

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

MINUTES OF THE MAY 28, 2024
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 May 28, 2024, 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 Stu Nelson, President; Commissioner Roger Wright, Vice President; Commissioner Bill Gordon, Secretary; Steve Ferraro, Assistant General Manager; Victor Fuentes, Engineering and Operations Senior Director; 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 Sylvia Perales, Credit / Collections Specialist.

Public participating in person or via remote technology for all or part of the meeting was Mr. Pedro Torres, District customer.

OPENING

Commissioner Nelson called the meeting to order at 8:30 a.m. and asked Ms. Perales to lead the Pledge of Allegiance.

PUBLIC COMMENT

Commissioner Nelson called for public comment and reviewed the public participation guidelines for Commission meetings. He called on Mr. Torres for public comment.

Mr. Torres noted he was happy to be in attendance and inquired if the District had considered a live streaming option of the Commission meetings similar to the City of Pasco. The Commission noted that was not an option being provided, however online participation was available.

EMPLOYEE MINUTE

Commissioner Nelson welcomed Ms. Perales and asked general questions about her current position, tasks her position entails, favorite parts of her job, her professional growth at the

District and what safety improvements or changes she has seen over the course of her employment. Ms. Perales reported that she has been with the District for 17 years and has worked in the Customer Service department. She noted that she found it very rewarding to be able to assist customers during difficult situations they may be going through. Ms. Perales reported that the Customer Service group is a great team to work with and praised Ms. Borchers for her leadership. She noted that the automated calls have been very helpful as well having the ability to reconnect / disconnect remotely. She noted that having secure parking for employees was a big safety improvement and noted her appreciation.

The Commission thanked Ms. Perales for attending and for all the work the Customer Service group has done to reduce the customer write-offs. Commissioner Wright noted that having low write-offs is beneficial for all customers.

COMMISSIONER REPORTS

Commissioner Gordon reported that:

- He attended the Northwest Public Power Association Annual Meeting (NWPPA) in Salt Lake City and noted they had done an “in memoriam” for NWPPA members who had recently passed. He noted that Ms. Dohrman was mentioned and expressed his appreciation for the moment.
- He expressed the importance of using correct terminology/words especially when communicating with customers. He provided some context by sharing two recent examples of not using the correct wording. He encouraged staff to always review the wording being used and clarify to ensure the true intent of the message is conveyed.
- He reported that at NWPPA’s annual meeting a general manager had shared a story of a winter outage and noted that customers were without service for about 2 weeks. He reported that it could potentially have been longer if the utility would have had to order materials and supplies and emphasized the importance of having ample inventory.

Commissioner Wright reported that:

- He attended the monthly NoaNet meeting and noted that it was held at Pend Oreille PUD. He noted the difference in their landscape and reported the District was fortunate to not have to deal with trees within the electric system infrastructure. He noted that NoaNet members approved the equal ownership for all members. He noted this will bring many benefits to current members as well as allow for new members to join.
- He attended the May PPC Member’s Forum virtually and reiterated that the Member’s Forum meetings are very informative and beneficial. He expressed his disappointment in the repetitive information provided by BPA’s representatives. Discussion ensued regarding BPA, Slice Product and load following.

Commissioner Nelson reported that:

- He also attended the NWPPA Annual Meeting and noted that the speakers were very good.

CONSENT AGENDA

The Commission reviewed the Consent Agenda. Commissioner Wright reported that the write-off list included a deceased customer and Ms. Fulton noted she would follow up on the matter.

Commissioner Gordon asked for an update on the hiring of the engineering interns and the CBC Career fair event and staff provided the information.

Commissioner Wright asked about the public comment section in the minutes and inquired if change was needed regarding the comments provided by Mr. Taylor. After discussion it was determined no changes were needed. Commissioner Wright moved and Commissioner Gordon seconded to approve the Consent Agenda as follows. The motion passed unanimously.

- 1) To approve the minutes of the April 23, 2024 Regular Commission meeting.
- 2) To approve payment of expenditures for April 2024 amounting to \$8,288,441.25 as audited and certified by the auditing officer as required by RCW 42.24.080, and as reviewed/certified by the General Manager/CEO as required by RCW 54.16.100, and expense reimbursement claims certified as required by RCW 42.24.090 and as listed in the attached registers and made available to the Commission for inspection prior to this action as follows:

Expenditure Type:	Amounts:
Direct Deposit Payroll – Umpqua Bank	\$ 522,684.71
Wire Transfers	4,638,080.50
Automated and Refund Vouchers (Checks)	2,003,722.99
Direct Deposits (EFTs)	1,124,270.36
Voids	(317.31)
Total:	\$ 8,288,441.25

- 3) To approve the Write Offs in substantially the amount listed on the May 2024 Write Off Report totaling \$3,513.35.

