

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

MINUTES OF THE NOVEMBER 14, 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 November 14, 2023, at 1:00 p.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; Rosario Viera, Public Information Officer and Tyler Whitney, Outside Counsel.

Additional staff that participated in person or via remote technology for all or part of the meeting were Jenny Orvis, Senior Accountant; Noel Contreras, Facilities Maintenance Worker 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 meeting to order at 1:00 p.m. and called for a moment of silence in honor of Holly Dohrman, Assistant General Manager who recently passed.

Commissioner Gordon called on Mr. Contreras to lead the Pledge of Allegiance.

PUBLIC COMMENT

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

SERVICE AWARD – 10 YEARS

Commissioner Gordon called on Ms. Fulton, who introduced Ms. Orvis. Ms. Fulton reported that Ms. Orvis is an excellent and dependable employee that embodies all the District's values. She congratulated Ms. Orvis on her ten years of service to the District. The Commission asked Ms. Orvis what she enjoyed most about working at the District. Ms. Orvis reported that she enjoys working remotely and finds joy in the variety of tasks she is assigned every day. The Commission thanked Ms. Orvis for her years of service.

EMPLOYEE MINUTE

Commissioner Gordon welcomed Mr. Contreras 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 Mr. Contreras was most proud of, favorite parts of his job, biggest challenge, and what change he would make at the District.

Mr. Contreras reported he takes great pride in his ability to assist people, and that the staff appreciates the work that he does. He reported that he enjoys utilizing his skills to successfully complete projects. He noted that the District has provided numerous opportunities for him to grow and develop his skillset and expressed his appreciation. He reported that one of the challenges was adapting to the new norms to keep himself and his family safe and healthy during the pandemic. He noted that there have been many safety improvements such as the installation of new fire alarms, the placement of signage at the substations, and the addition of fencing to prevent homeless individuals from loitering around the building. The Commission thanked Mr. Contreras for attending.

COMMISSIONER REPORTS

Commissioner Nelson reported that:

- He attended the PPC and PNUCC annual meetings.
- He attended the Pasco Chamber meeting.

Commissioner Wright reported that:

- In honor of Ms. Dohrman, he shared some of the sentiments he had received from those that knew her. He expressed that she was a dedicated individual to the District.
- NoaNet continues to discuss options on how to expand membership to include cities and municipalities. He noted that efforts were being made to find a solution that would ensure a fair and equitable distribution of ownership and voting rights amongst members. He reported that a draft of the new membership proposal would be presented at the NoaNet December meeting with anticipation of approving in early 2024. He noted that NoaNet will be moving into their new office space in the Spokane Valley in January 2024.

Commissioner Gordon did not report.

CONSENT AGENDA

The Commission reviewed the Consent Agenda. Commissioner Gordon asked questions on the solar incentive credits that were listed on the warrant register and Mr. Rhees provided the information. Commissioner Wright commended staff on keeping the write-offs low.

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 October 24, 2023, Special Commission meeting.

- 2) To approve payment of expenditures for October 2023 amounting to \$11,921,530.88 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	\$ 493,209.45
Wire Transfers	6,767,581.86
Automated and Refund Vouchers (Checks)	1,738,564.70
Direct Deposits (EFTs)	2,942,121.35
Voids	(19,946.48)
Total:	\$ 11,921,530.88

- 3) To approve the Write Offs in substantially the amount listed on the November 2023 Write Off Report totaling \$2,575.84.

AGENDA ITEM 7, 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 reviewed Attachments A and B and reported there was a crosswalk change on Attachment B. She noted that two vehicles were purchased this year and a reduction of \$185,000 was done in the Vehicles category. Staff reviewed their recommendation.

Commissioner Wright moved and Commissioner Nelson seconded to recess the 2024 Operating and Capital Budgets public hearing to the December 12, 2023, Commission meeting. The motion passed unanimously.

AGENDA ITEM 8, ADOPTING A RESOLUTION APPROVING A REVISED FINANCIAL POLICY FOR THE DISTRICT (ADMINISTRATIVE POLICY 54) AND SUPERSEDING RESOLUTION 1273.

Ms. Fulton introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. Ms. Fulton reported that changes were reviewed at the October 24, 2023 Special meeting. She reported that the revised Financial Policy was included as Exhibit A to Resolution 1399. Staff reviewed their recommendation.

Commissioner Wright moved and Commissioner Nelson seconded to adopt Resolution 1399 as presented. The motion passed unanimously.

