

CLALLAM COUNTY PUBLIC UTILITY DISTRICT #1
Minutes of the Regular Meeting of the Board of Commissioners
Main Office | 104 Hooker Road | Sequim, WA 98382
JANUARY 27, 2020

Commissioners Present

Will Purser, President
Jim Waddell, Vice President
Dave Anderson, Secretary

Staff Present

Doug Nass, General Manager
John Purvis, Assistant General Manager
Simon Barnhart, General Counsel
Sean Worthington, Finance Manager/Treasurer
Lori Carter, Controller/Auditing Officer
Steve Schopfer, IT Manager
Jamie Spence, HR Manager
Nicole Clark, Communications Manager
Teresa Lyn, Executive Assistant

Others Present

Patti Morris
Werner Buehler
Krestene Reed
Richard DeBusman

The meeting commenced at 1:30 PM

CONSENT AGENDA

Upon recommendation of staff, and upon motion of Commissioner Anderson, seconded by Commissioner Waddell and carried, the Commissioners approved the following consent agenda items:

- a. Minutes of the January 13th, 2019 regular and special meetings;
- b. Claim vouchers from January 13th and January 21st, 2020 in the total amount of \$1,652,859.17; and
- c. Payroll vouchers for the period of December 16th through 31st, 2019.

PUBLIC COMMENT 1

There was no public comment.

BUSINESS ITEMS

Upon recommendation of staff and upon motion of Commissioner Anderson, seconded by Commissioner Waddell and carried, the Commissioners approved 2020 staff and Commissioner delegates to organizations in which the District has membership.

Upon recommendation of staff, and upon motion of Commissioner Waddell, seconded by Commissioner Anderson and carried, the Commissioners approved Resolution 2167-20 authorizing the disposal of computer hardware that does not meet the current business needs of the District and thus has no value to the District.

CORRESPONDENCE/COMMUNICATIONS

GM Doug Nass shared two correspondences; a thank you note from a customer commending District employees Evan Keiser, Lance Hebert, and Jason Seibel on their thorough and professional service during a recent power outage, and a letter from Senator Tim Sheldon regarding SB-6135, a proposed state planning effort to head off potential electricity shortages due to upcoming CETA implementation. According to Commissioner Purser, the bill is designed to accelerate the study of CETA's impact on our energy supply, which is of concern given the phasing out of natural gas and coal and the current intermittent availability of wind and solar. He noted that both Energy Northwest and WPUDA support the bill.

COMMISSIONER REPORTS

Commissioner Anderson reported that he attended January WPUDA meetings. SB-6135 was a topic of discussion, specifically in regards to accelerating the Dept. of Commerce's study in order to have access to more current data and projections of what current energy usage is and is projected to be, given that some counties are experiencing a 20% increase in construction and/or an increase in data centers, thus sharply increasing energy needs, such as Douglas PUD's recent request for an increase of 500 MW by new businesses. He said that some counties are implementing moratoriums on building new big data centers as a result. Commissioner Anderson also advised that there are 50 bills on water in this legislative session. He said that Senator Van De Weg's SB-6301 tasks the Department of Ecology to take a more active role in water issues in order to assist PUD's in maintaining and protecting their water rights. Communities underserved by broadband was also a big topic according to Commissioner Anderson, and he suggested that the creation of local utility districts (LUDs) by these underserved groups might be a good next step for these groups to take in order to have their needs addressed.

Commissioner Waddell reported that he attended the Executive Committee meeting at WPUDA. He relayed that there are 500 bills being introduced into the current legislative session and that WPUDA was working on what bills to focus on and how to prioritize them. Commissioner Waddell also reported that several customers approached him recently regarding the electric rate table that the District published in the Hotline newsletter. He suggested that the District look into having the Board meetings recorded. Commissioner Waddell then shared three charts; 1) Average Annual Net Regional Exports for Least Cost Resources Strategies, 2) Additions and Retirements (of energy sources) since the Seventh Plan, and 3) Total Regional Utility + Independent Power Producer Coal Retirements.

Commissioner Will Purser reported that he attended Energy Northwest's (EN) combined meeting of its Board of Directors and Executive Board. As a member of EN's Resource Adequacy Task Force which is a Joint Operating Agency (JOA), Commissioner Purser outlined some of the task force's anticipated activities, including collaborating with industry organizations and meeting with leaders in the region to define what the task force's role should be, especially as it relates to the potential energy resource of small nuclear reactors. Additionally he advised that the Horn Rapids solar

project will energized in June of this year, and that coordinators of Phase II of the Electric Vehicle Infrastructure Transportation Alliance (EVITA) planned for Highway 112 and 101 North are looking into state funding.

STAFF REPORTS

Treasurer/Finance Manager Sean Worthington reported on District's response to ratepayer's recent inquiry regarding smart meters. He advised that after observing and measuring the RF output of the smart meter model in the Main Building's lobby, the customer decided to opt back into the smart meter program.

Assistant GM John Purvis provided an AMI update to the Board. A four month delay in project implementation was due primarily to the long-lead times for meters. To eliminate project delays in 2020, orders for meters were placed earlier and most have already been received. In the Sequim area, nearly 1000 meters have been installed, with another 6800 installations planned within the next year. In the Neah Bay area, almost 700 power line carrier meters have been installed. Three ratepayers have opted out to date and are paying the opt-out fee. Another 60 ratepayers have opted for the analog meter and are paying the analog fee. An additional 27 ratepayers have opted out but are not yet subject to opt-out fees. To date, no ratepayers have taken advantage of the self-read option. Project costs are tracking close to what was projected and AMI performance is satisfactory. Assistant GM Purser advised that due to recently adopted CETA de-carbonization legislation, it is likely that AMI and eventual time-of-use rates will become a necessity, rather than an option. After viewing the presentation, Commissioner Waddell suggested that the chart for Neah Bay be changed to indicate that the meters that were installed there are power line carrier meters and that the presentation be uploaded to the District's website.

In response to the Board's request, HR manager Jamie Spence advised that the District's turnover rate – against our strategic goal of no more than 5% – has been 4.38% over the past two years. This includes voluntary and involuntary turnover as well as retirements.

PUBLIC COMMENT 2

Krestene Reed advised that her group will continue tracking HB 22-48. She inquired what the District's opinion was on meter aggregation and low income definition. Commissioner Anderson advised that WPUDA is monitoring the bill and likely will request to have low-income designation defined.

BOARD ACTION ITEMS FOR STAFF

- a. Look into audio recording the board meetings;
- b. Look into uploading the AMI update presentation to the website, after revising the Neah Bay slide.

EXECUTIVE SESSION

The regular meeting recessed at 3:05 PM to go into executive session to review the performance of a public employee, pursuant to RCW 42.30.110(1)(g). Those in attendance were Commissioners Purser, Waddell, and Anderson, and General Manager Doug Nass. No action was taken.

There being no further business to come before the Commission, the meeting adjourned at 5:15 PM.