

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

**MINUTES OF THE FEBRUARY 11, 2025  
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 February 11, 2025, at 8:30 a.m. Remote technology options were provided for the public to participate.

Those who participated from the District via remote technology or in person for all or part of the meeting were Commissioner Roger Wright, President; Commissioner Bill Gordon, Vice President; Commissioner Pedro Torres, Secretary; Victor Fuentes, Interim General Manager/CEO; Steve Ferraro, Assistant General Manager; Katrina Fulton, Finance and Customer Service Director; Rosario Viera, Public Information Officer and Tyler Whitney, General Counsel.

Additional staff that participated in person or via remote technology for all or part of the meeting was Miguel Nunez, Electrical Engineer; Natassja Ransom, HR Generalist; and Lisa Scott, Records Coordinator/Board Clerk.

Public participating in person or via remote technology for all or part of the meeting was Frank Petrilli; xyTeL Broadband; Nicholas Petrilli, xyTeL Broadband; Dusty Powers; Telco Wiring and Rich Nall; Northwest Open Access Network (NoaNet).

**OPENING**

Commissioner Wright called the meeting to order at 8:30 a.m. and asked Mr. Nunez to lead the Pledge of Allegiance.

**PUBLIC COMMENT**

Commissioner Wright called for public comment. Ms. Viera noted that staff had received a customer letter which was forwarded to the Commission. Mr. Fuentes reported he would address the customer's letter in his staff report.

Mr. Powers reported that he would share his comments when Agenda Item 8 was presented. The other members of the public noted they would do the same.

**EMPLOYEE MINUTE**

Commissioner Wright welcomed Mr. Nunez and asked general questions about his current position, tasks his position entails, favorite parts of his job, his professional growth at the District and what safety improvements or changes he has seen over the course of his

employment.

Mr. Nunez reported on his duties and noted his favorite part of the job was the constant change from day to day in his tasks. Mr. Nunez reported that working at the District has provided valuable experience that has helped strengthen his skills set. Mr. Nunez noted that the District emphasizes safety and provides much communication regarding current safety practices.

Commissioner Wright reported that the Commission believes strongly in Safety First and asked if there were any improvements that could be made. Mr. Nunez noted that the District does a great job in providing the necessary personal protection equipment and noted that employees are going through many safety trainings and practicing what is being learned. He noted that from his perspective safety was clearly a priority and that safety concerns are brought up and dealt with promptly.

Mr. Fuentes noted that Mr. Nunez has been a great addition to the engineering department at the District.

Commissioner Wright thanked Mr. Nunez for his attendance.

Commissioner Wright requested Agenda Item 8, be moved to the top of the meeting agenda to accommodate the public attending.

**AGENDA ITEM 8, AUTHORIZING THE INTERIM GENERAL MANAGER/CEO OR HIS DESIGNEE TO EXECUTE A NETWORK COORDINATED SERVICES AGREEMENT WITH NORTHWEST OPEN ACCESS NETWORK.**

Mr. Fuentes introduced the agenda item and reviewed the information as reported on the Agenda Item Summary included in the meeting packet. He reported that there are continued pressures in the broadband industry and noted that the District's core function is to provide electric service to its customers. He reported that it would be beneficial for the District to focus on the electric service it provides and look for opportunities that would allow that.

Mr. Fuentes noted that the District operates a broadband telecommunications network through which it sells wholesale broadband services. He noted that since it began providing wholesale broadband services the District has been a member of the Northwest Open Access Network (NoaNet), a non-profit public broadband organization owned by public utilities. Mr. Fuentes reported that the District believes that NoaNet is able to provide a suite of services to manage, market, and maintain the District's network allowing the District to focus on its core functions while still providing broadband services.

Commissioner Wright asked for introductions of those in attendance and they were done.

Commissioner Wright noted that he agreed that the District's main objective is providing electric service. He noted that there continues to be rapid growth and pressure regarding the broadband industry. He reported that there were concerns with the current size of the District staff, and being able to keep pace with the industry. He noted that the NoaNet services could facilitate a faster response to broadband service customer requests.