AGENDA ITEM 6, PRESENTING A NET METERING UPDATE.

Commissioner Nelson called on Mr. Fuentes for introduction of the agenda item.

Through a presentation Mr. Fuentes provided an overview on the District’s net metering program that included information on the benefits/challenges of net metering, year to date

installations, program fees, net metering capacity, and program requirements. There were questions and discussions throughout the presentation. Mr. Fuentes noted that no action was required, and he was presenting only.

AGENDA ITEM 7, APPROVING REVISED CONSERVATION TARGETS AS DESCRIBED IN THE REVISED CONSERVATION POTENTIAL ASSESSMENT REPORT FOR 2024-2043.

Ms. Fulton introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. There was general discussion on the new targets and the District's ability to meet them. Staff reviewed their recommendation.

Commissioner Wright moved and Commissioner Gordon seconded to approve the revised 2-year and 10-year conservation targets as described in the Conservation Potential Assessment 2024 to 2043 Final Report. The motion passed unanimously.

AGENDA ITEM 8, AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO VACATE THE DISTRICT'S RIGHT OF WAY EASEMENTS RECORDED WITH THE FRANKLIN COUNTY AUDITOR.

Mr. Fuentes introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. There was discussion on the vacating of easements. Staff reviewed their recommendation.

Commissioner Wright moved and Commissioner Gordon seconded to authorize the General Manager/CEO or his designee to vacate/terminate the District's Right of Way Easements recorded with the Franklin County Auditor as File Numbers 349700 and 488444. The motion passed unanimously.

AGENDA ITEM 9, AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO EXECUTE A CONTRACT FOR THE PURCHASE OF THREE PHASE DISTRIBUTION PADMOUNT TRANSFORMERS.

Mr. Fuentes introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. The Commission asked about the delivery time for the transformers, and Mr. Fuentes provided the information. Staff reviewed their recommendation.

Commissioner Wright moved and Commissioner Gordon seconded to authorize the General Manager/CEO or his designee to execute a contract with General Pacific Inc./Ermco, the lowest responsive bidder, for the purchase of three phase distribution padmount transformers in an amount not to exceed \$384,078. The motion passed unanimously.

AGENDA ITEM 10, AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO EXECUTE MULTIPLE CONTRACTS FOR THE PURCHASE OF FIBER-TO-THE-HOME PROJECT MATERIAL.

Ms. Viera reported that the Agenda Item Summary was revised and provided an updated copy to the Commission. Mr. Ferraro reviewed the background information and noted that in April 2024, the District requested bids in accordance with the Washington State Broadband Office (WSBO) Infrastructure Acceleration Grants Handbook from vendors for material required for the fiber-to-the-home project.

He noted that the bid allowed staff to award contracts to multiple vendors. Staff received and evaluated six (6) bids on a line-by-line basis.

<u>Bidder:</u>	<u>Total Bid:</u>	<u>Exceptions:</u>
Anixter Wesco	\$490,646	Yes
General Pacific	\$542,033	Yes
Stuart C. Irby	\$481,980	Yes
Power & Telephone	\$449,940	Yes
TUPS LLC	\$455,267	Yes
WBE Technologies	\$356,807	Yes

He reported that all bids were marked as having exceptions because the bidders did not bid on every line item or offer an alternative manufacturer for the material requested by the District. He noted that alternative material must be equivalent or better than the requested manufacturing material and must be constructed and fabricated within the United States of America. Alternative material that was approved or deemed to be non-responsive by the District was listed in Attachment A of the Agenda Item Summary.

Commissioner Gordon asked if there would be additional purchases made for this project and Mr. Ferraro noted there would be. Staff reviewed their recommendation.

Commissioner Wright moved and Commissioner Gordon seconded to find the items listed on Attachment A as non-responsive and authorize the General Manager/CEO or his designee to execute six contracts as listed below for the purchase of fiber-to-the-home material in a total amount not to exceed \$409,395. The motion passed unanimously.

#	Bidder	Award Amount	#	Bidder	Award Amount
1	Anixter Wesco	\$16,790	4	Power & Telephone	\$31,476
2	General Pacific	\$70,786	5	TUPS LLC	\$10,968
3	Stuart C. Irby	\$126,684	6	WBE Technologies	\$152,691
TOTAL:					\$409,395

AGENDA ITEM 11, ADOPTING A RESOLUTION APPROVING REVISED RULES AND REGULATIONS FOR ELECTRIC SERVICE AND SUPERSEDING RESOLUTION 1396.

Ms. Fulton introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. She reviewed the changes being proposed to the Rules and Regulations for Electric Service. Commissioner Wright asked various questions regarding Section 7. B. Accessibility and asked for clarification on what a “reasonable attempt” was considered. Ms. Fulton provided more information. Discussion ensued.

