Dohrman was unable to attend the meeting and that Mr. Sargent would be presenting the agenda item. Mr. Rhees reported that Mr. Sargent would be retiring soon and expressed his appreciation for his years of service to the District. Mr. Sargent thanked the Commission and staff and noted that he has enjoyed his career with the District and noted that the District has a lot of challenges ahead in respect to the power markets and industry. The Commission thanked Mr. Sargent for his years of service.

Through a presentation, Mr. Sargent provided information on the District's power resources. He provided an overview of the District's loads, current resources, compliance requirements, future load growth and demand forecasts. There were questions and discussion during the presentation. Mr. Sargent noted no action was needed and he was reporting only.

AGENDA ITEM 9, ADOPTING A RESOLUTION ISSUING THE FINAL DETERMINATION ON THE PUBLIC UTILITY REGULATORY POLICIES ACT (PURPA) STANDARDS ENACTED BY CONGRESS THROUGH THE INFRASTRUCTURE INVESTMENT AND JOBS ACT OF 2021.

Mr. Rhees introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. Staff reported that there was no public comment provided prior to the meeting.

Mr. Rhees noted that the District was required to consider implementation of the two new PURPA Standards. He reviewed the information that was provided at the September 26, 2023 Commission meeting and provided a summary on the standards and the District's final determination of the standards. Staff reviewed their recommendation.

Commissioner Wright moved and Commissioner Nelson seconded to adopt Resolution 1397 as presented. The motion passed unanimously.

AGENDA ITEM 10, ADOPTING A RESOLUTION FINDING DISTRICT PROPERTY SURPLUS AND AUTHORIZING THE DISPOSAL OF THE SURPLUS PROPERTY.

Mr. Ferraro introduced the agenda item and reviewed the information included in the Agenda Item Summary included in the meeting packet. The Commission asked general questions on the disposal method of the vehicles and staff provided information. Staff reviewed their recommendation.

Commissioner Nelson moved and Commissioner Wright seconded to adopt Resolution 1398 as presented. The motion passed unanimously.

AGENDA ITEM 11, AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO EXECUTE A CONTRACT FOR THE CONSTRUCTION OF A DOUBLE CIRCUIT TRANSMISSION LINE FOR THE RAILROAD AVENUE SUBSTATION.

Mr. Fuentes introduced the agenda item and reviewed the background information included in the Agenda Item Summary included in the meeting packet.

In September 2023, the District requested sealed bids from contractors on the District's Pre-Qualified Contractors List to furnish labor and equipment needed to construct a double circuit transmission line to service the District's Railroad Avenue Substation. Staff received and evaluated two (2) bids:

<u>Bidder:</u>	<u>Total Bid:</u>	<u>Exceptions:</u>
DJ's Electric Inc.	\$584,212	No
Potelco Inc.	\$604,812	No

Staff determined that the bid submitted by DJ's Electric Inc. was the lowest responsive bid and within the District's estimate. Staff reviewed their recommendation.

Commissioner Wright moved and Commissioner Nelson seconded to authorize the General Manager/CEO or his designee to execute a contract with DJ's Electric, Inc., the lowest responsive bidder, for the construction of a double circuit transmission line in an amount not to exceed \$584,212. The motion passed unanimously.

AGENDA ITEM 12, DISCUSSING THE CUSTOMER SURVEY RESULTS FOR THE PROPOSED CHANGE TO THE DISTRICT'S BUSINESS HOURS.

Ms. Viera introduced the agenda item and reviewed the background as reported in the Agenda Item Summary included in the meeting packet. Through a presentation, Ms. Viera provided the results of the customer survey. She reported on survey questions asked, the number of customer responses received, and survey duration and process. She noted that surveys were conducted in person, via telephone, drive thru, online and by going to two local grocery stores.

She reported that 88% of the customers surveyed had no objection to the proposed change in hours. She noted that many customers were excited about the possibility of the extended hours. Ms. Viera reported that if the Commission concurred, staff will bring back the matter to the November 14 Commission meeting for final consideration of changing the District's hours of operation. Mr. Rhees noted that staff's proposal will include business hours of Monday through

Thursday, closed on Fridays, with operational hours of 7 a.m. to 6 p.m. for customer service.

The Commission concurred. Mr. Rhees reported that if approved, the new hours and workdays would be effective on January 1, 2024, and noted that this will allow time to provide notice to District customers.

Ms. Viera expressed that it was a successful campaign and was a great opportunity to meet our customers and find out what services and programs were important to them. She noted that customers were interested in energy efficiency, incentives and rebates and ways to conserve energy. The Commission expressed their appreciation to staff and noted the survey was done well.

CLAIMS

Commissioner Gordon called on Mr. Fuentes. Mr. Fuentes reported that there were no new claims to report and provided an update on a previously reported on claim that has been denied by Federated.

GENERAL MANAGER/CEO REPORT

Mr. Rhees reported that:

- Staff will hold their reports and audits until the November 14, 2023, regular Commission meeting.
- Mr. Kurt Miller, Executive Director of Northwest River Partners has been hired as the new Executive Director for the Northwest Public Power Association and will begin on November 30, 2023.
- The leadership staff will meet with local legislators and state representatives on October 30, 2023 and reported on the some of the topics that will be discussed.
- Staff has provided comments on BPA's draft Provider of Choice Policy and direction on potential day ahead market participation.
- Through the Public Power Council (PPC) a letter was sent to BPA asking for their participation in funding for the Small Modular Reactor (SMR) project that is being spearheaded through Energy Northwest.

Commissioner Gordon reported that it would be nice if new nuclear be included as a clean and qualifying resource for Initiative 937.

OTHER STAFF REPORTS

Mr. Sargent reported that:

- The September 2023 Key Performance Indicator report was included in the meeting packet, and he reviewed it.

Ms. Viera reported that:

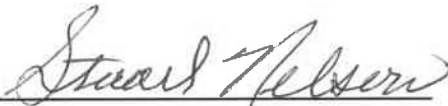
- The District participated in Riverfest 2023 and reported that the District's booths were very popular. She noted that there was a steady stream of visitors at the event.

CLOSING OF MEETING – ADJOURNMENT

With no further business to come before the Commission, Commissioner Gordon adjourned the regular meeting at 9:31 a.m. The next meeting will be a regular meeting on November 14, 2023, at 1:00 p.m. and will be held at the District's Auditorium located at 1411 W. Clark Street, 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