Commissioner Wright invited Mr. Powers to provide comment. Mr. Powers reported he has had a long-standing relationship with both the District and NoaNet. He noted that he had many concerns with the proposed action and had prepared a statement to read. Through his statement, he expressed his concerns and noted that he has been a Retail Service Provider (RSP) working with the District since the District began providing broadband services. He reported that the potential convergence with NoaNet would directly put his business in the hands of a wholesale provider who will now be his competitor. Mr. Powers reported that NoaNet, as a wholesale provider has opted to provide retail services without providing any communications to RSPs such as himself. Mr. Powers reported that he was not against the convergence however, he believed that a detailed plan of action defining the roles and lines between the District's current RSPs and NoaNet was needed. He noted that the District's staff provides great service and that he is concerned with moving to NoaNet and not receiving the same level of service. He asked that the District consider not converging to NoaNet.

At 8:48 a.m., Mr. Nicholas Petrilli joined the meeting virtually. Commissioner Wright welcomed him to the meeting.

Commissioner Wright then invited Mr. Frank Petrilli to comment. Mr. F. Petrilli expressed his concerns with the proposed convergence with NoaNet and he shared his past experience of receiving much slower response from NoaNet while doing work in Benton County. He noted that District staff has provided excellent service to xyTEL and that he is also concerned that NoaNet will not provide the same level of service to the RSPs.

Commissioner Wright invited Mr. Nicolas Petrilli to provide comment. Mr. N. Petrilli complimented the service provided to RSPs from the District's broadband staff and noted that as RSPs they have been much more effective with the service being provide by the District. He reiterated the concerns expressed by Mr. Powers and Mr. F. Petrilli and requested that the convergence to NoaNet include clear delineation on the role of NoaNet as a RSP. Commissioner Wright thanked Mr. N. Petrilli for his comments.

Commissioner Wright invited Mr. Nall to provide comment. Mr. Nall noted that NoaNet is willing to meet with RSPs and discuss the concerns around the convergence. He reported that it was not the intent of NoaNet to hinder business and that NoaNet was committed to providing the fullest assistance to the RSPs. Mr. Nall noted that NoaNet values the relationships built by the District and that the District's broadband network would be operated as the District requests.

Mr. Fuentes thanked the RSPs for their comments and for the positive feedback on the District's broadband customer service to the RSPs. He noted that the District's broadband staff will continue to part of broadband and that providing a positive customer experience is highly important and that this has been stressed to NoaNet. He reported that RSPs will be included in future conversations regarding this matter and that it was the intent of the District to have this convergence be a positive action for all parties.

Commissioner Wright reported that this matter was not necessarily a choice as broadband staff being able to keep pace with the increasing demand was a concern. He asked Mr. Nall to address the concerns brought by the RSPs. Mr. Nall reported that the network belongs to the District and that the District can review progress at any time and make recommendations.

Mr. F. Petrilli noted he was concerned with not having success metrics in place and questioned if there was a rollback plan in place or being developed.

Commissioner Wright reported that RSPs were welcomed to attend future Commission meetings and keep the Commission apprised on the convergence. He noted that if needed, the District would be able to rollback.

Mr. Fuentes noted that NoaNet is very familiar with the District's broadband infrastructure, and NoaNet will continue to build it as the District directs. He reported that this is a heavy lift and asked the Commission to authorize the General Manager /CEO to move forward with the convergence.

Commissioner Wright called for any additional comment.

Commissioner Gordon noted that he understood the concerns brought forward by the RSPs and that the convergence was intended to be a positive move to help the RSPs grow.

Commissioner Torres noted that it is not the District's intent to make things difficult for RSPs but help RSPs find greater growth in broadband.

Commissioner Wright reported that he understood the concerns of the RSPs and thanked them for their comments. He noted that the District wants all RSPs to have success however, there was concern with not being able to provide the service needed with the continued growth and demand in the broadband industry. He noted that the District is committed to meeting with the RSPs and hearing their concerns. He reported that he was in favor of moving forward and acting on the convergence with NoaNet.

Commissioner Wright moved and Commissioner Gordon seconded to authorize the Interim General Manager/CEO or his designee to execute a Network Coordinated Services Agreement with Northwest Open Access Network in the substantially the form presented. The motion passed unanimously.

Commissioner Wright reiterated that the Commission heard the concerns brought by the RSPs and District staff will work to ensure that NoaNet is providing the level of service the RSPs need.

