

AGENDA
REGULAR COMMISSION MEETING

February 14, 2017 – 1 PM
1411 W Clark St, Pasco, WA

Guiding Principles: Safety First ● Rates ● Reliability ● Relationships

AGENDA ITEM	PRESENTER
1. Employee Safety Minute	
2. Comments from the Public	
3. Commissioner Reports	
4. Consent Agenda	
5. Authorizing the General Manager or his Designee to Execute a Contract for Miscellaneous Fiber Dock Crew Projects.....	Scarano
6. Adopting a Resolution Approving a Revised Administrative Policy 54, District Financial Policy, and Superseding Resolution 1161	Scarano
7. Authorizing the General Manager or his Designee to Execute a Contract for the Purchase of Primary Underground Cable	Sams
8. Authorizing the General Manager or his Designee to Execute a Contract Amendment with Power City Electric for Miscellaneous Dock Crew Projects	Sams
9. Adopting a Resolution Appointing an Agent for Service of Damage Claims for the District and Superseding Resolution 1207	Palmer
10. Adopting a Resolution Providing for Indemnification of Commissioners, Officers, and Employees of the District, Subject to Limitations and Superseding Resolution 546.....	Palmer
11. Adopting a Resolution Approving a Revised Salary Administration Plan for Regular Non-Bargaining Employees, Effective March 1, 2017 and Superseding Resolution 1231.....	Locke
12. Adopting a Resolution Approving a Waiver of the Basic Charge in Rate Schedule 2.0, Small General Service for an Electric Vehicle Public Charging Station Pilot Program.	Dohrman
13. Claims	
14. General Manager's Report	

AGENDA
REGULAR COMMISSION MEETING

15. Staff Reports
16. Executive Session, if needed
17. Future Agenda Items

**CONSENT AGENDA
REGULAR COMMISSION MEETING**

February 14, 2017

1. To approve the minutes of the Regular Commission Meeting of January 24, 2017.
2. To approve payment of expenditures for January 2017 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 made available to the Commission for inspection prior to this action, amounting to \$7,637,467.00.
 - a) Automated, EFT and Refund vouchers as listed on the Warrant Register in the amount of \$2,355,229.62;
 - b) Voids in the amount of \$104.31, and
 - c) Wire transfers totaling \$5,282,341.69 to the following:

WIRE TRANSFERS DETAIL		
To:	For Payment of	Amount
UMPQUA BANK	DIRECT DEPOSIT PAYROLL	\$440,896.66
BONNEVILLE POWER ADMINISTRATION	POWER	2,884,730.00
	TRANSMISSION	401,368.00
EDF TRADING NORTH AMERICA	GAS SWAP	92,256.00
	POWER SWAP	67,322.88
EFTPS - PAYROLL TAXES	PAYROLL TAXES	186,319.75
FREDERICKSON POWER LP	ENERGY	409,506.16
LL&P WIND ENERGY INC	WIND ENERGY	139,510.33
MACQUARIE ENERGY LLC	GAS SWAP	22,524.60
POWEREX CORP	FREDERICKSON GAS	126,026.40
PUGET SOUND ENERGY INC	FREDERICKSON GAS	25,131.15
THE ENERGY AUTHORITY	CONSULTING	99,920.34
WA STATE DEPT OF RETIREMENT SYSTEMS	PERS	116,998.52
WA STATE DEPT OF REVENUE	EXCISE TAX	269,830.90
Wire Total:		\$5,282,341.69

3. To approve expenditure for a conservation contract with Reser's Fine Foods Inc., Contract 9002 for CC16-01145 Reser's Fine Foods Inc. – Refrigeration Controls in the amount of \$167,971.30 effective on February 3, 2017.

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

MINUTES OF THE JANUARY 24, 2017
REGULAR COMMISSION MEETING

The Board of Commissioners of Public Utility District No. 1 of Franklin County held a regular meeting at 1411 West Clark, Pasco, WA, on January 24, 2017 at 1:00 p.m.

Those present from the District were Commissioner Bill Gordon, President; Commissioner Stu Nelson, Vice President; Commissioner Roger Wright, Secretary; Tim Nies, General Manager; Steve Palmer, General Counsel; Duane Sams, Director of Engineering; Vic Scarano, Director of Administrative Services; Joe Grad, Director of Operations; Carrie Locke, Human Resources Manager; Holly Dohrman, Director of Power Management; and Rosario Viera, Executive Assistant.

Other staff present for all or part of the meeting were Brent Weatherman, Broadband Technician; Rebecca Diaz, Contracts Specialist; and Anthony Wright, IT Systems Administrator.

Public present for all or part of the meeting were Tyson Fellman, District customer, and Mr. Mark Axford, Principal, Axford Turbine Consultants LLC who participated via SKYPE.

Commissioner Gordon called the meeting to order at 1:00 p.m.

EMPLOYEE SAFETY MINUTE

The Commission welcomed Mr. Weatherman and asked for his overall rating on the safety culture at the District and for concerns or suggestions to improve safety.

Mr. Weatherman rated the District's safety culture as above average. He reported that the safety training provided by the District allows employees to maintain a healthy balance between normal assigned work and safety trainings. He noted that an improvement he would like to see is the development of a tool or training for employees to provide feedback to each other. The Commission thanked Mr. Weatherman for attending.

PUBLIC COMMENT

Commissioner Gordon called for public comment and there was none.

COMMISSIONER REPORTS

Commissioner Wright reported that:

- He attended the December NoaNet meeting and provided an update on the progress of NoaNet's RFP for a banking services provider.

Commissioner Gordon reported that:

- The District provides a rich benefit packet to employees. He shared a report from Columbia Basin College showing the employee’s allocation percentage of benefits. The Commission requested staff do a comparison of the District benefits to neighboring public entities.
- He read a recent article on a Massachusetts energy bill and shared the details of the bill being proposed.

Commissioner Nelson reported that:

- He attended the December PPC meeting and provided an update on the labor costs of maintaining the federal hydro systems.
- He attended the January WPUDA monthly meeting and noted that drones and pole attachment fees were discussed.

CONSENT AGENDA

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

1. To approve the minutes of the Regular Commission Meeting of December 13, 2016.
2. To approve payment of expenditures for November 2016, December 2016 and January 2017 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 made available to the Commission for inspection prior to this action, amounting to \$8,061,110.06.
 - a) Automated, EFT and Refund vouchers as listed on the Warrant Register in the amount of \$3,361,188.17;
 - b) Voids in the amount of \$709.01, and
 - c) Wire transfers totaling \$4,700,630.90 to the following:

To:	For Payment of	Amount
UMPQUA BANK	DIRECT DEPOSIT PAYROLL	\$484,307.63
BONNEVILLE POWER ADMINISTRATION	POWER	\$2,600,501.00
	TRANSMISSION	\$401,230.00
EDF TRADING NORTH AMERICA	GAS SWAP	\$39,480.00
EFTPS - PAYROLL TAXES	PAYROLL TAXES	\$195,331.37
FREDERICKSON POWER LP	ENERGY	\$381,814.36
LL&P WIND ENERGY INC	WIND ENERGY	\$141,907.28
MACQUARIE ENERGY LLC	GAS SWAP	\$1,674.00
MORGAN STANLEY CAPITAL GROUP INC	GAS SWAP	\$6,045.00
	POWER SWAP	\$12,697.92

PUD ADVANCE TRAVEL	PUD ADVANCE TRAVEL	\$4,591.82
THE ENERGY AUTHORITY	CONSULTING	\$88,391.98
WA STATE DEPT OF RETIREMENT SYSTEMS	PERS	\$118,971.20
WA STATE DEPT OF REVENUE	EXCISE TAX	\$223,687.34
Total		\$4,700,630.90

3. To approve write-offs as listed on the Write-Off reports dated December 5, 2016 in the amount of \$9,737.24 and December 30, 2016 in the amount of \$10,836.35 for a combined total amount of \$20,573.59.
4. 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 \$295,876.53 for work completed by Paramount Communications, Inc. under Contact 8927, Blanton Road Extension Build Out Project.

The motion passed unanimously.

AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO EXECUTE A CONTRACT EXTENSION WITH AXFORD TURBINE CONSULTANTS LLC FOR CONSULTANT SERVICES RELATED TO THE SALE OF THE PASCO COMBUSTION TURBINE ASSETS.

Mr. Palmer presented this agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet and introduced Mr. Axford.

Mr. Axford provided a market update and reported on the challenges of disposing the Pasco Combustion Turbine (CT) assets. He reviewed the status of the current prospects and probability of the transaction coming to fruition. Discussion ensued.

Staff reviewed their recommendation.

Commissioner Nelson moved and Commissioner Wright seconded to authorize the General Manager or his designee to execute a one-year contract extension from February 2, 2017 to February 1, 2018 with Axford Turbine Consultants LLC for consultant services related to the sale of the Pasco Combustion Turbine Assets. The motion passed unanimously.

REPORTING ON CONTRACTS AWARDED DURING 2016 FROM THE DISTRICT'S SMALL WORKS ROSTER.

Mr. Palmer introduced this agenda item, reporting that District Administrative Policy 19, Small Works Roster, requires staff to annually provide a report of all Small Works contracts awarded during the year to the Commission. He reviewed the contracts awarded by the District in 2016 listed on Attachment A of the Agenda Item. He noted that Attachment A also included the Public Works Contracts awarded in 2016.

Mr. Palmer reported that Attachment A will be posted on the District's website for public availability and that no action on this item was necessary.

REPORTING ON THE IDENTITY THEFT PREVENTION PROGRAM DURING 2016.

Mr. Palmer presented this agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. He reported that the District's Identify Theft Prevention Program (the Program) remains effective and that the FACTA Committee was not recommending any formal changes to the Program. He noted that staff receives the required training annually, and that no action was necessary.

AUTHORIZING THE GENERAL MANAGER OR HIS DESIGNEE TO EXECUTE A SMALL WORKS CONTRACT FOR THE PURCHASE OF LABOR AND EQUIPMENT TO PERFORM DIRECTIONAL BORING AND UNDERGROUND CABLE REPLACEMENT.

Mr. Sams presented this agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. He reported that staff evaluated four bids submitted for the small works project to replace approximately 6,650 feet of existing direct buried primary cable.

He reported that Magnum Power submitted the lowest responsive quote and reviewed staff's recommendation.

Commissioner Wright moved and Commissioner Nelson seconded to authorize the General Manager or his designee to execute a small works contract for the purchase of labor and equipment to perform directional boring and underground cable replacement with Magnum Power, the lowest responsive bidder, in an amount not to exceed \$246,167. The motion passed unanimously.

ADOPTING A RESOLUTION RESCINDING RESOLUTION 434, FEDERAL AGE DISCRIMINATION IN EMPLOYMENT.

Ms. Locke presented this agenda item and reviewed the background information as reported in the Agenda Item Summary included in the meeting packet. She reported that the District is an equal opportunity employer and complies with the Federal Age Discrimination in Employment Act (the Act), and subsequent amendments of the Act, as well as State and Federal Laws. She noted that Resolution 434 was obsolete and not in accordance with the Act. Staff reviewed their recommendation.

Commissioner Nelson moved and Commissioner Wright seconded to adopt Resolution 1272 as presented. The motion passed unanimously.

