

**CLALLAM COUNTY PUBLIC UTILITY DISTRICT #1
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
February 26, 2018**

The regular meeting of the Board of Commissioners of Clallam County Public Utility District #1 was held at the Main Office, 104 Hooker Road in Carlsborg, WA, on the above date commencing at 1:29 PM.

Commissioners Present: Hugh (Ted) E. Simpson, Jr., President
Will Purser, Vice President
Hugh Haffner, Secretary

Staff Present: Doug Nass, General Manager
Teresa Lyn, Executive Assistant
David Papandrew, District Auditor/Acting Treasurer-Controller
Bowen Kendrick, Assistant Superintendent of Water and Wastewater
John Purvis, Assistant General Manager
Gary Moore, Operations Manager
Nicole Clark, Communications Manager
Sean Worthington
Karen Abbott
Larry Morris

Others Present: Terry Lee
Richard DeBusman
Richard Doherty
Paul V. Hansen
Werner Buehler

On motion of Commissioner Will Purser seconded by Commissioner Hugh Haffner and carried, the Commission approved the minutes of the January 29, 2018 regular meeting.

Public comment was received by Terry Lee regarding a document that he submitted to the Board during the January 29th Board Meeting with the request that they review it and get back to him. General Manager Doug Nass advised that he had looked at the document but was unable to ascertain from it what Mr. Lee's questions were. Mr. Lee replied that he wanted to know if the figures in the document were correct. Doug Nass advised that he would take another look at the document and advise.

Public comment was received by Richard DeBusman. Mr. Busman thanked the PUD and the Commissioners for the written letter in response to his January 29, 2018 questions. Mr. Busman would like to know what the PUD is doing to prepare for the potential natural disasters that could happen in this area. Commissioner Simpson responded that the PUD works closely with the county on disaster preparedness. General Manager Doug Nass stated that PUD #1's Safety Manager, Larry Morris has been coordinating with the Clallam County's Emergency Operations Center (CCEOC) on disaster preparedness. Mr. DeBusman went on to say that PUD's solar customers potential could, in the event of a disaster, be contributors to the energy grid, as it could be significantly faster to reconnect the wires to solar-powered lithium batteries than it would be to reconnect to Bonneville. Mr. Busman stated that in five years batteries and solar will come down significantly in price and if we invest now we will all be better off. He requested that the Board and the PUD take the time view a video on upcoming technological disruption (due to electronic cars, battery storage, and solar).

Public comment was heard by a PUD customer who did not provide her name. She requested that the PUD please relocate handicapped parking closer to the customer entrance. Commissioner Simpson replied that the Board will see that that happens. General Manager Doug Nass advised that the PUD

plans to install a drive-through payment kiosk off of our entrance from Hooker Road so customers will not have to get out of their cars.

Public comment was heard by Mike Doherty. Mr. Doherty requests that the PUD reconsiders shifting to renewables, even if there's a short term loss. General Manager Doug Nass advised that the PUD is supportive of renewables and added that PUD is now 98% clean, between hydro and nuclear.

Staff comment was heard from Assistant Manager John Purvis who stated that of all the public utilities in Washington State, we were one of the first utilities to meet net-metering mandates, has high net metering, and is not neglecting solar.

Public comment was heard by Paul Hansen. Mr. Hansen lauded the PUD for the quite considerable effort made in supporting a variety of efficiencies in order to save power. He also stated that the people who don't have solar are paying a small amount to move solar forward, and that did not seem significant when climate change was involved.

Commissioner Ted Simpson thanked all for their comments. Commissioner Simpson stated that PUD #1 does much to support energy conservation, which is a form of energy generation. In regards to plans for addressing potential natural disasters, Commissioner Simpson advised that many PUD #1 publications encourage our customers to be prepared for disasters and provide them with information on how to do that and PUD #1 will continue to do that. In regards to solar net-metering, Commissioner Simpson advised that PUD #1 has exceeded the requirements set by state law.

The meeting convened and recessed at 2:19 for a break. The meeting reconvened at 2:29 PM.

Upon recommendation of staff, and upon motion of Commissioner Will Purser and seconded by Commissioner Hugh Haffner and carried, the Commission approved removal of delinquent accounts from the active accounts receivable on the list dated 2/13/18 in the total amount of 4,505.37 including a collection fee of \$1,039.70

Upon recommendation of staff, and upon motion of Commissioner Haffner seconded by Commissioner Purser and carried, the Commission approved the Invitation to Bid #180801 for publication on March 2, 2018 for the Scrivner Road AC Pipe Replacement.