#### **COMMISSIONER REPORTS**

Commissioner Gordon reported that:

- He did not attend any meetings since the January Commission meeting and shared that he read an article on a California law firm that was encouraging people to take legal action against the local electric utilities regarding the recent fires. He noted he found that to be very concerning.

Commissioner Torres reported that:

- He also attended the monthly PPC meetings virtually and noted he would like to begin attending them in person. He noted that it was important to familiarize himself with the industry as much as possible.

Commissioner Wright reported that:

- He attended PPC and reported that an update on the CAISO markets was provided.
- He will be attending NoaNet and WPUDA later in the week. He noted there are many requests for support or opposition of various legislative initiatives and would like clarification on what the Commission could or could not support. He reported that Mr. Whitney would be providing more information on the matter during staff reports.

#### **CONSENT AGENDA**

The Commission reviewed the Consent Agenda. Commissioner Gordon moved and Commissioner Torres seconded to approve the Consent Agenda as follows. The motion passed unanimously.

- 1) To approve the minutes of the January 28, 2025 Regular Commission Meeting.
- 2) To approve payment of expenditures for January amounting to \$8,932,816.51 as audited and certified by the auditing officer as required by RCW 42.24.080, and as reviewed/certified by the General Manager/CEO as required by RCW 54.16.100, and expense reimbursement claims certified as required by RCW 42.24.090 and as listed in the attached registers and made available to the Commission for inspection prior to this action as follows:

<b>Expenditure Type:</b>	<b>Amounts:</b>
Direct Deposit Payroll – Umpqua Bank	\$ 586,572.48
Wire Transfers	5,974,642.57
Automated and Refund Vouchers (Checks)	1,212,723.85
Direct Deposits (EFTs)	1,159,258.60

	Voids	(380.99)
	<b>Total:</b>	<b>\$8,932,816.51</b>

- 3) To approve the Write Offs in substantially the amount listed on the January 2025 Write Off Report totaling \$2,990.41.

**AGENDA ITEM 6, DISCUSSING PROPOSED CHANGES TO DISTRICT ADMINISTRATIVE POLICY 16 - PURCHASING APPROVAL AND PAYMENT AUTHORITY.**

Ms. Fulton introduced the agenda item and reviewed the information as reported on the Agenda Item Summary included in the meeting packet. She reviewed the proposed changes and there was discussion on the appropriate payment authority limits.

She noted no action was needed and that staff will incorporate any changes received from the Commission and bring back for final review and consideration of approval in March.

**AGENDA ITEM 7, NATIONAL INFORMATION SOLUTIONS COOPERATIVE (NISC) – BENEFITS AND EFFICIENCIES ACHIEVED PRESENTATION.**

Ms. Fulton introduced the agenda item and reviewed the information as reported on the Agenda Item Summary included in the meeting packet. Through a presentation she reported on the NISC software implementation, the integration of various modules and the efficiencies gained. She noted that staff continues to work on fully integrating NISC.

There was general discussion around the cost of the software, functionality, fraud, the document vault and the workflow approval process. She noted that no action was needed, and she was reporting only.

Commissioner Wright thanked Ms. Fulton for the update.

**AGENDA ITEM 9, ADOPTING A RESOLUTION FINDING DISTRICT PROPERTY SURPLUS AND AUTHORIZING THE INTERIM GENERAL MANAGER/CEO OR HIS DESIGNEE TO PROCEED WITH DISPOSITION.**

Mr. Fuentes introduced the agenda item and reviewed the background information as reported in the Agenda Item Summary included in the meeting packet. He reported on the details of the potential surplus parcel.

Mr. Whitney reported that the Commission needed to identify a minimum amount to which the Interim General Manager/CEO would be authorized to enter into a purchase and sale agreement. There was discussion around market value and the Commission identified the minimum amount that would be incorporated into Resolution 1429.

Commissioner Gordon moved and Commissioner Torres seconded to adopt Resolution 1429 with a minimum purchase and sale amount of \$760,000. The motion passed unanimously.