DISCUSSING PROPOSED REVISIONS TO THE SALARY ADMINISTRATION PLAN FOR REGULAR NON-BARGAINING EMPLOYEES.

Ms. Locke presented this agenda item and reviewed the background information as reported in the Agenda Item Summary included in the meeting packet. She reported that the District's Salary Administration Plan (SAP) for non-bargaining employees is reviewed annually to ensure positions are placed in the proper salary grade based on value in the

market place and to remain competitive.

She noted that based on the annual review the minimum and maximum position rates within each salary range needed to be adjusted to accurately reflect the District's Salary Administration Program Guide. She reported that the minimum rate should be 80% of the position rate and the maximum rate should be 120% of the position rate for all the salary grades. The review also indicated that certain positions needed to be re-graded and moved to a different salary range. Ms. Locke reviewed the proposed revisions as presented in Attachment A of the Agenda Item. Discussion ensued.

She reported that staff will bring a resolution for adoption of the Salary Administration Plan with the proposed revisions to the February 14, 2017 regular meeting and that no action was necessary at this time.

PROVIDING AN UPDATE AND APPROVING REVISIONS TO THE DISTRICT'S 2016-17 OPERATING PLAN.

Mr. Nies presented this agenda item and reviewed the background information as reported in the Agenda Item Summary included in the meeting packet. He reported that this was the second formal update on the 2016-17 Operating Plan.

He reviewed Attachment A of the Agenda Item and provided a summary of each of the goals completed since last formal update. He reported on goals that are not completed but have made progress and goals that staff was requesting a change. There was discussion on various goals. The Commission requested that *Goal 5.F, Improve interdepartmental communications*; be broadened to include "providing clear direction to staff for the completion of departmental goals".

Staff recommended that the Commission approve the 4th Quarter revisions to the 2016-17 Operating Plan as presented and with the requested amendment to *Goal 5.F, Improve interdepartmental communications*.

Commissioner Wright moved and Commissioner Nelson seconded to approve the 2016-17 Operating Plan as presented and with the amendment to *Goal 5.F*. The motion passed unanimously.

CLAIMS

Mr. Palmer noted there was one claim to report and provided the status and details of the claim.

GENERAL MANAGER'S REPORT

Mr. Nies reported that:

- The NISC system conversion was making progress and provided an update on the information sent out to District customers regarding the conversion.

- He attended PPC and noted that the Executive Committee discussed strategic planning and key topics to focus their efforts in 2017. He reported that he was appointed to PPC's Allocation, Rates and Contracts Committee.
- He attended PNUCC and reported that the impact of a high residential basic charge rates on low income customers both high energy and low energy users was discussed.
- The District's current Strategic Direction goes through 2018. He noted he reached out to other utilities to discuss best practices for developing strategic directions. He reported that he was seeking preliminary direction from the Commission on how to move forward. Discussion ensued.
- The recent severe weather events had prompted modification of the District's office hours. He noted that staff is reviewing the actions taken during these modifications and drafting a policy for future events.
- In follow up, he reported that staff reviewed the Commission time reporting options from various utilities and noted the specifics for time reporting requirements. The Commission concurred to keep time reporting as is.
- He attended the Chamber of Pasco's Ag Hall of Fame event and reported that former District General Manager, Mr. Ken Sudgen was honored for his efforts in the development of the Pasco Processing Center.
- For his audit, he reported that in December 2016 there were 34 employees that had not completed the necessary NISC training and that as of January 23, only 5 employees remained.

Mr. Nies reported on behalf of Ms. Bone Harris that:

- Energy Northwest has taken the lead on a bill that refocuses I-937.
- There are two Electric Vehicle legislative bills and noted the progress of the bills.
- The Tri-Cities Airport expansion project was nearly complete and that the opening celebration will be January 27, 2017. He invited the Commission to attend.

STAFF REPORTS

Ms. Dohrman reported that:

- Staff is currently reviewing and finalizing a Request for Proposal for DC Fast Charging Stations. She noted that two sites have been chosen for Franklin County; one in Connell and the other in the Road 68 area. She reviewed the estimated costs for each site.
- Staff will bring a resolution to set a rate for an electric vehicle charging station pilot project to the February Commission meeting for consideration.
- The meeting packet included a power management 2016 Year in Review report. She reviewed the report.

Commissioner Gordon called for a five-minute break at 3:00 p.m. At 3:05 p.m., Commissioner Gordon reconvened the meeting.

Ms. Locke reported that:

- The Human Resources Key Performance Indicators (KPI) were included in the meeting packet and presented in a new format. The Commission noted the new format was preferred and requested a minor change.
- Staff revised Administrative Policy 38, Personal Leave Cash Outs to include an option to allow employees to declare in June and December of each year. Discussion ensued.
- The NISC training is making progress and she provided an update on the upcoming training events for the Human Resources staff.
- For her audit, she reported that vehicle pool cars should have the District's Accident Report Forms. She noted that she inspected the cars assigned to the Administration Building to ensure that each one had the forms. She reported that all the vehicles had the proper forms.

Mr. Scarano reported that:

- The meeting packet included the November and December 2016 monthly budget status reports. He reported that he would focus his review on the December 2016 reports and noted the financial year end information as noted in the December 2016 report.
- The Administrative Services KPIs were included in the meeting packet and he reviewed them.
- Staff is proposing the Commission broadband workshop be held the morning of March 28.
- Staff will bring a fiber dock crew contract for Commission authorization to the February Commission meeting.
- The Rate Advisory Committee meeting is scheduled for 9 a.m., February 14, 2017 and requested that the Commission notify staff if they planned to attend the meeting to ensure the proper meeting notifications are done.
- The broadband department staff met with the City of Connell's Mayor to discuss the City's broadband needs. He noted that the meeting had gone well.
- The meter reader's ability to get reads on meters has been impacted by the severe weather conditions. He noted that customer bills may have estimated usage.
- For his audit, he reported that he reviewed the power factor billing. He noted there were discrepancies found mainly caused by the current billing system setup. He reviewed the steps taken to correct the issue. The Commission recommended staff do regular manual audits on all types of customer billings.

At 3:20 p.m., Commissioner Nelson excused himself from the meeting due to travel requirements for his attendance at an Energy Northwest meeting.

Mr. Grad reported that:

- The recent severe weather caused various outages. He noted that the line crews were called out for a "car hit pole" in Kahlotus, repair work at the Foster Wells Substation, and other electric system repairs due to the ice and snow.
- The January monthly safety meeting included training on grounding.

- For his audit, he reported on the annual warehouse inventory audit. He noted that the results showed a nominal adjustment of \$5,950 was needed and noted that it was due to an inventory item not properly recorded in the system.

Mr. Sams reported that:

- A new maximum electric system winter peak of 201 MW was recorded on January 5, 2017.
- The new power transformer at the Broadmoor Substation was successfully energized on December 14, 2016.
- For his audit, he verified that the BPA meter data was correct after the installation of the new power transformer at the Broadmoor Substation. He noted that that meter data was accessed via the BPA portal and that the data was correct.

Mr. Palmer reported that:

- The District received a net margin allocation from Federated Insurance Cooperative of \$69,400, of which \$18,400 was a cash payment and \$51,000 was added to the District's member equity account.
- The District's annual Records and Administrative Day was January 16. He reported on the various trainings provided to staff to ensure compliance with FACTA, and record retention processes and archiving.
- For his audit, he reviewed the public records request received in 2016 and verified that all requests were properly completed.

MEETING ADJOURNED

With no further business to come before the Commission, Commissioner Gordon adjourned the meeting at 3:58 p.m.

The District's next regular meeting will be on February 14, 2017 at the District's Auditorium.

William Gordon, President

Stuart Nelson, Vice President

Roger Wright, Secretary

Public Utility District No. 1 of Franklin County
Warrant Register - February 14, 2017 Commission Meeting

Item	Check #	Vendor #	Payee	Date	Amount	Description
1	27545	13435	A-ONE REFRIGERATION & HEATING INC	1/12/2017	\$1,000.00	ENERGY SERVICES
2	27546	12956	ABM JANITORIAL SERVICES	1/12/2017	\$1,635.91	JANITORIAL SERVICE
3	27547	00116	AMERICAN PUBLIC POWER ASSOC INC	1/12/2017	\$8,584.99	DUES & MEMBERSHIP
4	27548	13380	ANIXTER INC	1/12/2017	\$2,257.79	WAREHOUSE MATERIALS & SUPPLIES
5	27549	09927	ARAMARK UNIFORM & CAREER APPAREL GRP INC	1/12/2017	\$128.08	MATS AND COVERALLS
6	27550	00174	COLUMBIA BASIN LLC	1/12/2017	\$17.00	UTILITY SERVICES
7	27551	00179	BENTON FRANKLIN CAC	1/12/2017	\$2,595.40	HELPING HANDS
8	27552	04565	BIG BEND ELECTRIC COOPERATIVE INC	1/12/2017	\$500,628.16	BROADMOOR SUBSTATION
9	27553	00187	BOB RHODES HEATING & AIR COND INC	1/12/2017	\$1,000.00	ENERGY SERVICES
10	27554	00354	CITY OF CONNELL	1/12/2017	\$6,086.83	UTILITY & CONTRACT SERVICES
11	27555	13363	COLEMAN OIL COMPANY	1/12/2017	\$6,948.17	VEHICLE FUEL
12	27556	12842	COLUMBIA GRAIN AND FEED INC	1/12/2017	\$375.65	WAREHOUSE MATERIALS & SUPPLIES
13	27557	00387	COLUMBIA RURAL ELECTRIC ASSOC	1/12/2017	\$57.39	UTILITY SERVICES
14	27558	00344	CONNELL GRANGE SUPPLY CO INC	1/12/2017	\$203.37	OPERATING SUPPLIES
15	27559	00346	CONNELL OIL INC	1/12/2017	\$652.40	GAS & OTHER FUELS
16	27560	13369	CORWIN OF PASCO, LLC	1/12/2017	\$470.06	AUTO PARTS
17	27561	02334	DATABAR INC	1/12/2017	\$5,394.19	MAILING SERVICES
18	27562	13364	DAY MANAGEMENT CORP	1/12/2017	\$23,553.79	SECURITY CAMERAS & INSTALLATION
19	27563	01487	DELTA HEATING & COOLING INC	1/12/2017	\$1,000.00	ENERGY SERVICES
20	27564	00292	WA STATE DEPT OF LABOR & INDUSTRIES	1/12/2017	\$25,599.80	INDUSTRIAL INSURANCE
21	27565	12862	ELECTRIC RESEARCH & MANUFACTURING	1/12/2017	\$33,069.79	WAREHOUSE MATERIALS & SUPPLIES
22	27566	00197	FEDERAL EXPRESS CORPORATION	1/12/2017	\$20.69	FEDEX
23	27567	12885	INDEPENDENT STATIONERS	1/12/2017	\$342.87	OFFICE SUPPLIES
24	27568	00253	ITRON INC	1/12/2017	\$7,222.07	HARD/SOFTWARE MAINTENANCE
25	27569	00622	IWI INSULATION INC	1/12/2017	\$429.00	ENERGY SERVICES
26	27570	01490	J J KELLER & ASSOCIATES INC	1/12/2017	\$85.66	SUBSCRIPTION
27	27571	03554	JACOBS & RHODES INC	1/12/2017	\$1,000.00	ENERGY SERVICES
28	27572	00321	M CAMPBELL & COMPANY INC	1/12/2017	\$4,000.00	ENERGY SERVICES
29	27573	13201	THM MANAGEMENT INC	1/12/2017	\$356.16	AUTO PARTS
30	27574	00452	ORKIN EXTERMINATING INC	1/12/2017	\$205.42	PEST CONTROL
31	27575	00394	OXARC INC	1/12/2017	\$165.55	NITROGEN
32	27576	13140	PADILLA MASONRY INC	1/12/2017	\$3,133.11	BUILDING MAINTENANCE - STUCCO REPAIR
33	27577	13367	SETTLEMENTONE SCREENING CORPORATION	1/12/2017	\$71.23	NEW HIRE BACKGROUND CHECKS
34	27578	00638	PERFECTION GLASS INC	1/12/2017	\$343.32	ENERGY SERVICES
35	27579	00426	POWER CITY ELECTRIC INC	1/12/2017	\$374,574.54	PROJECT WORK
36	27580	00472	PUBLIC POWER COUNCIL	1/12/2017	\$54,054.00	DUES & MEMBERSHIP / NW RIVER PARTNERS ASSESSMENT

