

Public Utility District No. 1 of Franklin County, Washington REGULAR COMMISSION MEETING AGENDA

January 11, 2022 | Tuesday | 1 P.M.
1411 W. Clark Street, Pasco, WA
www.franklinpud.com

Following the Proclamation by the Governor, Franklin PUD Board of Commissioners meetings will only be available to the public via conference call. Members of the public may participate by dialing:

(888) 475-4499 US Toll-free or 1 (253) 215-8782

Meeting ID: 892 0830 7391 Passcode: 482596

- 1) Open Meeting
- 2) Pledge of Allegiance
- 3) Public Comment
- 4) Consent Agenda
 - a. Approval of the Minutes from the December 10, 2021 Special Meeting.
- 5) Authorizing the General Manager or his Designee to Execute a Contract for the Purchase of Three Phase Distribution Padmount Transformers.
Presenter: Victor Fuentes, Engineering Director
- 6) Executive Session, *If Needed*
- 7) Close Meeting

2022 Board of Commissioners

Roger Wright, President ~ Bill Gordon, Vice-President ~ Stu Nelson, Secretary

CONSENT AGENDA

Public Utility District No. 1 of Franklin County, Washington Regular Commission Meeting

1411 W. Clark Street, Pasco, WA
January 11, 2022 | Tuesday | 1 P.M.

- 1) To approve the minutes of the December 10, 2021 Special Commission Meeting.

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

MINUTES OF THE DECEMBER 10, 2021
SPECIAL COMMISSION MEETING

The Board of Commissioners of Public Utility District No. 1 of Franklin County held a special meeting at 1411 West Clark St., Pasco, WA, on December 10, 2021 at 9:00 a.m. This meeting was ran in accordance with the current *Proclamation by the Governor, Amending and Extending 20-05, and 20-28 Open Public Meetings Act and Public Records Act* in effect; a conference call option was 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 Stu Nelson, President; Commissioner Roger Wright, Vice President; Commissioner Bill Gordon, Secretary; Scott Rhees, General Manager; Holly Dohrman, Assistant General Manager; Steve Ferraro, Safety & Labor Relations Director; Victor Fuentes, Engineering Director; Brian Iller, outside General Counsel, and Rosario Viera, Supervisor of Executive Administration.

There was no additional staff that participated in person or via remote technology for all or part of the meeting.

There were no members of the public participating in person or via the conference call option for any part of the meeting.

OPENING

Commissioner Nelson called the meeting to order at 9:00 a.m. and called on Mr. Rhees to lead the Pledge of Allegiance.

Commissioner Nelson reported that the purpose of the special meeting was to hold two public hearings and conduct regular District business as noted on the meeting agenda. He reported that only matters listed on the agenda will be discussed.

PUBLIC COMMENT

Commissioner Nelson called for public comment and there was none.

He called on Mr. Rhees for introductions. Mr. Fuentes was introduced as the new Engineering Director and Mr. Rhees provided information on his work experience. The Commission welcomed Mr. Fuentes.

COMMISSIONER REPORTS

Commissioner Nelson reported that:

- He attended the WPUDA Annual meeting and noted he was disappointed with the meeting in general.

- He attended the Pasco Chamber monthly luncheon.

Commissioner Gordon did not report but did express his agreement with Commissioner Nelson’s sentiment regarding the WPUDA annual meeting.

Commissioner Wright reported that:

- He attended the monthly NoaNet meeting and noted that their finance director left abruptly. He reported that the position has been filled by Mr. James Wong. Commissioner Wright provided a brief financial update on NoaNet. He reported that NoaNet will be taking their first bond draw and will utilize it to secure materials for their infrastructure.
- He spoke with former NoaNet Chief Executive Officer, Dave Spencer and noted he was enjoying his retirement.

CONSENT AGENDA

The Consent Agenda was reviewed. Commissioner Gordon moved and Commissioner Wright seconded to approve the Consent Agenda as follows:

1. To approve the minutes of the November 23, 2021 Special Commission Meeting.
2. To approve payment of expenditures for November 2021 amounting to \$9,409,113.10 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	\$ 470,318.12
Wire Transfers (Wires)	6,038,403.55
Automated and Refund Vouchers (Checks)	1,077,745.61
Direct Deposits (EFTs)	1,822,645.82
Voids	(0.00)
Total:	\$ 9,409,113.10

3. To approve the Write Offs as listed on the December 2021 Write Off Report in the amount of \$13,986.96.
4. To declare a final acceptance of the work completed and as inspected by the District; to authorize release of available retainage; and to approve final payment in the amount of \$3,950.00 for work completed by Intermountain Cleaning Services, Inc. under Contract 9584, Janitorial Services.