### **INTERIM GENERAL MANAGER/CEO REPORT**

Mr. Fuentes reported that:

- In follow up to the customer letter received, he and Mr. Ferraro had met with the customer to address his concerns. He noted that the customer had questions on the engineering fees he was being assessed and billing date concerns. Mr. Fuentes reported that process improvements for the District were identified and have been addressed. He reported that solutions were provided, and that the customer was appreciative of staff meeting with him.
- He attended PPC and reported that SPP is working to finalize Markets+ Phase 2 funding agreements.
- Staff continues to work on the BPA contract timeline and are following the matter closely to ensure the right recommendation on BPA Product of Choice is elected. He noted that staff will provide a presentation at the March Commission meeting.
- He appreciated staff and Commissioner support during the transition of his new role as Interim General Manager/CEO.

### **FINANCE & CUSTOMER SERVICE DIRECTOR REPORT**

Ms. Fulton reported that:

- As Mr. Fuentes reported, there is still more analysis to be completed on the BPA product offerings and noted that a request to BPA has been submitted to extend the selection period to July 2025.
- Snohomish PUD delayed the Wheatfield project bids.
- The Rate Advisory Committee (RAC) will meet next month to discuss a net metering rate.

There was general questions regarding the RAC and the Commission noted that it may be beneficial for Commissioner Torres to attend.

### **ASSISTANT GENERAL MANAGER REPORT**

Mr. Ferraro reported that:

- The lobby remodel is wrapping up and noted that minor work on the counter, customer windows and touch-ups are still needed.
- The Fiber to the Home project infrastructure portion is about 96% complete and he noted that the weather has not slowed down the progress.

### **PUBLIC INFORMATION OFFICER REPORT**

Ms. Viera reported that:

- Staff met with Mr. Richard Evans, the local representative of Senator Maria Cantwell.
- She attended the Northwest RiverPartners monthly meeting and reported that new officers were elected. She noted there was discussion on the recruitment of new memberships and funding for the current hydropower campaign.

- Mr. Fuentes will provide testimony in support of House Bill 1903, Establishing a Statewide Low-income Energy Assistance Program.
- For her audit, she reviewed the video retention and storage. She noted that she will work with Ms. Scott to implement the correct retention period to videos.

#### **GENERAL COUNSEL REPORT**

Mr. Whitney reported that:

- BPA has indicated it will make a final decision on Day Ahead Market participation in May 2025.
- BPA has placed a hold on new transmission service requests for certain generation interconnections. He noted that current requests are backlogged.
- An overview of the laws regulating local government lobbying and political activity.

Mr. Whitney requested a 10-minute executive session, with the possibility to extend, for the purpose of discussing with legal counsel discussing the qualifications of an applicant for public employment as allowed per RCW 42.30.110(1)(g).

At 10:23 a.m., Commissioner Wright called for a 2-minute break and noted it would be followed immediately by an executive session that would end at 10:35 a.m. He noted that the purpose of the executive session was for discussing the qualifications of an applicant for public employment as allowed per RCW 42.30.110(1)(g).

At 10:35 a.m., Commissioner Wright extended executive session to 10:40 a.m.

At 10:40 a.m., Commissioner Wright ended the executive session and reconvened the regular meeting.

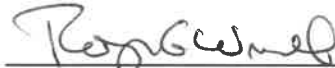
Commissioner Wright reported that Mr. Fuentes has done a great job for the District, however, the Commission believes it is in the best interest of the District to advertise the General Manager/CEO position with a salary range of \$250,000 to \$300,000 annually. The Commission directed staff to post the position. There was discussion on the posting of the position and known openings for General Manager positions within other public utility districts.


Commissioner Gordon moved and Commissioner Torres seconded to approve posting the General Manager/CEO position until April 15, 2025, with a salary range of \$250,000 to \$300,000. The motion passed unanimously.




**CLOSING OF MEETING – ADJOURNMENT**

With no further business to come before the Commission, Commissioner Wright adjourned the regular meeting at 10:48 a.m. The next regular meeting will be March 25, 2025, and begin at 8:30 a.m. The meeting will be at the District's Auditorium located at 1411 W. Clark Street, Pasco, WA. Remote technology options will be provided for members of the public to participate.

  
\_\_\_\_\_  
Roger Wright, President

  
\_\_\_\_\_  
William Gordon, Vice President

  
\_\_\_\_\_  
Pedro Torres, Jr., Secretary