Public Utility District No. 1 of Franklin County
Warrant Register - February 14, 2017 Commission Meeting

Item	Check #	Vendor #	Payee	Date	Amount	Description
37	27581	07520	RAILROAD MANAGEMENT COMPANY III LLC	1/12/2017	\$1,948.98	POWER CROSSING PERMIT
38	27582	00826	SMITH INSULATION INC	1/12/2017	\$1,491.97	ENERGY SERVICES
39	27583	10782	SOLOMON CORPORATION	1/12/2017	\$3,730.00	KVA REGULATOR REPAIR
40	27584	00195	STAPLES CONTRACT & COMMERCIAL INC	1/12/2017	\$786.13	OFFICE SUPPLIES
41	27585	00478	THE MCCLATCHY COMPANY	1/12/2017	\$101.41	ADVERTISING
42	27586	12831	UNITED STATES DEPARTMENT OF INTERIOR	1/12/2017	\$100.00	ANNUAL MIGRATORY BIRD UTILITY PERMIT
43	27587	11471	VERIZON WIRELESS SERVICES LLC	1/12/2017	\$1,201.70	METER READING & PHONE SERVICES
44	27588	00290	WASHINGTON PUBLIC UTILITY DIST ASSOC	1/12/2017	\$8,850.00	DUES & MEMBERSHIP
45	27589	00242	WAGNER-SMITH COMPANY	1/12/2017	\$1,270.53	TOOLS
46	27590	13374	WASHINGTON BUSINESS ALLIANCE	1/12/2017	\$1,000.00	DUES & MEMBERSHIP
47	27591	04105	WATER SOLUTIONS INC	1/12/2017	\$418.11	WATER COOLER RENTAL
48	27608	13380	ANIXTER INC	1/19/2017	\$1,259.76	WAREHOUSE MATERIALS & SUPPLIES
49	27609	09927	ARAMARK UNIFORM & CAREER APPAREL GRP INC	1/19/2017	\$70.24	MATS AND COVERALLS
50	27610	00171	BASIN DISPOSAL INC	1/19/2017	\$1,105.56	UTILITY SERVICES
51	27611	04565	BIG BEND ELECTRIC COOPERATIVE INC	1/19/2017	\$17,420.00	POLE CONTACTS
52	27612	00187	BOB RHODES HEATING & AIR COND INC	1/19/2017	\$1,000.00	ENERGY SERVICES
53	27613	10786	CCR TRI CITIES III LLC	1/19/2017	\$1,336.80	ADVERTISING
54	27614	12936	QWEST CORPORATION	1/19/2017	\$1,648.24	PHONE SERVICES
55	27615	12949	QWEST COMMUNICATIONS COMPANY LLC	1/19/2017	\$194.02	PHONE SERVICES
56	27616	00354	CITY OF CONNELL	1/19/2017	\$107,095.13	OCCUPATION/UTILITY TAX
57	27617	00358	CITY OF KAHLOTUS	1/19/2017	\$2,565.86	OCCUPATION/UTILITY TAX
58	27618	00362	CITY OF PASCO	1/19/2017	\$384,479.68	OCCUPATION/UTILITY TAX
59	27619	00360	CITY OF PASCO	1/19/2017	\$98.21	UTILITY SERVICES
60	27620	12961	CITY OF RICHLAND	1/19/2017	\$270.00	FIBER LEASE
61	27621	02334	DATABAR INC	1/19/2017	\$3,660.62	MAILING SERVICES
62	27622	03509	FRANKLIN COUNTY INFO SERVICES	1/19/2017	\$75.48	INTERNET CONNECTION-FRIS
63	27623	00518	FRANKLIN COUNTY PUBLIC WORKS DEPT	1/19/2017	\$100.52	PROFESSIONAL SERVICES
64	27624	13270	GARDAWORLD	1/19/2017	\$441.91	ARMORED CAR SERVICE
65	27625	00229	W W GRAINGER INC DBA GRAINGER	1/19/2017	\$17.44	OPERATING SUPPLIES
66	27626	01552	HARRIS COMPUTER SYSTEM A CORPORATION	1/19/2017	\$13,324.29	HARD/SOFTWARE MAINTENANCE
67	27627	13424	UBM LLC	1/19/2017	\$295.00	DUES & MEMBERSHIP
68	27628	02760	HOME BUILDERS ASSOCIATION OF TRI CITIES	1/19/2017	\$2,000.00	ADVERTISING
69	27629	13442	INTERCONTINENTAL EXCHANGE HOLDINGS, INC	1/19/2017	\$120.00	POWER TRADING FEES
70	27630	13284	KENYON ZERO STORAGE INC	1/19/2017	\$1,960.00	ENERGY SERVICES
71	27631	00321	M CAMPBELL & COMPANY INC	1/19/2017	\$1,000.00	ENERGY SERVICES
72	27632	13654	MARK FORTUNE	1/19/2017	\$4,055.65	ENGINEERING CIAC REFUND

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Item	Check #	Vendor #	Payee	Date	Amount	Description
73	27633	13568	MARY MARGARET RUTHI BERGLUND	1/19/2017	\$2,375.55	ENERGY SERVICES
74	27634	00424	GREATER PASCO CHAMBER OF COMMERCE	1/19/2017	\$3,540.00	DUES & MEMBERSHIP
75	27635	13438	PITNEY BOWES INC	1/19/2017	\$2,500.00	MAIL MACHINE POSTAGE
76	27636	00426	POWER CITY ELECTRIC INC	1/19/2017	\$52,643.52	PROJECT WORK
77	27637	01875	RAY POLAND & SONS	1/19/2017	\$20.00	DISPOSAL
78	27638	07211	RESER'S FINE FOODS INC	1/19/2017	\$12,189.31	ENERGY SERVICES
79	27639	13633	RIGHT! SYSTEMS, INC	1/19/2017	\$2,506.36	HARD/SOFTWARE PURCHASE
80	27640	12839	SHOWCASE SPECIALTIES INC	1/19/2017	\$164.43	LOGO CLOTHING
81	27641	04190	UNITED PARCEL SERVICE OF AMERICA INC	1/19/2017	\$55.48	POSTAGE
82	27642	00283	NW ONE CALL SUBSURFACE WARNING SYSTEM	1/19/2017	\$323.40	LOCATES
83	27643	11471	VERIZON WIRELESS SERVICES LLC	1/19/2017	\$596.21	METER READING & PHONE SERVICES
84	27644	00285	WA STATE SUPPORT REGISTRY	1/19/2017	\$219.34	SUPPORT PAYMENT
85	27645	00300	WELLS FARGO BANK, NA	1/19/2017	\$142,468.27	INSURANCE PREMIUM
86	27673	12956	ABM JANITORIAL SERVICES	1/26/2017	\$2,590.09	JANITORIAL SERVICE
87	27674	13380	ANIXTER INC	1/26/2017	\$4,548.44	WAREHOUSE MATERIALS & SUPPLIES
88	27675	00129	APOLLO SHEET METAL INC	1/26/2017	\$185.71	HVAC MAINTANENCE
89	27676	09927	ARAMARK UNIFORM & CAREER APPAREL GRP INC	1/26/2017	\$128.08	MATS AND COVERALLS
90	27677	13072	CDW LLC	1/26/2017	\$2,462.20	HARD/SOFTWARE PURCHASE
91	27678	00515	CONSOLIDATED ELECTRICAL DIST INC	1/26/2017	\$507.81	WAREHOUSE MATERIALS & SUPPLIES
92	27679	12936	QWEST CORPORATION	1/26/2017	\$54.12	PHONE SERVICES
93	27680	00360	CITY OF PASCO	1/26/2017	\$699.77	UTILITY SERVICES
94	27681	12903	CITY OF RICHLAND	1/26/2017	\$49.72	FIBER SERVICES
95	27682	03560	CONAGRA FOODS LAMB WESTON INC	1/26/2017	\$1,926.00	ENERGY SERVICES
96	27683	02334	DATABAR INC	1/26/2017	\$4,295.15	MAILING SERVICES
97	27684	13116	DELL SOFTWARE INC	1/26/2017	\$6,257.16	HARD/SOFTWARE MAINTENANCE
98	27685	00216	GENERAL PACIFIC INC	1/26/2017	\$8,616.69	WAREHOUSE MATERIALS & SUPPLIES
99	27686	00229	W W GRAINGER INC DBA GRAINGER	1/26/2017	\$670.12	OPERATING SUPPLIES
100	27687	03521	GRAYBAR ELECTRIC INC	1/26/2017	\$6,471.77	FIBER MATERIALS & SUPPLIES
101	27688	12885	INDEPENDENT STATIONERS	1/26/2017	\$202.50	OFFICE SUPPLIES
102	27689	13660	LEONARDO BARRAGAN	1/26/2017	\$810.00	ENGINEERING CIAC REFUND
103	27690	00006	OUR LADY OF LOURDES	1/26/2017	\$76.00	MEDICAL SERVICE
104	27691	12732	MARK G PETERSON	1/26/2017	\$400.00	POWER LINE CROSSING PERMIT
105	27692	13201	THM MANAGEMENT INC	1/26/2017	\$506.67	AUTO PARTS
106	27693	01318	NORTHWEST OPEN ACCESS NETWORK	1/26/2017	\$5,783.00	FIBER SERVICES
107	27694	00452	ORKIN EXTERMINATING INC	1/26/2017	\$498.75	PEST CONTROL
108	27695	00394	OXARC INC	1/26/2017	\$51.02	NITROGEN

Public Utility District No. 1 of Franklin County
Warrant Register - February 14, 2017 Commission Meeting

