

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

MINUTES OF THE JANUARY 24, 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 January 24, 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; Holly Dohrman, Assistant General Manager; Steve Ferraro, Operations Director; Victor Fuentes, Engineering Director; Brian Iller, General Outside Counsel; and Rosario Viera, Supervisor of Executive Administration.

Additional staff that participated in person or via remote technology for all or part of the meeting was Jakob Stoll, System Engineer.

There was no 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 on Mr. Stoll to lead the Pledge of Allegiance.

PUBLIC COMMENT

There was no public participating via remote technology or in person to provide comment. Ms. Viera noted that no public comment was received prior to the meeting.

EMPLOYEE CHECK-IN

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

Mr. Stoll reported he was most proud of his department's willingness to improve and embrace change. He noted that his favorite part of his job was finding solutions for technical difficulties when he encountered them. Mr. Stoll reported that a challenge for him was having to move his family across the country and getting settled in. He noted that he would like to see the current service exception agreement revised and reported that the District provides excellent service. The Commission thanked Mr. Stoll for attending and providing his comments.

COMMISSIONER REPORTS

Commissioner Nelson reported that:

- He attended the Pasco Chamber monthly luncheon.
- He attended the January WPUDA monthly meeting and noted there were good speakers.
- He attended the monthly PPC meeting and noted that Mr. Rhees was elected to the Executive Committee Board.

Commissioner Wright reported that:

- He participated in the WPUDA Telecom Committee meeting via remote technology and noted the committee is struggling to find meaningful direction.
- He participated in the monthly NoaNet meeting and noted NoaNet continues to look for the best solution to transition its employees to the Public Employee Retirement System (PERS). He reported that various options are being discussed and that there will be a cost to do so. He noted that service credits would have to be purchased for employees and provided more information on the options for NoaNet to make this purchase, including NoaNet members assisting with the funding. Commissioner Wright noted he will meet with Mr. Rhees individually and discuss the options more in depth to reach the best solution for the District as a NoaNet member. Discussion ensued.

Commissioner Gordon reported that:

- In a recent article, it was reported that utilities have increased rates by an average of 13-14% and noted that was a significant increase.

CONSENT AGENDA

The Commission reviewed the Consent Agenda. Commissioner Gordon asked Mr. Rhees to provide more detail on the miscellaneous write-offs listed on the Write-Off report and Mr. Rhees did so. Commissioner Wright moved and Commissioner Nelson seconded to approve the Consent Agenda as follows:

- 1) To approve the minutes of the January 10, 2023 Regular Commission meeting.
- 2) To approve payment of expenditures for December 2022 amounting to \$7,744,199.96 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	735,180.10
Wire Transfers	4,560,233.00

Automated and Refund Vouchers (Checks)	1,572,449.14
Direct Deposits (EFTs)	880,884.69
Voids	(4,546.97)
Total:	7,744,199.96

3) To approve the Write Offs as listed on the January 2023 Write Off Report in the amount of \$22,546.00.

The motion passed unanimously.

AGENDA ITEM 6

REPORTING ON CONTRACTS AWARDED DURING 2022 FROM THE DISTRICT’S SMALL WORKS ROSTER.

Ms. Dohrman introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. She reviewed Attachment A of the Agenda Item and answered questions from the Commission. She noted that she was reporting only, and no action was required.

AGENDA ITEM 7

ADOPTING A RESOLUTION AUTHORIZING THE PETTY CASH FUNDS BALANCE, APPOINTING CUSTODIANS OF SUCH FUNDS, APPROVING THE FUND BALANCE AND SUPERSEDING RESOLUTION 1364.

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

Commissioner Nelson moved and Commissioner Wright seconded to adopt Resolution 1386 as presented. The motion passed unanimously.

AGENDA ITEM 8

AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO EXECUTE A CONTRACT FOR MISCELLANEOUS DOCK CREW PROJECTS.

Mr. Fuentes introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. He reviewed the bids received. There was general discussion on the dock crew and the work normally assigned to them. Staff reviewed their recommendation.

Commissioner Nelson moved and Commissioner Wright seconded to authorize the General Manager or his designee to execute a contract with DJ’s Electrical Inc., the lowest responsive bidder, for miscellaneous dock crew projects in an amount not to exceed \$4,616,678 over the initial three (3) year term. The motion passed unanimously.

AGENDA ITEM 9

AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO EXECUTE A CONTRACT FOR THE PURCHASE OF PADMOUNT SWITCHGEAR.