Upon recommendation of staff, and upon motion of Commissioner Purser seconded by Commissioner Haffner and carried, the Commission approved the Contractor Prequalification Applications for 2018 in the amount of \$2,500,000.00 each for DJ's Electrical Inc. and PAR Electrical Contractors.

Upon recommendation of staff, and upon motion of Commissioner Purser seconded by Commissioner Haffner and carried, the Commission authorized issuance of Purchase Order #21782 NJPA Contract #031014-ALT to ALTEC Industries, Inc. for a 2019 Freightliner Model 122 diesel-powered with an A55e OC Boom to be used a bucket truck in Port Angeles for a not-to-exceed total of \$359,203.00 not including tax.

Upon recommendation of staff, and upon motion of Commissioner Haffner seconded by Commissioner Purser and carried, the Commission approved the Acceptance Memo of Completion for the purchase from and delivery by ALTEC Industries, Inc. of a 2018 Freightliner 114SD with 435 Detroit DD13 Cab Chassis, New A55E-OC Man Lift to be used as a bucket truck in Forks for a total price of \$373,033.20 including delivery and state and local taxes.

Upon recommendation of staff, and upon motion of Commissioner Purser seconded by Commissioner Haffner and carried, the Commission adopted RESOLUTION 2099-18 Establishing the Special Residential Electrical Service Discounts for Low Income Senior Citizens and Low Income Disabled Citizens Policy and Rescinding Resolution 2091-17.

General Manager Doug Nass reported on WPUDA positions including: support of House Resolution 3144 that provides for the continued environmentally responsible operations of the federal hydropower system for the benefit of the people of Washington; preserving PUD utility pole attachment rates that are just, reasonable, non-discriminatory, and sufficient to recover PUD costs; supporting regional efforts to ensure Washington continues to realize the value of Bonneville Power Administration (BPA) resources; opposing the selling of assets of the BPA and any effort to privatize PMAs; supporting hydropower licensing reform; and supporting a modern Columbia River Treaty with a rebalanced Canadian Entitlement.

He also reported on other industry news including House Bill # 2995, which requires electric utilities with more than 25,000 customers to meet targets for energy conservation and to meet a certain percentage of its annual load with eligible renewable resources. GM Doug Nass advised that the carbon tax is going strong but is still in Senate Committee. Commissioner Purser stated that if the carbon tax is passed, it will add cost to everything that's manufactured and transported and thus will be inflationary and pancaked on top of I-937 already in existence.

Four lists of claim vouchers as certified by the General Manager and Auditing Officer were considered. On motion of Commissioner Purser seconded by Commissioner Haffner and carried, the Commission approved payments of claim vouchers in the amount of \$362,902.18 for February 5, 2018. On motion of Commissioner Haffner seconded by Commissioner Purser and carried, the Commission approved payments of claim vouchers in the amount of \$314,536.52 for February 12, 2018. On motion of Commissioner Purser seconded by Commissioner Haffner and carried, the Commission approved payments of claim vouchers in the amount of \$3,315,546.76 for February 20, 2018. On motion of Commissioner Haffner seconded by Commissioner Purser and carried, the Commission approved payments of claim vouchers in the amount of \$514,028.97 for February 26, 2018.

Commissioner Purser reported that he attended Energy Northwest's Executive Board presentation of upcoming capital projects. He also attended an Energy Northwest meeting in Seattle to review their strategic plan and to interview six candidates for CEO.

Commissioner Simpson reported that he participated in a WPUDA teleconference. Much of the conference centered on the carbon tax.

The meeting convened and recessed at 3:16 PM for a break. The meeting reconvened at 3:29 PM.

Communications Manager Nicole Clark presented the 2018 Communications Plan. The Strategic Plan objective related to Communication is Enhancing Customer Partnerships. The objective will be accomplished via external channels (lobby displays, the PUD website, social media, radio, print, and events), and internal channels (employee communications). Also included in the 2018 Communications Plan are outreach and promotion of: the roll out of SmartPay – PUD's new prepaid metering program; the new Neah Bay payment kiosk; the 'Clearly Clallam' PUD community awareness program; new outage reporting and update tools, and integrated redesign of PUD #1's business collateral.

The regular meeting recessed at 4:07 PM to go into executive session to evaluate the performance of a public employee, pursuant to RCW 42.30.110(1)(g). Those in attendance were Commissioner Haffner, Commissioner Purser, Commissioner Simpson, General Manager Doug Nass, Sean Worthington, Dave Papandrew, and John Purvis. The executive session adjourned at 4:35 PM, and the regular meeting reconvened at that time.

There being no further business to come before the Commission, the meeting adjourned at 4:35 PM.