Item	Check #	Vendor #	Payee	Date	Amount	Description
109	27696	13445	RELIABLE EQUIPMENT & SERVICE COMPANY, INC	1/26/2017	\$864.44	TOOLS
110	27697	13661	RON OAK	1/26/2017	\$400.00	ENGINEERING CIAC REFUND
111	27698	06825	SEBRIS BUSTO JAMES	1/26/2017	\$16.00	CWPU EXPENSE
112	27699	00195	STAPLES CONTRACT & COMMERCIAL INC	1/26/2017	\$730.80	OFFICE SUPPLIES
113	27700	12799	GAP HOLDING LLC	1/26/2017	\$444.00	ADVERTISING
114	27701	06523	TRI CITY REGIONAL CHAMBER OF COMMERCE	1/26/2017	\$2,500.00	DUES & MEMBERSHIP
115	27702	12127	US BANK	1/26/2017	\$21,424.20	PURCHASING CARDS
116	27703	13420	VERIZON WIRELESS SERVICES	1/26/2017	\$1,139.22	FLEET MANAGEMENT SERVICES
117	27704	11471	VERIZON WIRELESS SERVICES LLC	1/26/2017	\$472.83	METER READING & PHONE SERVICES
118	27705	11202	WESTERN ELECTRICITY COORD COUNCIL	1/26/2017	\$182.78	TRANSFER FEES
119	27706	01436	WILLIAM B STREBIN	1/26/2017	\$200.00	POWER LINE CROSSING PERMIT
Warrant Total					\$1,929,522.54	
120	EFT001519	00130	MOON SECURITY SERVICES INC	1/13/2017	\$490.00	SECURITY MAINTENANCE
121	EFT001520	00256	KELLEY'S TELE-COMMUNICATION INC	1/13/2017	\$867.50	ANSWERING SERVICE
122	EFT001521	00320	WOODPECKER TRUCK & EQUIPMENT INC	1/13/2017	\$370.77	AUTO SUPPLIES
123	EFT001522	02263	TYNDALE COMPANY INC	1/13/2017	\$203.08	FIRE SAFETY CLOTHING
124	EFT001523	02533	THOMPSON COBURN LLP	1/13/2017	\$704.21	PROFESSIONAL SERVICES
125	EFT001524	12913	COPIERS NORTHWEST INC	1/13/2017	\$212.68	HARD/SOFTWARE MAINTENANCE
126	EFT001525	12981	GREEN ENERGY TODAY LLC	1/13/2017	\$11,799.79	ESQUATZEL DAM PROJECT
127	EFT001526	13227	TTB, LLC	1/13/2017	\$25.00	VEHICLE WASHES
128	EFT001527	13463	EPICOR SOFTWARE CORPORATION	1/13/2017	\$6,451.71	HUMAN RESOURCES SOFTWARE
129	EFT001528	001	REBECCA A DIAZ	1/13/2017	\$2,437.74	EMPLOYEE TUITION REIMBURSEMENT
130	EFT001529	054	ALEX ESPERQUETA JR	1/13/2017	\$200.00	EMPLOYEE REIMBURSEMENT
131	EFT001530	070	TIMOTHY M NIES	1/13/2017	\$535.72	EMPLOYEE TRAVEL REIMBURSEMENT
132	EFT001531	076	KATRINA B FULTON	1/13/2017	\$310.00	EMPLOYEE TRAVEL REIMBURSEMENT
133	EFT001532	087	RICHARD A SARGENT	1/13/2017	\$525.89	EMPLOYEE TRAVEL REIMBURSEMENT
134	EFT001533	113	ROGER G WRIGHT	1/13/2017	\$353.72	EMPLOYEE TRAVEL REIMBURSEMENT
135	EFT001534	154	HOLLY DOHRMAN	1/13/2017	\$1,036.38	EMPLOYEE TRAVEL REIMBURSEMENT
136	EFT001535	00080	MCCURLEY INTEGRITY DEALERSHIPS LLC	1/20/2017	\$15,188.74	VEHICLE PURCHASE
137	EFT001536	02263	TYNDALE COMPANY INC	1/20/2017	\$1,333.18	FIRE SAFETY CLOTHING
138	EFT001537	03316	A W REHN & ASSOCIATES INC	1/20/2017	\$1,307.21	FLEX PLAN
139	EFT001538	12722	VANTAGEPOINT TRANSFER AGENTS-457	1/20/2017	\$13,419.81	DEFERRED COMPENSATION
140	EFT001539	12723	VANTAGEPOINT TRANSFER AGENTS-401	1/20/2017	\$12,241.90	DEFERRED COMPENSATION
141	EFT001540	12724	A W REHN & ASSOCIATES INC	1/20/2017	\$94.00	COBRA NOTIFICATION/FLEX FEE
142	EFT001541	13294	PARAMOUNT COMMUNICATIONS	1/20/2017	\$4,343.29	FIBER DOCK CREW

**Public Utility District No. 1 of Franklin County
Warrant Register - February 14, 2017 Commission Meeting**

Item	Check #	Vendor #	Payee	Date	Amount	Description
143	EFT001542	13299	HRA VEBA TRUST	1/20/2017	\$59,835.65	VEBA
144	EFT001543	01890	CI SUPPORT LLC	1/20/2017	\$51.00	SHREDDING
145	EFT001544	13449	LUCAS ENGINEERING & MANAGEMENT SERVICES, INC	1/20/2017	\$1,950.00	CONSULTING
146	EFT001545	13168	PORTLAND GENERAL ELECTRIC COMPANY	1/20/2017	\$5,358.24	COB INTERTIE
147	EFT001546	05132	TRI CITIES SUNRISE ROTARY CLUB	1/20/2017	\$201.00	DUES & MEMBERSHIP
148	EFT001547	093	STUART J NELSON	1/20/2017	\$694.31	EMPLOYEE TRAVEL REIMBURSEMENT
149	EFT001548	00178	BENTON COUNTY PUD	1/27/2017	\$2,042.64	TREE TRIMMING SERVICES
150	EFT001549	00273	TRI CITY DEVELOPMENT COUNCIL	1/27/2017	\$10,000.00	DUES & MEMBERSHIP
151	EFT001550	00299	BUDGET PRINT CENTER INC	1/27/2017	\$704.59	OFFICE FORMS
152	EFT001551	00448	LAWSON PRODUCTS INC	1/27/2017	\$982.60	WAREHOUSE MATERIALS & SUPPLIES
153	EFT001552	02263	TYNDALE COMPANY INC	1/27/2017	\$1,712.62	FIRE SAFETY CLOTHING
154	EFT001553	02361	UNUM LIFE INSURANCE CO OF AMERICA	1/27/2017	\$43.50	INSURANCE PREMIUM
155	EFT001554	02842	ENERGY NORTHWEST	1/27/2017	\$216,201.14	PACKWOOD & NINE CANYON
156	EFT001555	04279	ESPRIT GRAPHIC COMMUNICATIONS INC	1/27/2017	\$4,329.97	ADVERTISING
157	EFT001556	08271	CODALE ELECTRIC SUPPLY INC	1/27/2017	\$35,490.48	FIBER MATERIALS & SUPPLIES
158	EFT001557	13017	BARB STROTE LLC	1/27/2017	\$250.00	PROFESSIONAL SERVICES
159	EFT001558	00444	PACIFIC NORTHWEST UTILITIES	1/27/2017	\$5,011.00	DUES & MEMBERSHIP
160	EFT001559	11776	ROHLINGER ENTERPRISES INC	1/27/2017	\$420.27	WAREHOUSE MATERIALS & SUPPLIES
161	EFT001560	00320	WOODPECKER TRUCK & EQUIPMENT INC	1/27/2017	\$185.20	AUTO SUPPLIES
162	EFT001561	025	TODD D BLACKMAN	1/27/2017	\$305.43	EMPLOYEE TRAVEL REIMBURSEMENT
EFT Total					\$420,221.96	
Check Range #	Payee		Date	Amount	Description	
27592 - 27607	VARIOUS CUSTOMERS		1/18/2017	\$1,921.63	REFUNDS	
27646 - 27672	VARIOUS CUSTOMERS		1/25/2017	\$3,563.49	REFUNDS	
Refund Total					\$5,485.12	

Grand Total \$2,355,229.62

FRANKLIN PUD: AGENDA ITEM SUMMARY

Presenter: Victor Scarano, Director of Administrative Services Date: 02/14/2017

REPORT DISCUSSION ACTION REQUIRED

1. OBJECTIVE:

Authorizing the General Manager or his Designee to Execute a Contract for Miscellaneous Fiber Dock Crew Projects.

2. BACKGROUND:

In January 2017, the District requested bids from contractors on the District's Pre-Qualified Contractors list to furnish labor and equipment services to perform miscellaneous work on the District's broadband system. Broadband projects vary depending on the customer needs and requests. The District's estimate includes parts and labor to cover numerous types of projects; as noted on the bid form. The estimate was developed solely to assist the bidders in preparing their bids and assist the District in the evaluation. Staff received and evaluated two bids.

Paramount Communications, Inc.....	\$457,513.86
Utility Technologies, Inc.....	\$465,144.00

Staff determined that Paramount Communications, Inc. submitted the lowest responsive bid, which was within the District's estimate. The 2017 Capital Budget includes \$575,000 for these projects.

Staff recommends that the Commission find Paramount Communications, Inc. the lowest responsive bidder and authorize the General Manager or his designee to execute a contract for miscellaneous fiber dock crew projects with Paramount Communications Inc.

The initial contract term is for 12 months beginning March 1, 2017 and ending February 28, 2018. The contract may be extended for two additional twelve-month periods with the same terms and conditions of the original contract or as amended.

3. SUGGESTED MOTION:

I move to find Paramount Communications, Inc. the lowest responsive bidder and authorize the General Manager or his designee to execute a contract with Paramount Communications, Inc. for miscellaneous fiber dock crew projects in an amount not to exceed \$457,513.86.

FRANKLIN PUD: AGENDA ITEM SUMMARY

Presenter: Victor Scarano, Director of Administrative Services Date: 02/14/2017

REPORT

DISCUSSION

ACTION REQUIRED

1. **OBJECTIVE:**

Adopting a Resolution Approving a Revised Administrative Policy 54, District Financial Policy, and Superseding Resolution 1161.

2. **BACKGROUND:**

On April 26, 2011, the Commission adopted Resolution 1161, which incorporated the financial policy components and the establishment of the Rate Stabilization Fund into a single comprehensive policy; Administrative Policy 54, District Financial Policy (Financial Policy).

The District has revised the Financial Policy to include definitions of the financial targets. The Financial Policy continues to be effective in managing the finances and no further changes are recommended.

Attachment A is the Financial Policy redlined to show the recommended revisions.

Staff recommends that the Commission adopt Resolution 1273, as presented. The revised Administrative Policy 54, District Financial Policy is included as Exhibit A to the Resolution.

3. **SUGGESTED MOTION:**

I move to adopt Resolution 1273 as presented.

Policy No: ADM-54
 Revision No: 1
 Effective Date: 02/14/17



DISTRICT FINANCIAL POLICY

1.0 PURPOSE AND SCOPE

This ~~administrative~~ policy ~~is to prescribe~~ establishes financial policies for managing the finances of the District and ~~to develop~~ ing financial plans and utility rates for current and future years while being fiscally responsible to the ratepayers.

2.0 DEFINITIONS

Reserves Target: A measure of how much cash is necessary to keep on hand to meet financial obligations in the event of an unexpected loss or outlay of cash.

Debt Service Coverage:— A measure of cash flow available to pay current debt obligations.

Leverage:— A measure of assets consumed if the debt balance was paid in full.

Rate Stabilization Fund:— A cash reserve created to stabilize utility operations during an unexpected event that negatively impacts cash flows.