The motion passed unanimously.

AGENDA ITEM 6

RE-OPENING THE 2022 BUDGETS PUBLIC HEARING, PRESENTING THE FINAL 2022 OPERATING AND CAPITAL BUDGETS, CLOSING THE PUBLIC HEARING AND ADOPTING A RESOLUTION APPROVING THE 2022 OPERATING AND CAPITAL BUDGETS.

Commissioner Nelson re-opened the 2022 budgets public hearing. There was no public present for comment. He called on Ms. Dohrman for presentation of the Agenda Item.

Ms. Dohrman reported that the crosswalk items listed on Attachment A, 2022 Operating Budget, were to update the final power forecast with the most current information and she briefly reviewed the assumptions for the water year and forward pricing curve. She reviewed the crosswalk items on Attachment B, 2022 Capital Budget. There was general discussion on supply chain issues and the use of bond proceeds for capital purchases.

Commissioner Gordon brought forth the matter of organizational dues and memberships included in the Operating Budget. He noted that after much consideration, he was in favor of not renewing the District's membership with Northwest River Partners (NWRP). He reported that he did not see the benefit of continuing the membership and noted that since the District rejoined NWRP, the membership dues have increased significantly every year. Commissioner Gordon reported that the services NWRP provides are covered by other organizations such as the American Public Power Association, Washington Public Utility Districts Association, and Public Power Council.

Commissioner Nelson noted he did not agree and reported that it was important for the District to continue to be a member of NWRP.

Commissioner Wright reported that he appreciated Commissioner Gordon's concern with the continuous increase in dues, however he would like the District to remain as members for at least one more year. He noted that he recently reviewed information that NWRP provided and noted the information was good, especially for customers trying to understand the value of hydroelectricity. Commissioner Wright reported that he would like to have the Executive Director, Mr. Kurt Miller provide an update to the Commission on NWRP's mission and strategic direction in early 2022 and wait another year before a decision was made on the membership. Commissioner Nelson and Commissioner Gordon agreed. It was noted that the 2022 organizational dues and membership budget would remain as presented.

Staff recommended that after hearing any public comment, and review and discussion, the Commission close the public hearing and adopt the resolution approving the 2022 Operating and Capital Budgets set forth as Exhibits A and B to the resolution. There was no public present for public comment.

Commissioner Wright moved and Commissioner Gordon seconded adopt Resolution 1360 as presented. The motion passed unanimously.

Ms. Viera asked for an amended motion to include the closing of the public hearing. The motion was amended by Commissioner Wright and seconded by Commissioner Gordon to close the 2022 Operating and Capital Budgets public hearing and adopt Resolution 1360 as presented. The amended motion passed unanimously.

AGENDA ITEM 7

RE-OPENING THE COMMISSIONER DISTRICT BOUNDARIES PUBLIC HEARING, CONSIDERING THE REDISTRICTING OPTIONS, CLOSING THE PUBLIC HEARING AND ADOPTING A RESOLUTION REVISING COMMISSIONER DISTRICT BOUNDARIES.

Commissioner Nelson re-opened the Commissioner district boundaries public hearing. There was no public present for comment. He called on Ms. Viera for presentation of the Agenda Item.

Ms. Viera reported that as directed by RCW 54.12.010, District staff created three options as shown on Attachment A of the Agenda Item, to equalize the population, as nearly as possible, in each of the proposed Commissioner districts. She noted that the options were provided to the Rate Advisory Committee members for feedback and reported that in total four members replied and had expressed that in their opinion, the options were equitable. She reported that the information was also posted on the District's website and noted that no public comment had been received.

Ms. Viera reported that based on Commission discussion from the public hearing held during the November 23, Special Commission meeting, Option 3 had been included as Exhibits A and B of Resolution 1361. There was brief discussion on Option 3 and the Commission agreed that Option 3 was the selected option and should be included as Exhibits A and B of the Resolution. Ms. Viera reviewed staff's recommendation to close the Commissioner District boundaries public hearing and adopt Resolution 1361 with Option 3.