At 9:39 a.m., the District experienced a technical issue, and the virtual platform was briefly disconnected.

Mr. Whitney informed the Commission that the virtual platform was disconnected. No action was taken until the virtual platform was restored at 9:45 a.m.

Commissioner Wright expressed concern on the language used for the revision. Discussion ensued. Commissioner Wright requested this matter be revisited at a later date but noted he was in favor of acting on the approval of the revised Rules and Regulations today. The other members of the Commission concurred.

Commissioner Wright moved and Commissioner Gordon seconded to adopt Resolution 1411 as presented. The motion passed unanimously.

AGENDA ITEM 12, REVIEWING CHANGES TO THE PUBLIC WORKS PROCUREMENT LAWS.

Ms. Fulton introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. She noted that in 2023, the Washington State Legislature passed Second Substitute House Bill 5268, modifying public works procurement, and purchasing requirements for most state agencies and local governments and she reviewed the modifications that will be effective July 1, 2024. The Commission asked questions on the changes and Ms. Fulton provided the information.

Ms. Fulton noted that staff will bring back the matter to the June 25, 2024 meeting and at that time will recommend the Commission adopt a resolution authorizing the use of Municipal Research Service Center’s Statewide Small Works Rosters and Direct Contracting. She noted that no action was required, and she was reporting only.

AGENDA ITEM 13, APPROVING THE DISTRICT’S 2024-2029 STRATEGIC DIRECTION.

Mr. Ferraro introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. He reported that Attachment A is the proposed Strategic Direction for years 2024-2029 which includes the revised Strategic Priorities that represent the areas of focus for the term of the Strategic Plan. He noted that the Strategic Direction included the following Strategic Priorities:

1. Preserve and continue to grow the safety culture.
2. Optimize systems to provide reliability for our customers.
3. Effectively mitigate factors impacting rates.
4. Develop strong and supportive internal and external relationships.

Mr. Ferraro reported that the Strategic Direction was reviewed at the April 23, 2024 meeting and he reviewed staff's recommendation.

Commissioner Gordon moved and Commissioner Wright seconded to approve the District's 2024-2029 Strategic Direction as presented. The motion passed unanimously.

AGENDA ITEM 14, APPROVING THE 2024-2025 OPERATING PLAN.

Mr. Ferraro introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. He reported that the Operating Plan for years 2024-2025 which includes Goals for each Strategic Priority was reviewed at the April 23, 2024 meeting and included as Attachment A of the agenda item. He reported that as has been past practice, staff will provide quarterly updates on the Operating Plan Goals to the Commission. Staff reviewed their recommendation.

Commissioner Wright moved and Commissioner Gordon seconded to approve the 2024-2025 Operation Plan as presented. The motion passed unanimously.

ASSITANT GENERAL MANAGER REPORT

Mr. Ferraro reported that:

- Administration building improvements continue and noted that the curbing is being repaired.
Commissioner Wright noted his appreciation for the improvements being done. He noted that a future discussion was merited to discuss the building needs for the future. He reported that acquiring land to house both the administration and operations facilities could be challenging and it would be beneficial to begin discussing the options for the District.
- The District hosted the quarterly Unified Insurance Program meeting.
- New security cameras are being installed at the Administration building.
- On behalf of Mr. Rhees, he reported that staff met with the City of Connell's City Administrator and other key City of Connell staff. He noted the meeting had gone well and there was discussion on the solar project out at Blanton Road, fiber needs in Connell, and other pertinent issues with the City of Connell.
- The Operations employees had pole top rescue training in May.
- For his audit, he reported that he reviewed the fuel invoices. He reported he verified the fuel pricing and odometer readings were correct. He noted that small discrepancies

can occur and are corrected promptly by the fuel vendor. Discussion ensued on fuel cost and mileage tracking for District vehicles.

FINANCE & CUSTOMER SERVICE DIRECTOR REPORT

Ms. Fulton reported that:

- The April 2024 Key Performance Indicators (KPIs) monthly report was included in the meeting packet, and she briefly reviewed slides within the report.
- Staff continues to be engaged in the BPA contract and product design discussions. She noted that it is a changing and evolving discussion.
- Department of Commerce suggested a statewide approach to addressing energy burdens of low-income households. This included establishing a statewide program funded through a system benefits charge. She reported that WPUDA took exception to this and communicated a set of principles that were communicated to Commerce in July 2023. She reviewed some of the key principles supported by WPUDA which included the ability for utilities to opt-out and run their own individual programs, and have the state provide funding for any mandated program. Ms. Fulton noted that staff agreed with the changes proposed by WPUDA.
- NoaNet made their first payment on the pension funding.
- The District received notice of the final funding allocation from the Climate Commitment Act (CCA). She reported that \$1,185,372 is allocated to the District to fund the Clean Energy Credits Grant program. She noted that qualifying customers will receive a \$200 bill credit. She reported that the state has hired a vendor called Promise to administer the program at no cost to utilities. She briefly reviewed the benefits of utilizing Promise and noted that there were concerns with utilizing Promise as it requires the release of certain customer information to the State. She noted that the District has successfully administered other programs, and in compliance with regulations.