3.0 IMPLEMENTATION

Background:—The District adopted Resolution 980, District Financial Policies, on September 28, 2004, including targets related to debt service and reserve levels. The District adopted Resolution 1140, Establishing a Rate Stabilization Fund in an amount not to exceed \$6 Million, on December 8, 2009. In 2011 through adoption of Resolution 1161, to create a rate stabilization fund and identify criteria for use and funding. ~~The objective of this policy is to~~ was revised to and incorporate certain components from Resolutions 980, and Resolution 1140, ~~and other financial policy components~~ into a single comprehensive financial policy.

3.1 Liquidity Reserves Target:

The District shall maintain adequate reserves by setting a target reserve level comprised of 25% of the operating and maintenance expenses, 10% of the gross power costs, and 25% of the capital costs budgeted for the calendar year.

3.2 Debt Service Coverage Target:

The District will develop financial plans to maintain a Debt Service Coverage Target of 1.6x. The minimum Debt Service Coverage pursuant to bond resolution covenants is 1.25x. Debt Service Coverage is calculated by dividing the net revenues, as defined in the bond resolution, by the total annual debt service payment.

Policy No: ADM-54
Revision No: 1
Effective Date: 02/14/17

3.3 Leverage Target:

The District will develop financial plans to maintain a debt ~~to net~~-asset ratio of 40% or less. The debt to ~~net asset~~asset ratio is calculated by dividing outstanding long-term debt by the sum of total assets less depreciation. The Commission must authorize District exceptions that temporarily exceed this ratio on a temporary basis when circumstances warrant (e.g., purchase of a long-term generation asset or capacity or other major capital project).

3.4 Rate Stabilization Fund:

The District’s Rate Stabilization Fund was initially funded at ~~an amount~~\$5.9 Million based on the District’s 2009 annual debt service requirement ~~(\$5.9M)~~. -The District’s Rate Stabilization Fund will be used and replenished only with Commission approval to meet the Debt Service Coverage Target, satisfy an unexpected need for funds, or manage utility rates. District staff will periodically review with the Commission the funding levels to ensure that the fiscal needs of the District are being met.

EXHIBITS/ATTACHMENTS

None.

~~As a~~Adopted~~approved~~ by the Board of Commissioners at ~~their regular meeting on the~~ April 26, 2011~~February 14, 2017~~ Commission meeting.

Reviewed by: _____ Date: _____
Victor R. Scarano, Director of Administrative Services

Approved by: _____ Date: _____
Tim Nies, General Manager

Revision History:

Issued: 08/10/11 RES 1161
Revision 1: 02/14/17 RES 1273

RESOLUTION 1273

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

**APROVING A REVISED ADMINISTRATIVE POLICY 54, DISTRICT FINANCIAL
POLICY AND SUPERSEDING RESOLUTION 1161.**

WHEREAS, Public Utility District No. 1 of Franklin County (the District) recognizes the importance of establishing financial policies for managing the finances of the District and to develop financial plans and utility rates for current and future years while being fiscally responsible to the ratepayers; and

WHEREAS, the Board of Commissioners (the Commission) adopted Resolution 1161, which incorporated the financial policy components and the establishment of the Rate Stabilization Fund into a single comprehensive policy; Administrative Policy 54, District Financial Policy (Financial Policy); and

WHEREAS, staff revised the Financial policy to include definitions of the financial targets. The Financial Policy continues to be effective in managing the finances and no further changes are needed; now therefore

BE IT RESOLVED that the Commission adopts the revised Administrative Policy 54, District Financial Policy, attached hereto as Exhibit A of the resolution; and

BE IT FURTHER RESOLVED that Resolution 1161 is superseded.

ADOPTED by the Board of Commissioners of Public Utility District No. 1 of Franklin County at an open public meeting this 14th day of February, 2017.

William Gordon, President

Stuart Nelson, Vice President

Roger Wright, Secretary

Policy No: ADM-54
Revision No: 1
Effective Date: 02/14/17



DISTRICT FINANCIAL POLICY

1.0 PURPOSE AND SCOPE

This policy establishes financial policies for managing the finances of the District and to develop financial plans and utility rates for current and future years while being fiscally responsible to the ratepayers.

2.0 DEFINITIONS

Reserves Target: A measure of how much cash is necessary to keep on hand to meet financial obligations in the event of an unexpected loss or outlay of cash.

Debt Service Coverage: A measure of cash flow available to pay current debt obligations.

Leverage: A measure of assets consumed if the debt balance was paid in full.

Rate Stabilization Fund: A cash reserve created to stabilize utility operations during an unexpected event that negatively impacts cash flows.

3.0 IMPLEMENTATION

The District adopted Resolution 980, District Financial Policies, on September 28, 2004, including targets related to debt service and reserve levels. The District adopted Resolution 1140, Establishing a Rate Stabilization Fund in an amount not to exceed \$6 Million on December 8, 2009. In 2011 through adoption of Resolution 1161, the policy was revised to incorporate certain components from Resolution 980, and Resolution 1140, into a single comprehensive financial policy.

3.1 Reserves Target

The District shall maintain adequate reserves by setting a target reserve level comprised of 25% of the operating and maintenance expenses, 10% of the gross power costs, and 25% of the capital costs budgeted for the calendar year.

3.2 Debt Service Coverage Target

The District will develop financial plans to maintain a Debt Service Coverage Target of 1.6x. The minimum Debt Service Coverage pursuant to bond resolution covenants is 1.25x. Debt Service Coverage is calculated by dividing the net revenues, as defined in the bond resolution, by the total annual debt service payment.

Policy No: ADM-54
Revision No: 1
Effective Date: 02/14/17

3.3 Leverage Target

The District will develop financial plans to maintain a debt to asset ratio of 40% or less. The debt to asset ratio is calculated by dividing outstanding long-term debt by the sum of total assets less depreciation. The Commission must authorize District exceptions that temporarily exceed this ratio on a temporary basis when circumstances warrant (e.g., purchase of a long-term generation asset or capacity or other major capital project).

3.4 Rate Stabilization Fund

The District’s Rate Stabilization Fund was initially funded at \$5.9 Million based on the District’s 2009 annual debt service requirement. The District’s Rate Stabilization Fund will be used and replenished only with Commission approval to meet the Debt Service Coverage Target, satisfy an unexpected need for funds, or manage utility rates. District staff will periodically review with the Commission the funding levels to ensure that the fiscal needs of the District are being met.

EXHIBITS/ATTACHMENTS

None.

As adopted by the Board of Commissioners at the February 14, 2017 Commission meeting.

Reviewed by: _____ Date: _____
Victor R. Scarano, Director of Administrative Services

Approved by: _____ Date: _____
Tim Nies, General Manager

Revision History:
Issued: 08/10/11 RES 1161
Revision 1: 02/14/17 RES 1273

FRANKLINPUD: AGENDA ITEM SUMMARY

Presenter: Duane Sams, Director of Engineering

Date: 02/14/2017

REPORT

DISCUSSION

ACTION REQUIRED

1. **OBJECTIVE:**

Authorizing the General Manager or his Designee to Execute a Contract for the Purchase of Primary Underground Cable.

2. **BACKGROUND:**

The District requested bids to furnish a total of 135,000 feet of primary underground cable. The District will add the underground cable to its inventory and use it as needed on the 12 kV distribution system for customer additions and capital projects.

Staff received and evaluated the following bid:

WESCO Distribution	\$ 224,190
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Staff determined that Wesco Distribution submitted a responsive bid, which was within the District estimate.

Staff recommends that the Commission authorize the General Manager or his designee to execute a contract with Wesco Distribution, the lowest responsive bidder, for the purchase of primary underground cable in an amount not to exceed \$224,190.

3. **SUGGESTED MOTION:**

I move to authorize the General Manager or his designee to execute a contract with Wesco Distribution, the lowest responsive bidder, for the purchase of primary underground cable in an amount not to exceed \$224,190.

FRANKLIN PUD: AGENDA ITEM SUMMARY

Presenter: Duane Sams, Director of Engineering

Date: 02/14/2017

REPORT

DISCUSSION

ACTION REQUIRED

1. **OBJECTIVE:**

Authorizing the General Manager or his Designee to Execute a Contract Amendment with Power City Electric for Miscellaneous Dock Crew Projects.

2. **BACKGROUND:**

In February 2016, the District entered into contract with Power City to furnish labor and equipment required to complete various projects in the District's Capital Budget.

The contract provides for two (2) additional one-year extensions with adjustments as required by the Northwest Line Chapter NECA/IBEW Local 77 Agreement.

If authorized this amendment will allow for the first contract extension and will be effective beginning March 1, 2017 through February 28, 2018 at a cost of \$1,980,588, which includes an adjustment increase of \$31,419 (1.61%) for labor rate increases as required by the Northwest Line Chapter NECA/IBEW Local 77 Agreement.

Staff recommends that the Commission authorize the General Manager or his designee to execute a contract amendment with Power City Electric for miscellaneous dock crew project, in an amount not to exceed \$1,980,588.

3. **SUGGESTED MOTION:**

I move to authorize the General Manager or his designee to execute a contract amendment with Power City Electric for miscellaneous dock crew projects, in an amount not to exceed \$1,980,588.

FRANKLIN PUD: AGENDA ITEM SUMMARY

Presenter: Steve Palmer, General Counsel

Date: 02/14/2017

REPORT

DISCUSSION

ACTION REQUIRED

1. **OBJECTIVE:**

Adopting a Resolution Appointing an Agent for Service of Damage Claims for the District and Superseding Resolution 1207.

2. **BACKGROUND:**

RCW 4.96.020 requires the Commission appoint an “agent” for service of damage claims being asserted against the District, and file the name, address, and normal business hours of this agent with the Franklin County Auditor.

Resolution 1207 appointed the District’s Public Records Officer as the agent and shows the District’s normal business hours of 8:00 a.m. to 5:00 p.m. The District has since revised its normal business hours and a new resolution is needed to accurately reflect the agent’s normal business hours of 8:30 a.m. to 5:00 p.m. No other changes are being recommended.

Staff recommends the Commission adopt Resolution 1274 as presented. Adopting Resolution 1274 also instructs staff to file the resolution with the Franklin County Auditor.

3. **SUGGESTED MOTION:**

I move to adopt Resolution 1274 as presented.

RESOLUTION 1274

**A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF PUBLIC UTILITY DISTRICT NO 1 OF FRANKLIN COUNTY**

**APPOINTING AN AGENT FOR SERVICE OF DAMAGE CLAIMS FOR THE
DISTRICT AND SUPERSEDING RESOLUTION 1207**

WHEREAS, the Board of Commissioners (the Commission) of Public Utility District No. 1 of Franklin County (the District) is required, pursuant to RCW 4.96.020, to appoint an agent to receive any claim for damages made against the District; and

WHEREAS, RCW 4.96.020 requires that the District record with the Franklin County Auditor's office the identity of the agent and the address where he or she may be reached during the normal business hours of the District; and

WHEREAS, RCW 4.96.020 requires that all claims for damages being asserted against the District be presented to the agent within the applicable period of limitations within which a lawsuit may be commenced; now therefore

BE IT RESOLVED, that the Board of Commissioners of Public Utility District No. 1 of Franklin County, Washington appoints the District's Public Records Officer, whose address is 1411 W. Clark, Pasco, Washington, 99301 and whose normal business hours are 8:30 a.m. to 5 p.m., Monday through Friday except observed holidays, as the agent for service of claims against the District; and

BE IT FURTHER RESOLVED that Resolution 1207 is superseded; and

BE IT FURTHER RESOLVED, a copy of this resolution shall be filed with the Franklin County Auditor for recording.