Commissioner Nelson moved and Commissioner Wright seconded to close the Commissioner District boundaries public hearing and adopt Resolution 1361 with Option 3. The motion passed unanimously.

AGENDA ITEM 8

ADOPTING A RESOLUTION APPROVING THE PRE-QUALIFICATION OF ELECTRICAL AND FIBER OPTIC CONTRACTORS FOR CALENDAR YEAR 2022.

Ms. Dohrman introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. She noted that pursuant to RCW 54.04.085, the District annually pre-qualifies contractors who work on or around the District's electrical and fiber optic systems. She reported that staff reviewed the contractor applications and qualifications, and recommended the Commission pre-qualify the named contractors for work during the calendar year of 2022 in the categories and maximum bid amounts set out in Exhibit A to Resolution 1362.

Commissioner Wright moved and Commissioner Gordon seconded to adopt Resolution 1362 as presented. The motion passed unanimously.

AGENDA ITEM 9

AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO APPROVE PAYMENTS FOR AUTOMATED MAILING SERVICES, BILL INSERTS, ONLINE PAYMENT PROCESSING AND ANNUAL SOFTWARE MAINTENANCE, FOR 2022 PAYABLE TO NATIONAL INFORMATION SOLUTIONS COOPERATIVE.

Ms. Dohrman introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. She reported that since National

Information Solutions Cooperative (NISC) is the sole vendor that provides the services as described in the Agenda Item Summary and because the combined cost exceeds the General Manager's authority limit of \$120,000, authorization from the Commission was required per the Purchasing Approval and Payment Authority Policy. Staff reviewed their recommendation.

Commissioner Wright moved and Commissioner Gordon seconded to authorize the General Manager or his designee to approve payments for automated mailing services, bill inserts, online payment processing and annual software maintenance, for 2022 payable to the National Information Solutions Cooperative, in an amount not to exceed \$513,872. The motion passed unanimously.

AGENDA ITEM 10

AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO EXECUTE A TASK ORDER WITH THE ENERGY AUTHORITY FOR 2022 CONSULTING SERVICES.

Ms. Dohrman introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. She reported on the services provided by The Energy Authority (TEA) through the Task Order. She noted that the Integrated Resource Plan was updated in 2020 and a shorter version of the document is planned for 2022. The 2022 Task Order is for a 12-month term, beginning January 1, 2022, with a not to exceed amount of \$150,000. Staff reviewed their recommendation.

Commissioner Gordon moved and Commissioner Wright seconded to authorize the General Manager or his designee to execute a task order with TEA for 2022 Consulting Services, in an amount not to exceed \$150,000. The motion passed unanimously.

AGENDA ITEM 11

APPROVING THE CONSERVATION TARGETS AS DESCRIBED IN THE 2021 CONSERVATION POTENTIAL ASSESSMENT REPORT FOR THE DISTRICT.

Ms. Dohrman introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. She reported that the measures and information used to develop the District's preliminary conservation potential were reviewed at the November 9, 2021 Commission meeting and are as follows:

Sector	2 Year	10 Year
Residential	0.15	2.36
Commercial	0.86	9.93
Industrial	0.50	2.52
Agriculture	0.07	0.27
Distribution Efficiency	0.03	0.39
Total:	1.61	15.47

There was discussion on the cost of conservation and what is considered cost effective conservation. Staff reviewed their recommendation.

Commissioner Wright moved and Commissioner Gordon seconded to approve the 2 year and 10 year conservation targets as described in the 2021 Conservation Potential Assessment Report for the period of 2022 to 2041. The motion passed unanimously.

AGENDA ITEM 12

AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO EXECUTE A CONTRACT AMENDMENT FOR TREE TRIMMING SERVICES WITH BOYD'S TREE SERVICES LLC, TO ADJUST PRICING TO REFLECT THE RATE REQUIRED BY I.B.E.W. LOCAL 77.

Mr. Ferraro introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. He reported that Paragraph 15 of the contract allows for prices to be adjusted to reflect increases in rates required per International Brotherhood of Electric Workers Local 77 (I.B.E.W.) at the time of the increase, which is January 2022.