AGENDA ITEM 9, ADOPTING A RESOLUTION AMENDING THE POLICIES AND PROCEDURES FOR RISK MANAGEMENT AND TRADING OPERATIONS AND SUPERSEDING RESOLUTION 1395.

Ms. Fulton introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet.

Ms. Fulton reported that the current policies are very specific to voting Risk Management Committee member titles. She noted that the proposed changes would allow the General Manager/CEO to fill vacancies on the Risk Management Committee and ensure business continuity. She noted that no other substantive changes were being recommended.

The Commission concurred with the proposed changes and noted that notification of who the voting members are should be provided to the Commission when changes are done.

Commissioner Wright moved and Commissioner Nelson seconded to adopt Resolution 1400 as presented. The motion passed unanimously.

Ms. Viera requested a revised motion to allow staff to amend the resolution to include the language “when such changes are made to the voting members of the Risk Management Committee the General Manager/CEO will provide notification to the Commission at the next regular Commission meeting.”

Commissioner Wright moved and Commissioner Nelson seconded to revise the motion to adopt Resolution 1400 with the amended language “when changes are made to the voting members of the Risk Management Committee the General Manager/CEO will provide notification to the Commission at the next regular Commission meeting.” The amended motion passed unanimously.

AGENDA ITEM 10, APPROVING THE 2024 REGULAR COMMISSION MEETING SCHEDULE AND APPOINTING THE 2024 BOARD OF COMMISSION OFFICERS.

Ms. Viera introduced the agenda item and reviewed the information included in the Agenda Item Summary included in the meeting packet. Staff reviewed their recommendation.

Commissioner Nelson moved and Commissioner Wright seconded to approve the 2024 regular meeting schedule as presented with the 2024 officers to be Stu Nelson, President; Roger Wright, Vice President and Bill Gordon, Secretary effective January 1, 2024. The motion passed unanimously.

AGENDA ITEM 11, APPROVING NEW BUSINESS HOURS FOR THE DISTRICT.

Ms. Viera introduced the agenda item and reviewed the background information included in the Agenda Item Summary included in the meeting packet. Ms. Viera reported that if the Commission approved the new customer service business hours for the District, staff would begin notifying customers through various channels such as social media, reader board, the

Hotline newsletter, lobby signage, SmartHub, and the website.

The Commission inquired on the operating hours for the customer service lobby and noted it was important to be open in both the lobby and drive-thru from 7 a.m. to 6 p.m. After discussion, the Commission agreed that the lobby and drive-thru should be open from 7 a.m. to 6 p.m. Staff reviewed their recommendation. Ms. Viera noted that staff will bring the Organizational Statement to reflect the changes in operational hours to the December 12, 2023, meeting for approval.

Commissioner Wright moved and Commissioner Nelson seconded to approve the hours of Monday through Thursday, closed on Fridays, with operation hours of 7 a.m. to 6 p.m. for customer service to be effective January 1, 2024. The motion passed unanimously.

AGENDA ITEM 12, RATIFYING THE EXECUTION OF A CONTRACT FOR SOFTWARE AS A SERVICE (SAAS) AGREEMENT FOR THE ADVANCED METERING INFRASTRUCTURE.

Mr. Rhees introduced the agenda item and reviewed the background information as reported in the Agenda Item Summary included in the meeting packet. The Commission noted concern in the vendor's access to information and staff noted that the vendor does not have access to personal identifiable information of customers. Staff reported on what data would be accessible to the vendor. Staff reviewed their recommendation.

Commissioner Wright moved and Commissioner Nelson seconded to ratify the execution of the SaaS Agreement with Landis+Gyr Technology Inc. for third party hosting of the District's Smart Grid software in an amount not to exceed \$203,275 for the three-year term of the agreement.

AGENDA ITEM 13, REVIEWING THE 2023 CONSERVATION POTENTIAL ASSESSMENT REPORT FOR THE DISTRICT.

Ms. Fulton introduced the agenda item and reviewed the background information as reported in the Agenda Item Summary included in the meeting packet. Through a presentation Ms. Fulton reported on the findings of the Conservation Potential Assessment Report for 2024-2043. She noted that conservation potential and biennial targets must be established by action of the utility's governing board. There were questions and discussion throughout the presentation. She noted that staff will bring back the conservation potential and biennial targets as were presented today to the December Regular meeting for review and Commission consideration of approval.