Adopted by the Board of Commissioners of Public Utility District No. 1 of Franklin County at an open public meeting this 14th day of February, 2017.

William Gordon, President

Stuart Nelson, Vice President

Roger Wright, Secretary

FRANKLIN PUD: AGENDA ITEM SUMMARY

Presenter: Steve Palmer, General Counsel

Date: 02/14/2017

REPORT

DISCUSSION

ACTION REQUIRED

1. **OBJECTIVE:**

Adopting a Resolution Providing for Indemnification of Commissioners, Officers, and Employees of the District, Subject to Limitations and Superseding Resolution 546.

2. **BACKGROUND:**

It is the intent of the District to provide protection for its Commissioners, employees, and agents from suits, claims, actions or proceedings instituted against them when acting in good faith and within the scope of their employment with the District.

Since the adoption of Resolution 546 on February 14, 1984, there have been changes made to Washington State law which provide additional protections for the indemnification of public employees of local governmental entities.

Adopting Resolution 1275 allows the incorporation of the additional protections afforded for indemnification such as payment of damages and expenses of defenses (RCW 4.96.041), and the purchase of insurance to protect and hold harmless its Commissioners, employees and agents (RCW 36.16.138).

Staff recommends the Commission adopt Resolution 1275 as presented.

3. **SUGGESTED MOTION:**

I move to adopt Resolution 1275 as presented.

RESOLUTION 1275

**A RESOLUTION OF THE COMMISSIONERS OF
PUBLIC UTILITY DISTRICT NO. 1 OF FRANKLIN, WASHINGTON,**

**PROVIDING FOR INDEMNIFICATION OF COMMISSIONERS,
OFFICERS, AND EMPLOYEES OF THE DISTRICT, SUBJECT TO LIMITATIONS
AND SUPERSEDING RESOLUTION 546**

WHEREAS, the Public Utility District No.1 of Franklin County (the District) is authorized to indemnify the Board of Commissioners (the Commission), employees or agents under RCW 54.16.097, and

WHEREAS, RCW 54.16.097 provides that whenever any action, claim, or proceeding is instituted against any person who is or was an officer, employee, or agent of a public utility district established under this title arising out of the performance or failure of performance of duties for, or employment with any such district, the commission of the district may grant a request by such person that the attorney of the district's choosing be authorized to defend said claim, suit, or proceeding, and the costs of defense, attorney's fees, and any obligation for payment arising from such action may be paid from the district's funds; PROVIDED, that costs of defense and/or judgment or settlement against such person shall not be paid in any case where the court has found that such person was not acting in good faith or within the scope of his or her employment with or duties for the district; and

WHEREAS, RCW 4.96.041 provides that whenever an action or proceeding for damages is brought against any past or present officer, employee, or volunteer of a local governmental entity of this state, arising from acts or omissions while performing or in good faith purporting to perform his or her official duties, such officer, employee, or volunteer may request the local governmental entity to authorize the defense of the action or proceeding at the expense of the local governmental entity, and

WHEREAS, if the legislative authority of the local governmental entity, or the local governmental entity using a procedure created by resolution, finds that the acts or omissions of the officer, employee, or volunteer were, or in good faith purported to be,

within the scope of his or her official duties, the request shall be granted. If the request is granted, the necessary expenses of defending the action or proceeding shall be paid by the local governmental entity. Any monetary judgment against the officer, employee, or volunteer shall be paid on approval of the legislative authority of the local governmental entity or by a procedure for approval created by resolution; and

WHEREAS, RCW 36.16.138 provides that any board of commissioners, council, or board of directors or other governing board of any county, city, town, school district, port district, public utility district, water-sewer district, irrigation district, or other municipal corporation or political subdivision is authorized to purchase insurance to protect and hold personally harmless any of its commissioners and any of its other officers, employees, and agents from any action, claim, or proceeding instituted against the foregoing individuals arising out of the performance, purported performance, or failure of performance, in good faith of duties for, or employment with, such institutions and to hold these individuals harmless from any expenses connected with the defense, settlement, or monetary judgments from such actions, claims, or proceedings. The purchase of such insurance for any of the foregoing individuals and the policy limits shall be discretionary with the municipal corporation or political subdivision, and such insurance shall not be considered to be compensation for these individuals; and

WHEREAS, it is the intent of the District to provide protection for its the Commission, officers, employees, and agents from suits, claims, actions or proceedings instituted against them arising out of the performance, purported performance, failure of performance, errors or omissions, or negligence during their employment with the District when acting in good faith and within the scope of their employment with the District, and to hold these individuals harmless from any and all expenses connected with the defense, settlement or monetary judgment from such suits, actions, claims or proceedings, and further when requested by any such individual, to grant a request to have any attorney of the District's choosing be authorized to defend said claim, action, suit or proceeding, and that the costs of defense, attorney fees and any obligation for payment arising from the suit, action, claim or proceeding be paid from the District's funds; and

WHEREAS, the Commission annually approves the appointment of Commissioners and staff to represent the District on external organizations' boards and committees, and

WHEREAS, throughout the year an employee may be designated to represent the District on an external organization board or committee by the General Manager; and

WHEREAS, providing indemnification by resolution for each individual lawsuit as they are commenced is an unnecessary administrative task, and indemnity should be provided upon the request of such person, as authorized by statutes, without further Commission action unless such request is rejected by the District, now therefore

BE IT RESOLVED that the District shall endeavor to maintain liability insurance or engage in a joint self insurance fund which protects the District, its past and present Commission, officials, employees, and agents from any action, claim or proceeding instituted against the foregoing individuals arising out of the performance, purported performance, or failure of performance in good faith of duties for or employment with the District, with such limits and under such conditions as the District dictates; and

BE IT FURTHER RESOLVED that in the event that the insurance coverage is not applicable or adequate, then in that event, upon request of any such individual, the District shall grant his or her request to have an attorney of the District's choosing be given authority to defend said claim, action, suit or proceeding, and the cost of defense, attorney fees and costs, and any obligations for payment arising from the suit, action, claim or proceeding shall be paid from the District's funds, whether or not the facts giving rise to such liability occurred prior to or subsequent to the passage of this resolution, unless the Commission finds that the acts or omissions of the officer, employee, or volunteer were not in good faith, or were not within the scope of his or her official duties, or purported to be within the scope of his or her official duties. Furthermore, upon being appraised of the circumstances of such claim, suit, action, or proceeding, the Commission may agree to pay an award of punitive damages, provided that the Commission action approving the payment of punitive damages must be by unanimous vote of those Commissioners voting on the matter.

BE IT FURTHER RESOLVED that Resolution 546 is superseded.

ADOPTED by the Board of Commissioners of Public Utility District No. 1 of Franklin County at an open public meeting this 14th day of February, 2017.

William Gordon, President

Stuart Nelson, Vice President

Roger Wright, Secretary

FRANKLIN PUD: AGENDA ITEM SUMMARY

Presenter: Carrie Locke, Human Resources Manager

Date: 02/14/2017

REPORT

DISCUSSION

ACTION REQUIRED

1. **OBJECTIVE:**

Adopting a Resolution Approving a Revised Salary Administration Plan for Regular Non-Bargaining Employees, Effective March 1, 2017 and Superseding Resolution 1231.

2. **BACKGROUND:**

At the January 24 Commission meeting, staff reported that the District's Salary Administration Plan (SAP) for non-bargaining employees is reviewed annually to ensure positions are placed in the proper salary grade based on value in the market place and to remain competitive. The review included a comparison of District salaries to industry salaries and an assessment of positions.

Based on the annual review the minimum and maximum position rates within each salary range need to be adjusted to accurately reflect the District's Salary Administration Program Guide and several positions need to be re-graded. At that time, the following revisions (Attachment A), were presented reviewed and discussed:

- Adjusting the minimum rate to 80% of the position rate and the maximum rate to 120% of the position rate for all the salary grades to accurately align with the District's Salary Administration Program Guide.
- Adjusting the following positions:
 - Network Engineer from Salary Grade 15 to 16
 - Senior Network Engineer from Salary Grade 16 to 17
 - Removing the Human Resources Manager and Public Affairs Manager positions from Salary Grade 19
 - Adding Senior Manager-Human Resources and Senior Manager-Public Affairs positions to Salary Grade 20

Exhibits A and B of the Resolution show the salary ranges with the minimum and maximum position rates adjusted and the re-graded positions as per staff's recommendations.

Staff recommends the Commission adopt Resolution 1276, approving the Salary Administration Plan for Regular Non-Bargaining Employees to be effective March 1, 2017.

3. **SUGGESTED MOTION:**

I move to adopt Resolution 1276 as presented.

Agenda Item 11, Attachment A

SALARY ADMINISTRATION PLAN				
Effective April 1, 2015 March 1, 2017				
Salary Grade	Minimum Rate	Position Rate	Maximum Rate	Position Title
11	\$ 45,833	\$ 55,000	\$ 64,167	Accounts Payable Accountant
	\$ 44,459		\$ 66,092	Administrative Assistant/ Admin. Services
				Administrative Assistant/Engineering-
				Administrative Assistant/Operations
				Administrative Assistant/Power & Legal
				Communications Coordinator
				Energy Services Specialist I
			HR Coordinator	
12	\$ 50,417	\$ 60,500	\$ 70,583	Contract Specialist
	\$ 48,817		\$ 72,500	IT Support Technician
				Operations Coordinator
13	\$ 55,458	\$ 66,550	\$ 77,642	Communications Specialist
	\$ 53,795		\$ 79,971	Energy Services Specialist II
				Public Records Officer
				Business Systems Analyst I
				Financial Analyst I
				IT Systems Administrator I
14	\$ 61,004	\$ 73,205	\$ 85,406	Business Systems Analyst II
	\$ 59,174		\$ 87,700	Executive Assistant
				Electrical Engineer
				Energy Services Specialist III
15	\$ 67,105	\$ 80,526	\$ 93,946	Broadband Support Technician
	\$ 65,092		\$ 96,764	Customer Service Manager
				HR Generalist
				Financial Analyst II
				IT Systems Administrator II
				Network Engineer
16	\$ 73,815	\$ 88,578	\$ 103,341	Power/Energy Services Analyst
	\$ 71,601		\$ 106,441	Project Engineer
				Senior Network Engineer
			Network Engineer	
17	\$ 81,197	\$ 97,436	\$ 113,675	Broadband Engineer
	\$ 78,761		\$ 117,085	Business Systems Analyst III
				Financial Analyst III
				IT Systems Administrator III
				Systems Engineer
			Senior Network Engineer	
18	\$ 89,316	\$ 107,179	\$ 125,043	Energy Services Manager
	\$ 86,637		\$ 128,794	Purchasing Manager
				Senior Power/Energy Services Analyst
				Senior Project Engineer
				Senior Systems Engineer

Agenda Item 11, Attachment A

Salary Grade	Minimum Rate	Position Rate	Maximum Rate	Position Title
19	\$ 98,248	\$ 117,897	\$ 137,547	Broadband Services Manager
	\$ 95,301		\$ 141,673	Engineering Manager
				IT Manager
				Human Resources Manager
				Power Manager
				Public Affairs Manager
				Transmission & Distribution Superintendent
				Treasurer/Accounting Manager
20	\$ 108,073	\$ 129,687	\$ 151,302	IT/Broadband Manager
	\$ 104,831		\$ 155,841	Senior Manager - Human Resources
				Senior Manager - Public Affairs
21	\$ 118,880	\$ 142,656	\$ 166,432	Auditor/Director of Administrative Services
	\$ 115,314		\$ 171,425	Director of Engineering
				Director of Operations
				Director of Power Management
22	\$ 130,768	\$ 156,921	\$ 183,075	General Counsel
	\$ 126,845		\$ 188,567	Assistant General Manager

Administration of Salary Plan-
Salaries of direct reports should not exceed 95% of their Manager's / Director's salary.