He noted that the equipment price will remain the same and the labor cost increase will be about 3%. He reported that the total contract amount of \$220,000 will remain the same. Staff reviewed their recommendation.

Commissioner Gordon moved and Commissioner Gordon seconded to authorize the General Manager or his designee to execute a contract amendment for tree trimming services with Boyd's Tree Services LLC, to allow for the established prices to be adjusted to reflect the rate required by I.B.E.W. Local 77 at the time such rate increases take effect. The motion passed unanimously.

AGENDA ITEM 13

AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO APPROVE CONTINUING THE UTILIZATION OF THE WASHINGTON STATE DEPARTMENT OF ENTERPRISE SERVICES CONTRACT FOR 2022 MISCELLANEOUS FIBER DOCK CREW PROJECTS.

Mr. Ferraro introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. He reported that the District utilizes the Washington State Department of Enterprise Services (DES) for completion of miscellaneous fiber dock crew projects. He noted that the 2022 Capital Budget includes \$543,000 for miscellaneous fiber dock crew projects to be completed in 2022. Staff reviewed their recommendation.

Commissioner Wright moved and Commissioner Gordon seconded to authorize the General Manager or his designee to approve continuing the utilization of the Washington State DES Contract 05620 for 2022 Miscellaneous Fiber Dock Crew Projects in an amount not to exceed \$543,000, including applicable taxes. The motion passed unanimously.

AGENDA ITEM 14

AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO EXECUTE A CONTRACT FOR THE PURCHASE OF TWO (2) MEDIUM VOLTAGE POWER TRANSFORMERS.

Mr. Fuentes introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. He reported that in October 2021, the District requested bids to furnish medium voltage power transformers that will be needed for future substations. He noted that the bid requested a base bid for the purchase of one (1) transformer with the option to purchase up to four (4). Staff received and evaluated the following five (5) bids:

<u>Bidder</u>	<u>Base Price</u>	<u>Exceptions</u>
Delta Star, Inc.	\$ 1,263,103	No
WEG Transformers USA #1	1,173,997	Yes
WEG Transformers USA #2	937,829	Yes
Carlson Sales, Inc.	835,345	Yes
Anixter, Inc.	808,792	Yes

Mr. Fuentes reported that staff's evaluation identified the following bid exceptions:

- Anixter, Inc. contained exceptions to shipment terms, and physical requirements, short circuit test results were not provided, and guaranteed loss values were not included.
- WEG Transformers USA #1 contained exceptions to payment terms, physical requirements, tank manufacturer specifications, and technical specifications.
- WEG Transformers USA #2 provided an alternate coil drying process that does not meet District specifications.
- Carlson Sales, Inc. contained exceptions to shipment terms, design review requirements, and technical specifications.

Staff determined that Delta Star, Inc. submitted the lowest responsive bid, and was within the District's estimate. Staff reviewed their recommendation.

Commissioner Wright noted that in the past, Anixter, Inc. has submitted the lowest bid and the bids have been determined to have exceptions. Discussion ensued.

Commissioner Wright reported he was pleased to see multiple bidders and asked additional questions on the exceptions to which Mr. Fuentes provided the information. Commissioner Wright noted he would like to see the District receive multiple bids without exceptions and requested staff work towards this goal. Mr. Fuentes reported he will review the District's bid specifications and do a comparison to other utilities specifications and provide his findings at a later date. There was general discussion on long lead times and product availability.

Commissioner Wright moved and Commissioner Gordon seconded to find the bids submitted by Anixter Inc., WEG Transformer USA #1, WEG Transformer USA #2, and Carlson Sales, Inc., non-responsive and authorize the General Manager or his designee to execute a contract with Delta Star Inc., the lowest responsive bidder, for the purchase of two (2) medium voltage power transformers in an amount not to exceed \$2,526,206.

**AGENDA ITEM 15
PROVIDING AN UPDATE ON THE PANDEMIC EMERGENCY EVENT.**

Mr. Rhees introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. He provided a brief update on the information listed on Attachment A of the Agenda Item and other pandemic related issues. He noted that no action was required and he was reporting only.

Commissioner Nelson proceeded to staff reports, Agenda Item 17 and called on Mr. Rhees for his report.