Mr. Fuentes introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. He noted that two (2) bids were received and evaluated:

<u>Bidder:</u>	<u>Total Bid:</u>	<u>Exceptions:</u>
Anixter/Wesco, Inc.	\$590,764	No
General Pacific	\$524,762	Yes

Mr. Fuentes reported that the bid submitted by General Pacific had technical exceptions that included providing an auto-jet switch in lieu of a mini-rupter and fuses not remaining under the roof enclosure while in the open position, which are acceptable to the District. He reported that staff determined that the bid submitted by General Pacific was a responsive bid and within the District's estimate. Staff reviewed their recommendation.

Commissioner Wright asked staff how the current pricing and lead times compared to the last time similar equipment was purchased. Mr. Fuentes reported he will provide that information at the next regular meeting.

Commissioner Wright moved and Commissioner Nelson seconded to authorize the General Manager or his designee to execute a contract with General Pacific, the lowest responsive bidder, for the purchase of padmount switchgear in an amount not to exceed \$524,762. The motion passed unanimously.

AGENDA ITEM 10

AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO EXECUTE A CONTRACT FOR THE PURCHASE OF 115KV POTENTIAL 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 staff received two (2) bids:

<u>Bidder:</u>	<u>Total Bid:</u>	<u>Exceptions:</u>
Carlson Sales Metering Solutions LLC	\$277,272	No
Anixter/Wesco, Inc.	\$420,576	Yes

He noted that the bid submitted by Carlson Sales Metering Solutions LLC had no exceptions. The bid submitted by Anixter/Wesco Inc. had technical exceptions that included substituting primary and ground tin-plated terminals for stainless steel that were not fully evaluated. If the bid had been the lowest bid, further review would have been done to determine if the exceptions would have been acceptable. Staff determined that the bid submitted by Carlson Sales Metering Solutions LLC, was a responsive bid and within the District's estimate. Staff reviewed their recommendation.

Commissioner Nelson moved and Commissioner Wright seconded to authorize the General Manager or his designee to execute a contract with Carlson Sales Metering Solutions LLC, the lowest responsive bidder, for the purchase of 115kV potential transformers in an amount not to exceed \$277,272. The motion passed unanimously.

AGENDA ITEM 11

AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO EXECUTE A CONTRACT FOR THE PURCHASE OF TWO (2) 15KV PAD MOUNTED RECLOSERS.

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 staff received four (4) bids:

<u>Bidder:</u>	<u>Total Bid:</u>	<u>Exceptions:</u>
Anixter/Wesco, Inc.	\$237,899	Yes, non-responsive
Border States	\$ 89,056	Yes
General Pacific	\$ 88,778	Yes
G&W Electric	\$ 80,508	Yes

Mr. Fuentes reported that the bid submitted by Anixter/Wesco Inc., had technical exceptions to the specified control requested by the District which was not acceptable to the District and staff determined the bid was non-responsive. The bids submitted by General Pacific and Border States had technical exceptions that included no bottom flange gasket, different roof and ceiling construction, and a control with a 40-pin control cable instead of a 42-pin control cable. If either bid had been the lowest bid, further review would be needed to determine if the exceptions would have been acceptable. The bid submitted by G&W Electric had an exception to the five-year warranty requested by the District and offered a 12–18 month warranty. This exception is acceptable to the District. Staff determined that the bid submitted by G&W Electric was a responsive bid and within the District’s estimate. Staff reviewed their recommendation.

Commissioner Wright moved and Commissioner Nelson seconded to find the bid submitted by Anixter/Wesco Inc., non-responsive and to authorize the General Manager or his designee to execute a contract with G&W Electric, the lowest responsive bidder, for the purchase of 15kV pad mounted reclosers in an amount not to exceed \$80,508. The motion passed unanimously.

CLAIMS

Mr. Fuentes reported there was one new claim to report on. He noted that while clearing branches at a residence during a service outage, there was allegedly damage caused to the customers HVAC unit. He noted that the claim has been forwarded to Federated for final determination.

GENERAL MANAGER REPORT

Mr. Rhees reported that:

- Staff continues to be impacted by COVID-19 and other seasonal viruses and reported on the leave statistics.