RESOLUTION 1276

**A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF PUBLIC UTILITY DISTRICT NO. 1 OF FRANKLIN COUNTY**

**APPROVING A REVISED SALARY ADMINISTRATION PLAN FOR
REGULAR NON-BARGAINING EMPLOYEES, EFFECTIVE MARCH 1, 2017
AND SUPERSEDING RESOLUTION 1231**

WHEREAS, RCW 54.16.100 requires that the General Manager of Public Utility District No. 1 of Franklin County (the District) recommend to the Board of Commissioners (the Commission) the compensation for employees; and

WHEREAS, the Commission deems it in the best interest of the District to provide a compensation plan (Salary Administration Plan) by salary grade for its regular, non-bargaining employees, in accordance with job classifications and related rates of compensation, based on job difficulty, responsibility, and required qualifications; and

WHEREAS, the Salary Administration Plan establishes minimum, position, and maximum salary rates within each salary grade based on comparable industry positions, and reflects the needs of the District; and

WHEREAS, in 2014 an in-depth review of the District's Salary Administration Plan for regular non-bargaining employees was conducted by an independent compensation consultant, and

WHEREAS, the Commission approved the 2014 Salary Administration Plan for Regular Non-Bargaining Employees on March 24, 2015; and

WHEREAS, the Salary Administration Plan is reviewed annually to ensure positions are placed in the proper salary grade and remain competitive, and

WHEREAS, from time to time, it becomes necessary to add, remove, change, or re-grade position titles, and/or adjust the salary rates for the salary grade; and

WHEREAS, after reviewing the Salary Administration Plan the General Manager has concluded that revisions are needed to the minimum and maximum salary rates within each salary grade to properly align them with the District's Salary Administration Program Guide, and

WHEREAS, certain positions need to be re-graded and placed in the proper salary range; now, therefore

BE IT HEREBY RESOLVED that the 2017 Salary Administration Plan for regular, non-bargaining employees as described in this Resolution and in Exhibits A and B attached hereto, is approved effective March 1, 2017.

BE IT FURTHER RESOLVED that the General Manager is authorized to administer the 2017 Salary Administration Plan, subject to the following conditions:

1. The General Manager shall not, without further authorization from the Commission:
 - a. Add new position titles or re-grade position titles in the Salary Administration Plan; or
 - b. Increase or decrease the minimum, position, or maximum salary rates specified in the 2017 Salary Administration Plan.
2. The General Manager is authorized to:
 - a. Hire employees to fill positions specified in the 2017 Salary Administration Plan;
 - b. Promote or demote employees from one position or salary grade to another;
 - c. Set or adjust actual employee salaries within a salary grade; and
 - d. Hire temporary, on-call, seasonal or student employees provided the approved budget includes funding for such hires.

BE IT FURTHER RESOLVED that Resolution 1231 is hereby superseded.

ADOPTED by the Board of Commissioners of Public Utility District No.1 of Franklin County at an open public meeting this 14th day of February 2017.

William Gordon, President

Stuart Nelson, Vice President

Roger Wright, Secretary

Salary Administration Plan Effective March 1, 2017 Salary Grade and Rate			
Salary Grade	Minimum Rate	Position Rate	Maximum Rate
11	\$ 44,459	\$ 55,000	\$ 66,092
12	\$ 48,817	\$ 60,500	\$ 72,500
13	\$ 53,795	\$ 66,550	\$ 79,971
14	\$ 59,174	\$ 73,205	\$ 87,700
15	\$ 65,092	\$ 80,526	\$ 96,764
16	\$ 71,601	\$ 88,578	\$ 106,441
17	\$ 78,761	\$ 97,436	\$ 117,085
18	\$ 86,637	\$ 107,179	\$ 128,794
19	\$ 95,301	\$ 117,897	\$ 141,673
20	\$ 104,831	\$ 129,687	\$ 155,841
21	\$ 115,314	\$ 142,656	\$ 171,425
22	\$ 126,845	\$ 156,921	\$ 188,567

Administration of Salary Plan-
Salaries of direct reports should not exceed 95% of their Manager's / Director's salary.

Exhibit B, Resolution 1276

SALARY ADMINISTRATION PLAN

Effective March 1, 2017

Salary Grade	Minimum Rate	Position Rate	Maximum Rate	Position Title
11	\$ 44,459	\$ 55,000	\$ 66,092	Accounts Payable Accountant
				Administrative Assistant
				Communications Coordinator
				Energy Services Specialist I
				HR Coordinator
12	\$ 48,817	\$ 60,500	\$ 72,500	Contract Specialist
				IT Support Technician
				Operations Coordinator
13	\$ 53,795	\$ 66,550	\$ 79,971	Communications Specialist
				Energy Services Specialist II
				Public Records Officer
				Business Systems Analyst I
				Financial Analyst I
				IT Systems Administrator I
14	\$ 59,174	\$ 73,205	\$ 87,700	Business Systems Analyst II
				Executive Assistant
				Electrical Engineer
				Energy Services Specialist III
15	\$ 65,092	\$ 80,526	\$ 96,764	Broadband Support Technician
				Customer Service Manager
				HR Generalist
				Financial Analyst II
				IT Systems Administrator II
16	\$ 71,601	\$ 88,578	\$ 106,441	Power/Energy Services Analyst
				Project Engineer
				Network Engineer
17	\$ 78,761	\$ 97,436	\$ 117,085	Broadband Engineer
				Business Systems Analyst III
				Financial Analyst III
				IT Systems Administrator III
				Systems Engineer
				Senior Network Engineer
18	\$ 86,637	\$ 107,179	\$ 128,794	Energy Services Manager
				Purchasing Manager
				Senior Power/Energy Services Analyst
				Senior Project Engineer
				Senior Systems Engineer

Exhibit B, Resolution 1276

SALARY ADMINISTRATION PLAN

Effective March 1, 2017

Salary Grade	Minimum Rate	Position Rate	Maximum Rate	Position Title
19	\$ 95,301	\$ 117,897	\$ 141,673	Broadband Services Manager
				Engineering Manager
				IT Manager
				Power Manager
				Transmission & Distribution Superintendent
				Treasurer/Accounting Manager
20	\$ 104,831	\$ 129,687	\$ 155,841	IT/Broadband Manager
				Senior Manager - Human Resources
				Senior Manager - Public Affairs
21	\$ 115,314	\$ 142,656	\$ 171,425	Auditor/Director of Administrative Services
				Director of Engineering
				Director of Operations
				Director of Power Management
22	\$ 126,845	\$ 156,921	\$ 188,567	General Counsel
				Assistant General Manager
Administration of Salary Plan-				
Salaries of direct reports should not exceed 95% of their Manager's / Director's salary.				

FRANKLIN PUD: AGENDA ITEM SUMMARY

Presenter: Holly Dohrman, Director of Power Management Date: 02/14/2017

REPORT

DISCUSSION

ACTION REQUIRED

1. **OBJECTIVE:**

Adopting a Resolution Approving a Waiver of the Basic Charge in Rate Schedule 2.0, Small General Service for an Electric Vehicle Public Charging Station Pilot Program.

2. **BACKGROUND:**

The Commission previously approved an Interlocal Cooperative Agreement (ILA) that approved the District's participation in the Electric Vehicle Infrastructure Transportation Alliance (EVITA). The ILA has been executed by the District, Benton PUD, City of Richland and Energy Northwest. Both the City of Ellensburg and Kittitas PUD may become parties to the existing ILA in the near future. Benton REA is also an EVITA participant, and is expected to formally join EVITA by executing a memorandum of understanding.

EVITA is attempting to bridge the charging gap between the Puget Sound region, which has a high concentration of electric vehicles (EVs), and the Tri-Cities. EVs are a key component to the carbon reduction objectives promoted by federal and state legislators and may represent an opportunity for utilities to preserve or grow revenues in an era where most are experiencing small or declining rates of load growth. By increasing the energy sales base that fixed costs are spread over, EVs may be able to put downward pressure on rates, which would benefit all ratepayers. The installation of a network of EV fast-charging stations to and throughout the Tri-Cities area may also contribute to economic development by attracting business travelers and tourists from larger metropolitan areas and also increase the "sustainability" label of the area.

Business models for public EV charging stations that rely only on revenues from charging services are currently not shown to be financially feasible and because of this the Washington State Department of Transportation (WSDOT) has developed a five-year pilot program supporting the deployment of EV infrastructure using both public and private financing.

EVITA utilities plan to jointly submit a grant proposal to the Washington State Department of Transportation (WSDOT) to partially fund DC fast-charging stations (DCFC) at key locations. Two locations in the District's service territory have been identified, one near Road 68 and Interstate-82, and the other in Connell near U.S. Highway 395. Other funding opportunities may also be pursued, particularly if the WSDOT grant is not fully funded.

Data collected and analyzed during the pilot program will improve our understanding of the impacts of charging stations on the District's system. The cost to serve the stations in the pilot program, and the data collected, will be informative if the District eventually establishes rates and charges more broadly for EV charging. Similar to other utilities, staff believes that waiving the monthly Basic Charge in Schedule 2.0, Small General Service Rate Schedule for EV charging station pilot program customers is fair and reasonable, and is necessary to entice private investment in the pilot program.

Staff recommends that the Commission adopt Resolution 1277 approving a waiver of the Basic Charge for EV pilot programs related to the WSDOT grant or other federal or industry EV grant programs under section 2.0, Small General Service Rate Schedule.