AGENDA ITEM 17

GENERAL MANAGER'S REPORT:

Mr. Rhees reported that:

- The first installment payment for the sale of the Pasco CT was received and noted that the buyer has begun to remove parts and equipment. He noted that final payment should be received and all equipment removed before May 2022.
- New projects are still being developed and he reported on the expected load growth in the District's service territory. There was discussion on the materials and supplies needed to provide service for the new growth and the Commission encouraged staff to proactively purchase the material in advance.

ASSISTANT GENERAL MANAGER'S REPORT:

Ms. Dohrman reported that:

- She will review the Monthly Reports, Agenda Item 16 as part of her staff report. She noted the meeting packet included the October monthly financial and Conservation Summary reports. She provided a brief overview on each of the reports.
- The meter shop has begun to deploy Landis & Gyr Gridstream meters in the west Pasco area and she noted that over 500 meters have been exchanged. She reported that as additional Landis & Gyr Gridstream meters are received staff will begin to install them. She noted that the Burns and Road 68 area would be deployed next.
- Due to the supply chain issues and to help mitigate the long lead times on materials, she noted that staff would like to bid additional transformers and be able to award the bid as early as possible in January. She reported that staff was requesting the Commission meet for the January 11, 2022 regular commission meeting. The Commission agreed to meet as per the District's organizational statement on January 11, 2022, at 1 p.m. to award the bid to the successful bidder.

Commissioner Nelson expressed his appreciation for staff's work on the Landis & Gyr Gridstream deployment. He noted staff is doing a great job.

SAFETY & LABOR RELATIONS DIRECTOR

Ms. Ferraro reported that:

- The District transitioned over to the new afterhours call service. He noted that minor hiccups occurred and were resolved. He reported that the service has been good.

ENGINEERING DIRECTOR

Mr. Fuentes reported that:

- He has met with most of his direct reports. He noted that he was glad to be part of the District's leadership team.

SUPERVISOR OF EXECUTIVE ADMINISTRATION

Ms. Viera reported that:

- The District launched its annual Helping Hands Fund Raising Campaign. She noted that due to the pandemic the campaign was targeted on increasing enrollment in the Round Up program.

- As a reminder, the General Manager's evaluation needs to be done in the upcoming months. She noted that Ms. Ransom will provide additional information for individual assessments of Mr. Rhees' performance. She reported that to ensure the procedural requirements are met the Commission should plan on beginning the process at the January 25, 2022 regular meeting.

Commissioner Wright reported he reached out to Ms. Viera for assistance with a customer call he had received. He noted that Ms. Viera involved the meter shop staff who had done a great job assisting the customer with his concern. He expressed his appreciation to staff.

GENERAL COUNSEL:

Mr. Iller did not report. He expressed holiday wishes to the Commission and staff.

Mr. Rhees thanked staff for all their work in 2021, and noted he was part of a great leadership team. He thanked the Commission for their support and extended holiday wishes as well.

Commissioner Wright asked about Commission workshops and presentations for 2022 and Ms. Viera reported that staff will present the list of possible Commission workshops and presentations for 2022 at the January 25, 2022 regular meeting.

MEETING ADJOURNMENT

With no further business to come before the Commission, Commissioner Nelson adjourned the special meeting at 10:52 a.m. The next regular meeting will be January 11, 2022 at 1 pm, and will be held in accordance with the current Governor's proclamation in effect. Members of the public may participate via conference call.

Roger Wright, President

William Gordon, Vice President

Stuart Nelson, Secretary

AGENDA ITEM 5
AGENDA ITEM SUMMARY

FRANKLIN PUD - REGULAR COMMISSION MEETING

Presenter: Victor Fuentes
Engineering Director
Date: January 11, 2022

- REPORTING ONLY
 FOR DISCUSSION
 ACTION REQUIRED

1. OBJECTIVE:

Authorizing the General Manager or his Designee to Execute a Contract for the Purchase of Three Phase Distribution Padmount Transformers.

2. BACKGROUND:

In December 2021, the District requested sealed bids from contractors for the purchase of 2500 kVa three phase padmount transformers required to meet the District's needs.

The bid is scheduled to be opened on Monday, January 10, 2022. Staff will evaluate any bids received and present the information at the meeting.

3. SUGGESTED MOTION:

To be determined.