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:

- Ms. Dohrman had been a highly dedicated employee and expressed that she had an amazing work ethic. He reported that she had worked full time during her courageous battle with cancer. He noted that her passing is a huge loss for the District and noted she had made significant contributions to the District. He reported that the division of duties has been carefully considered to ensure that tasks are managed effectively.
- The Utah Associated Municipal Power Systems (UAMPS) and NuScale Power Corporation (NuScale) (NYSE: SMR) shared a press release announcing that the parties have mutually agreed to terminate the project.
- The leadership staff met with local legislators and state representatives on October 30, 2023, and he reported on some of the topics that were discussed. He noted that the meeting had gone very well.
- Staff has begun discussions with BPA on potentially securing ownership of the Franklin to Ruby transmission line that runs on Court Street.
- A mediation settlement is forthcoming for the lawsuit involving the Snake River Dam. He noted that more information will be shared at the December Commission meeting.
- Due to the short meeting turnaround the October Key Financial Indicators and budget status monthly report will be provided in December.

FINANCE AND CUSTOMER SERVICE DIRECTOR REPORT:

Ms. Fulton reported that:

- The current timeline for the potential sale of bonds in 2024 is issuance in early April. She noted that market conditions are continually being evaluated for optimum timing and receipt of funds.
- Staff continues to work on the Cost of Service Analysis and Rate Study.
- She and Mr. Fuentes met with OneEnergy regarding the Palouse Junction Solar Project.
- The District will host Winter Weatherization workshops on December 8, 2023.
- For her audit, staff reviewed banking service fees charged by Umpqua bank to ensure that the District is being charged in accordance with the banking services contract and only for services being utilized. No exceptions were found.

Commissioner Wright inquired how often staff audited smart meters once the smart meter is installed. Mr. Ferraro reported on the process for auditing meters.

OPERATIONS DIRECTOR REPORT:

Mr. Ferraro reported that:

- The Operations crews continue to be busy and noted that pad mount transformers and switch gear have been installed in the Burn's addition.
- Future vehicle purchases will be challenging due to supply chain issues.
- The OSHA inspector was onsite, and he reported that the apprentice had done a great job answering the OSHA inspector's questions.

- Cold stress training was provided to Operations employees.
- The Facilities Maintenance employees are doing a great job and reported on recent projects completed.
- Open enrollment began on November 1 through November 30, 2023. He noted this was an opportunity to make changes to benefits being subscribed to and noted that Ms. Ransom would be available to answer questions, if needed.
- For his audit, he inventoried hydraulic filters, and all were accounted for.

PUBLIC INFORMATION OFFICER REPORT:

Ms. Viera reported that:

- She will email the Commission the presentation that was shared during the local legislative meeting.
- A Strategic Plan workshop needs to be scheduled and she provided dates for Commission consideration. The Commission agreed to hold a Special meeting for the purpose of holding a Strategic Plan workshop on January 23, 2024, to begin at 8 a.m.

OUTSIDE GENERAL COUNSEL REPORT:

Mr. Whitney reported that:

- He appreciated the District's Public Records staff. He noted that they are very knowledgeable and do a great job.

ENGINEERING DIRECTOR REPORT:

Mr. Fuentes reported that:

- Progress continues at the Railroad Avenue Substation, and he provided an update on the progress.
- As was requested by Commissioner Wright, staff has begun the timeline for the Pasco CT and will provide a draft for review once it is available.
- Relay panels were replaced at the Ruby Substation. He noted that the mobile substation will be used to complete the repairs needed at the substation.
- Other utilities in the region had experienced substation fires and he provided more information on the fires. The Commission noted it was important to learn from these experiences.
- For his audit, he reviewed the outstanding invoices for service orders and noted staff was able to void 24 expired invoices as the projects did not proceed.

Commissioner Wright asked for an update on a customer that had reached out to him regarding the need of a transformer. Mr. Fuentes reported that the District is able to accommodate the customer and the business is expected to be energized in early 2024. Commissioner Wright thanked Mr. Fuentes for his assistance.

Commissioner Gordon reported that he had attended a meeting at Energy Northwest regarding a generation station outage and findings during the outage. He provided a summary of the

findings and noted that it was important to follow up in all processes.

CLOSING OF MEETING – ADJOURNMENT


With no further business to come before the Commission, Commissioner Gordon adjourned the regular meeting at 2:49 p.m. The next meeting will be a regular meeting on December 12, 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