The Commission expressed concern with sharing customer information and asked if the State had the right to require the District to use Promise. Mr. Whitney reported that all utilities are subject to the Clean Energy Credits Grant program, and many have expressed the same concerns on the contract, insurance, and communication requirements of the program. Mr. Whitney noted that the matter could be discussed further in a special meeting to ensure all questions are answered.

- The District received seven responses to the Request for Proposal for the Deferred Compensation plans Third Party Administrator. She noted that staff worked with the Hyas group to evaluate all submissions, and after review and consideration the Committee voted to retain MissionSquare as the Third-Party Administrator of the District's plans.
- For her audit she noted that the annual financial and accountability audit is underway, and she reviewed the financial statement notes.

PUBLIC INFORMATION OFFICER REPORT

Ms. Viera reported that:

- Staff will participate in two upcoming events, and she provided a brief summary of both events.
- The Community Relations Coordinator vacated the position.
- Ms. Olson remains out of the office, and she continues to fill in for her.

ENGINEERING & OPERATIONS SENIOR DIRECTOR

Mr. Fuentes reported that:

- Mr. Rhees, Ms. Viera, Mr. John Francisco from Big Bend Electric Cooperative, and himself had met with State Representative Stephanie Barnard. He reported that electric vehicle charging stations, net metering impacts and City of Connell reliability issues were discussed. He noted the meeting had gone well.
- He also attended the NWPPA Annual Meeting and noted it was a great networking opportunity to discuss what is going on and how other utilities are dealing with common issues.
- A customer had voiced concerns over an engineering estimate to provide new service. He noted that despite explaining the charges to the customer, they had still insisted on trying to have the District charge differently. Mr. Fuentes noted that this was a learning opportunity, and staff will work on providing better information to the customer so they can understand the charges being assessed to them. He reported that staff will ensure the next revision of the Electric Service Requirements has the process well documented.
- For his audit, he reported that he reviewed a customer's engineering estimate, including service order and work order. He noted that he went back to January of 2023 and asked all Distribution Designers to explain our current growth pays for growth policy and that all identified the process correctly.

GENERAL COUNSEL REPORT

Mr. Whitney did not report.

Commissioner Gordon asked staff for an update on Darigold Inc.; Mr. Fuentes reported that staff provided a response to Darigold through a letter sent in early May and have not received any response from Darigold.

Commissioner Gordon noted that it was important to have closure to the situation and reported that staff should send a letter to Darigold closing the matter. Commissioners Nelson and Wright agreed.

Commissioner Gordon asked for additional information on the Energy Services report included in the Key Performance Indicator monthly report and a \$13,000 entry on the Capital Budget

Status report and Ms. Fulton provided the information on the Energy Services matter. Mr. Ferraro reported he will get more information on the \$13,000 line entry and report back to the Commission.

Commissioner Gordon asked for a completion date on the Fiber to the Home Project in Connell and staff noted it was tentatively planned to be completed by spring of 2025. Commissioner Wright asked what communication has been provided to the Connell residents regarding the Fiber to the Home Project and noted it was important to make them aware.

Mr. Fuentes requested an executive session for the purpose of discussing with legal counsel current or potential litigation as allowed by RCW 42.30.110(i).

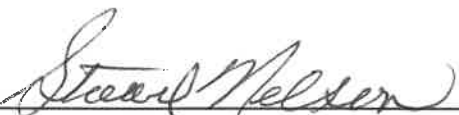
At 10:36 a.m., Commissioner Nelson called for a four-minute break and noted it will be followed immediately by a five minute executive session that would end at 10:45 a.m. for the purpose of discussing with legal counsel current or potential litigation as allowed by RCW 42.30.110(i).

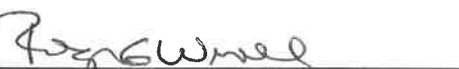
At 10:40 a.m., Commissioner Nelson ended the break and reconvened the regular meeting and immediately went into an executive session for the purpose of discussing with legal counsel current or potential litigation as allowed by RCW 42.30.110(i).


At 10:45 a.m., Commissioner Nelson ended the executive session and reconvened the regular meeting.

CLOSING OF MEETING – ADJOURNMENT

With no further business to come before the Commission, Commissioner Nelson adjourned the regular meeting at 10:45 a.m. The next regular meeting will be June 25, 2024, and begin at 8:30 a.m. 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.


Stuart Nelson, President


Roger Wright, Vice President


William Gordon, Secretary