3. SUGGESTED MOTION:

I move to adopt Resolution 1277 as presented

RESOLUTION 1277

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF
PUBLIC UTILITY DISTRICT NO. 1 OF FRANKLIN COUNTY**

**APPROVING A WAIVER OF THE BASIC CHARGE IN RATE SCHEDULE
NO. 2.0, SMALL GENERAL SERVICE FOR AN ELECTRIC VEHICLE
PUBLIC CHARGING STATION PILOT PROGRAM**

WHEREAS, a significant number of industry stakeholders are urging electric utilities to support the buildout of an electric vehicle infrastructure to aid the development of the electric vehicle charging infrastructure industry, which in turn will help decarbonize the transportation sector, promote energy independence, and increase electric retail sales resulting in a net benefit to all ratepayers; and

WHEREAS, Public Utility District No. 1 of Franklin County (the District) recognizes electric vehicles (EVs) as a key opportunity and challenge in the District's operating environment related to the electric industry and regional power markets; and

WHEREAS, the Mid-Columbia Energy Initiative (MCEI) was formed through the Tri-City Economic Development Council (TRIDEC) with a mission to focus on economic development that capitalizes on local infrastructure, resources, and expertise in the energy sector, while retaining and recruiting businesses and jobs that promote solutions to current and future energy challenges; and

WHEREAS, with sponsorship from MCEI, the District, Benton PUD, the City of Richland, Energy Northwest and Benton REA have formed a consortium of public agencies called the Electric Vehicle Infrastructure Transportation Alliance (EVITA) to advocate for sustainable electric transportation infrastructure and take action to promote public/private partnerships for the development of EV charging stations within the Tri-Cities and surrounding area; and

WHEREAS, the District has entered into an Interlocal Cooperative Agreement (ILA) for the Installation of Electric Vehicle Charging Stations between the District, Benton PUD, the City of Richland, and Energy Northwest; and

WHEREAS, on December 13, 2016 the Commission authorized staff to allow additional State of Washington public utility districts and municipal utility entities to become parties to the ILA in the future; and

WHEREAS, The Washington State Department of Transportation (WSDOT) developed a pilot program to support the deployment of electric vehicle infrastructure that is supported by both public and private financing for projects that provide benefit to the public through development, demonstration and deployment of clean energy technologies to reduce harmful air emissions or otherwise increase energy independence for the state; and

WHEREAS, WSDOT identified Interstate 82 and U.S. Highway 395 as priority corridors for the pilot program; and

WHEREAS, EVITA plans to submit a grant proposal for the WSDOT pilot program; and

WHEREAS, EVs are a key component of the carbon reduction objectives being promoted by federal and state legislators; and

WHEREAS, the transportation sector in Washington State contributes the majority of carbon emissions relative to the state's overall carbon emissions footprint; and

WHEREAS, the District's most recent Fuel Mix Disclosure Report published by the Washington State Department of Commerce shows current resources used to meet its retail load requirements are 94% carbon-free; and

WHEREAS, the District currently is a qualifying utility under the Energy Independence Act (EIA), which requires the District to purchase renewable energy or renewable energy credits (RECs); and

WHEREAS, the District intends to pursue an amendment to the EIA that will enable investments in EV infrastructure to qualify under the EIA allowing the District to invest in the local community in lieu of RECs; and

WHEREAS, EVs represent an opportunity for utilities to preserve or even grow loads and revenues in an era where most are experiencing small or declining load-growth rates; and

WHEREAS, EVs can benefit all ratepayers by increasing the energy sales base that fixed costs are spread over; and

WHEREAS, installation of a network of EV charging stations throughout the Tri-Cities area may contribute to economic development by attracting business travelers and tourists from Northwest metropolitan areas that have a high concentration of EVs and by improving the “sustainability” label of the Tri-Cities area; and

WHEREAS, staff recommends that the District waive the Basic Charge under Section 2.0, Small General Service Rate Schedule for an EV infrastructure pilot program related to federal, state, or industry EV grant programs. During the five-year pilot period, the District will collect and analyze data to better understand the benefits and impacts of EV charging stations on the District’s system.

WHEREAS, staff believes that the cost to serve is difficult to determine for this pilot program, and that the data from this pilot program will be informative if the District eventually establishes rates and charges more broadly for EV charging stations. Similar to other utilities, staff believes that establishing the per kilowatt hour charge from the Small General Service Rate Schedule, and waiving the monthly Basic Charge, is necessary to

garner private investment in the pilot program. Staff also believes the potential long-term benefits of EVs relative to all District ratepayers and the local community justifies the District's investment in an EV infrastructure and the waiving of the Basic Charge for the pilot program; now therefore

BE IT RESOLVED that the Commission hereby approves the waiver of the Basic Charge under Section 2.0 Small General Service Rate Schedule for a five-year pilot period related to federal, state or industry EV grant programs.

BE IT FURTHER RESOLVED that the General Manager or his designee is directed to inform the Commission about EV grant opportunities that the District intends to pursue that may qualify for the Small General Services Rate Schedule 2.0 energy-only charge.

ADOPTED by the Board of Commissioners of Public Utility District No. 1 of Franklin County, Washington at an open public meeting this 14th day of February 2017.

William Gordon, President

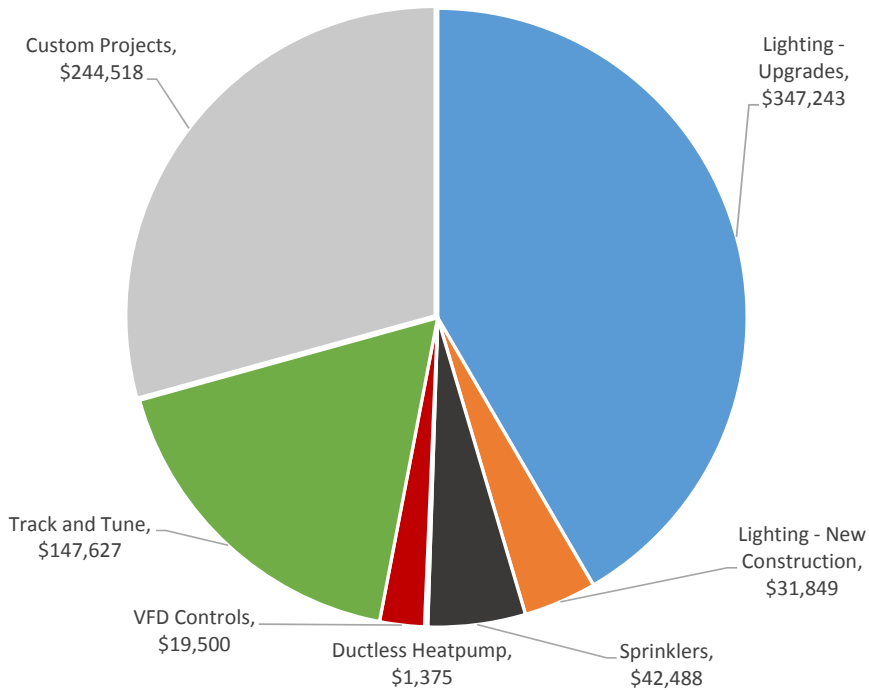
Stuart Nelson, Vice President

Roger Wright, Secretary

Power Management Audit – Conservation Rebates

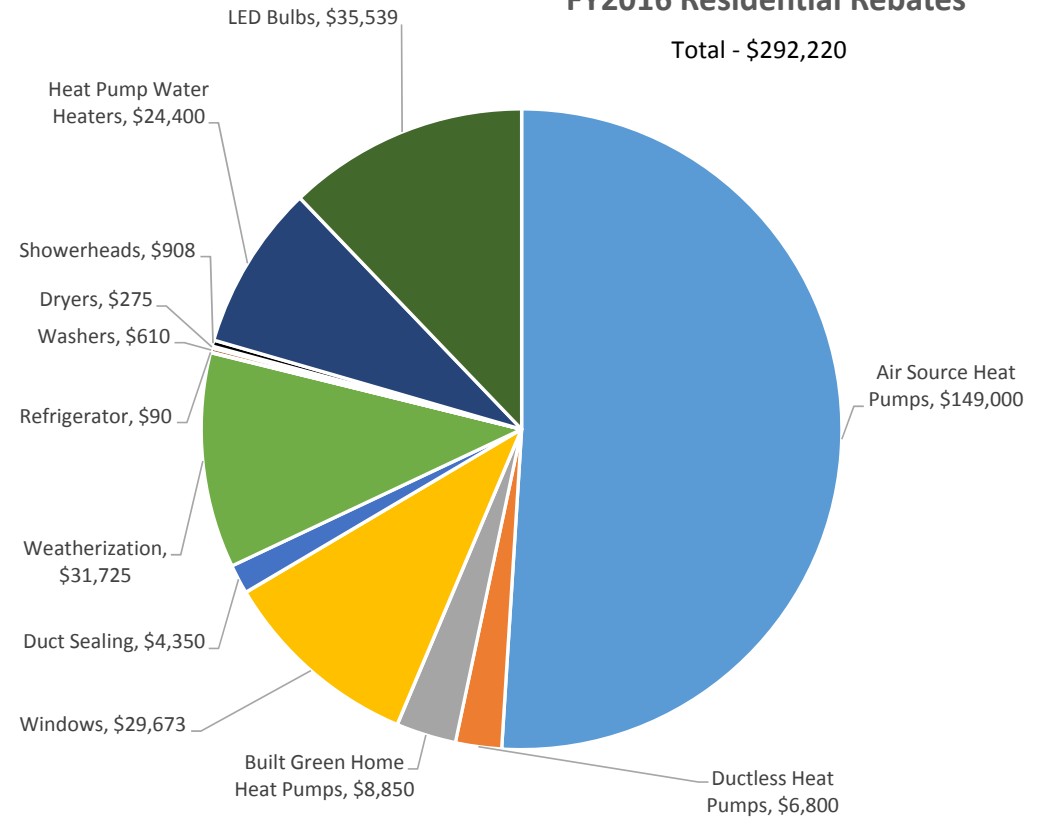
FY2016 Commercial Rebates

Total - \$834,599



FY2016 Residential Rebates

Total - \$292,220



**Public Utility District No. 1 of Franklin County
AGENDA ITEMS PROPOSED FOR FUTURE COMMISSION MEETINGS**

**February 28, 2017
Regular Commission Meeting**

Description: _____ **Presenter**

1. Authorizing the General Manager or his Designee to Initiate Public Hearings to Communicate Information on a Proposed Rate ActionScarano

**March 28, 2017
Regular Commission Meeting**

Description: _____ **Presenter**

*Guest: Steve Frost, Utility Safety Coordinator, Safety Update
Energy Northwest Staff*

1. Authorizing the General Manager or his Designee to Implement a Rate Action Effective May 1, 2017Scarano
2. Adopting a Resolution Continuing the Low-Income Senior Citizen and Low-Income Disabled Person Discount Programs and Superseding Resolution 1249.....Scarano
3. Adopting a Resolution Authorizing the Establishment of Petty Cash Funds for the Purpose of Transacting Daily District Operations and Appointing Custodians of Such FundsScarano
4. Adopting a Resolution Rescinding Resolution 78, Authorizing Raising Working Fund Balance to Permit Paying Customer Deposit Refunds Out of the Revenue FundScarano
5. Authorizing the General Manger or his Designee to Execute Administrative Policy 59, Inclement Weather Delay and Closure.....Locke
6. Authorizing the General Manager or his Designee to Execute an Amendment to Extend the Vehicle Fuel Contract.....Grad
7. Adopting a Resolution Supporting the Retention of the Columbia Generation Station Nuclear Power Plant.....Nies

Public Utility District No. 1 of Franklin County
AGENDA ITEMS PROPOSED FOR FUTURE COMMISSION MEETINGS

April 25, 2017
Regular Commission Meeting

Description:	Presenter
1. Adopting a Resolution Approving a Broadband Services and Facilities Rate Schedule and Superseding 1236	Scarano
2. Adopting a Resolution Approving New Rate Schedules for Electric Service and Superseding Resolution 1248	Scarano
3. Authorizing the General Manager or his Designee to Request Bids for Construction Services for the Administration Building	Grad
4. Authorizing the General Manager or his Designee to Execute a Property and Liability Insurance Policy Renewal with Federated Rural Electric Insurance Exchange.....	Palmer

May 23, 2017
Regular Commission Meeting

Description:	Presenter
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Guest: Scott Corwin, Executive Director, Public Power Council