- He reviewed the new service connects for the period of 2017-2022 and noted there was a decrease in new residential service connects in 2022. He reported that the commercial customer connects have remained consistent.
- The small modular reactor feasibility project is making progress and he provided a status update. He noted that staff will likely ask for authorization to execute a Letter of Intent with the participating utilities at a future meeting. Discussion ensued.
- Notification was sent to the American Public Power Association (APPA) members of Ms. Joyce Ditto's resignation effective January 31, 2023. He noted that the APPA Executive Committee has appointed APPA Senior Vice President of Membership and Education Jeff Haas to serve as acting president & CEO until a replacement is found.
- As Commissioner Nelson reported, he was appointed to the PPC Executive Member Committee. He noted this vacancy was left by the previous General Manager of Lewis County PUD.
- Staff continues to be very engaged in meetings regarding the BPA Post 2028 options. He reported that he attended a TEA Slice Member meeting where this was discussed at length.
- The bargaining group from Douglas PUD had voted down a proposed contract that included an initial 10% wage increase, followed by 4% in year two, and 3% in year three.
- The smart meter technology continues to provide many benefits and noted that the system had detected a meter was out. He noted that staff was at the site within 10 minutes and had found no lock on the transformer box and other evidence of tampering. Mr. Rhees reported that because of the alert provided by the system and staff's response time he believed a potential theft situation was stopped. Discussion ensued.
- The Rate Advisory Committee will meet on January 30 and noted that no rate increase is being recommended to the RAC. He noted that staff will provide an update on the meeting in February.

ASSISTANT GENERAL MANAGER REPORT

Ms. Dohrman reported that:

- A year-end 2022 review was included in the Key Performance Indicators report and she reviewed it. There were questions and discussion throughout her review of the KPI report.
- Staff will bring, for Commission review and consideration, a change to the New Industrial Service Rate Schedule to the February 14, 2023 meeting. She noted that the change was to clarify the eligibility of District's industrial rates.
- For her audit, she reported that District employees are provided 24 hours of floating leave each payroll year. She noted that the floating leave does not carry over and she reviewed floating leave to ensure employees had used it.

OPERATIONS DIRECTOR REPORT

Mr. Ferraro reported that:

- Staff had identified issues with some collectors within the command center system and the issues were resolved.
- There continues to be an increase in net metering projects coming on to the system.
- The broadband department received 17 small cell service applications.

- The Digger Derrick utility vehicle was received by the District and is on site. He thanked the Commission for their approval of the purchase.
- The mechanic shop is also seeing supply chain issues in particular with vehicle radiators. He noted that quarterly vehicle inspections are being done.
- He is working with the purchasing department to prepare the bids for the vehicles that were included in the 2023 Capital budget.
- For his audit, he reviewed the dependent claim eligibility for employees and noted no issued were found.

SUPERVISOR OF EXECUTIVE ADMINISTRATION REPORT

Ms. Viera reported that:

- As reported at the December 10, 2022 meeting, staff was providing the schedule of possible Commission workshops and presentations for 2023. She presented that draft and reviewed it. The Commission provided feedback on the draft and Ms. Viera noted she will get it finalized in preparation for their final review and consideration of approval at the February 14, 2023 meeting.
- The new Community Relations Coordinator will begin employment with the District on January 30.
- Outlook has an email encryption option that allows information to be sent securely. She noted that using this option to provide certain information to the Commission would be beneficial to the District and the Commission. The Commission agreed to staff utilizing this function to provide information to them.

ENGINEERING DIRECTOR REPORT

Mr. Fuentes reported that:

- Net metering installations continue to be strong and reported on the year-end 2022 totals that included total net metering installations and capacity. Commissioner Wright requested the total of all installations to date be included in the KPI report charts. Mr. Fuentes provided information on the SCADA system for 2022.
- For his audit, he reviewed the pending net metering applications that were in pending status for six months or longer. He noted that 12 applications were found and reported that of those, four had canceled and the others were waiting on the installer.

Mr. Rhees reported that the transformer shop was now reporting to Mr. Fuentes and noted that the transformer shop works closely with engineering and that the change was fitting.

OUTSIDE GENERAL COUNSEL


Mr. Iller reported that:

- He continues to work on preparing for the litigation case and he provided an update.

Commissioner Gordon reported that the General Manager's annual performance evaluation is pending. He requested that individual performance assessments on Mr. Rhees be provided to Ms. Ransom, who will compile the information and bring to the February 14, 2023 regular meeting for Commission review and discussion.

CLOSING OF MEETING - ADJOURNMENT

With no further business to come before the Commission, Commissioner Gordon adjourned the regular meeting at 2:27 p.m. The next meeting will be a regular meeting on February 14, 2023 at 1:00 p.m. and 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