

**CLALLAM COUNTY PUBLIC UTILITY DISTRICT #1
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
April 16, 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 1:31 PM.

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

Staff Present: John Purvis, Assistant Manager
 Dave Papandrew, Auditor
 Sean Worthington, Financial Manager/Treasurer
 Lori Carter, Controller/Auditing Officer
 Tom Martin, Water & Wastewater Superintendent
 Larry Morris, Safety Manager
 Nicole Clark, Communications Manager
 Travis McClain, Water & Wastewater Administrative Assistant
 Brad Teel, Sr. Power Systems Project Coordinator
 Teresa Lyn, Executive Assistant
 Steve Schopfer, IT Manager
 Ken Brillhart, GIS/SCADA Administrator

Others Present: Shara Smith
 Joanne Sparks
 Donna Knifsend
 Stu Smith
 Sandra Smith
 Julie Knorr
 Roger Wheeler

On motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved the minutes of the April 2, 2018 regular meeting.

Assistant General Manager John Purvis made a revision to the agenda advising that he would present the Acceptance of Completion Memo for Contract# 171006 to the Board.

Commissioner Simpson acknowledged that several customers were in attendance regarding the letters that the Water and Wastewater Department had issued regarding backflow prevention assemblies. Before opening the floor for public comment, Commissioner Simpson spoke about the need for backflow prevention, stating that District's primary concern is to provide safe potable water and protect our water systems. Commissioner Simpson summarized the events of the past month, wherein a backflow issue occurred that prompted the District to send a letter to certain business customers indicating that they would have to install a backflow prevention assembly on their property. The District received comments and messages that many who received the letters were concerned about the cost and timeframe for installation. As a result, on April 13th, a new letter was hand delivered, rescinding the original letter and stating that District staff would work with customers on the timeframe and the type of backflow prevention assembly that would be required, to be determined by an upcoming survey. In the future staff will work with the County to ascertain what kind of business customers are running (as pertains to water use) so they can be advised which backflow prevention assembly is required.

Water & Wastewater Superintendent Tom Martin then explained that the District was alerted to a commercial backflow incident on February 22, 2018 when it received a call from a Port Angeles business

within an industrial park saying that their water was milky and smelled like chemicals. A PUD technician determined that a recycling system in an adjacent unit had created a high pressure in their sump pump which sent their recycled water into the building's plumbing, resulting in contaminated water in the caller's unit. This incident had to be reported to the State and County Department of Health and the County Building Department. The State's response was concern that the contaminated water, which contained benzene and lead, got into the water in the public water system. As a result, they were ready to issue a "Do Not Drink Order" to the residences and businesses downstream of the industrial park. Due to the removal of the cross-connection to the recycled water system, testing of the single check valve on the other meter setter, and testing of the water samples taken from the main, District staff was able prevent the order. The State was convinced that the contaminated water was contained within the industrial park. District staff will be sending out a survey about the chemicals and equipment that each business uses and the type of business being operated. The survey results will allow staff to determine what kind of backflow prevention assembly and equipment each property requires; one that is commensurate with the degree of hazard posed by the business. Accordingly, to strengthen and clarify our policy in support of these actions and state requirements, District staff has brought to the Commissioners for approval Resolution 2107-18, which updates the cross-connection control policy.

Public comment was received by Joanne Sparks of All Weather Heating and Cooling regarding backflow prevention assembly installation. She asked: a) if the Commissioners were aware that the letters were sent out to the tenants and not the owners, b) why was this not done when the sewer line was opened up, and c) why PUD consumers could not bear the cost of the valve installation; as small businesses may not be able to afford it. Ms. Sparks also asked if staff could provide an approximate cost for a double check valve. Commissioner Simpson responded that it was appropriate to send the letter to tenants given that the tenant is the business operator/account holder and that PUD staff may not otherwise know who owns the building. Commissioner Simpson also advised that the cost is estimated to be about \$500 for a double check valve and up to \$5,000 for the valve required for Table 9 designated properties.

Public comment was heard by attorney Donna Knifsend regarding the approximately dozen letters she received from people who were confused about the PUD letter content. She suggested the PUD send a checklist out to the businesses explaining what kind a valve they needed and why.

Public comment was heard by Shara Smith of the Hair School. Ms. Smith inquired if the PUD could purchase the required valves at a bulk rate and then bill the affected businesses in scheduled payments. She stated that the second letter was not clear and requested information on what her options are, and what kind of valve she needs. Commissioner Simpson advised that the upcoming survey would identify the businesses that require a valve installation and what kind, the installation of which would be prioritized accordingly to risk level.

Public comment was heard by Teresa from Rise N Grind Coffee & Tea. Teresa asked whose idea it was to send out the letter with a 90 day notice, and why it was not PUD's responsibility to install the backflow preventer valves. Commissioner Simpson advised that per Washington Administrative Code (WAC), property and business owners are required to install (and maintain and have them tested annually) backflow prevention assemblies where they are needed (WAC# 246-290-490).

Public comment was heard by Rodger Wheeler of RJ Services, who asked for re-clarification that a survey is the next step in process of identifying which properties require valve installation. This was confirmed by Commissioner Simpson.

Upon recommendation of staff, and upon motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission adopted Resolution 2107-18 establishing the Cross-Connection Control Policy and rescinding Resolution 1579-98 and all amendments.

Upon recommendation of staff, and upon motion of Commissioner Purser seconded by

Commissioner Haffner and carried, the Commission adopted Resolution 2106-18 establishing the current schedule of Deposits and Charges, Electric Line Extension Unit Prices and rescinding Resolution 2056-16.

Upon recommendation of staff, and upon motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved removal of delinquent accounts from the active accounts receivable on the list dated April 5, 2018 in the amount of \$10,406.61, including a collection fee of \$2,229.03.

Upon recommendation of staff, and upon motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission approved the Acceptance of Completion Memo for Contract #171006 dated April 16, 2018 in the amount of \$67,750.00 including WSST for work completed by R.J. Services, Inc. on the Carlsborg Sewer Connection Project.

Two 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 \$221,011.47 for April 9, 2018. On motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission approved payments of claim vouchers in the amount of \$240,337.09 for April 16, 2018.

Commissioner Purser reported that he attended the NoaNet videoconference. He also participated in a teleconference with Energy Northwest (ENW) regarding negotiations with an ENW CEO candidate. Commissioner Purser also attended a Public Power Council (PPC) meeting.

Commissioner Simpson reported that he attended a Safety Meeting in Forks and was impressed by the presentation that was facilitated by a new hire from Columbia Rural Electric Association. He also accompanied Forks Operations Superintendent Bill Decker out to Neah Bay to see firsthand the trouble areas that have been created by too-close logging (within 2'-3') to District transmission lines, including an marked increase in downed lines caused by tree blow downs, and the difficulty in finding people to go in and clean-up these hazardous areas. He also attended Jefferson PUD's 5th anniversary celebration.

GIS/SCADA Administrator Ken Brillhart presented a digital vegetation management program he designed that records vegetation maintenance work real-time out in the field via iPad. The new system replaces a cumbersome and inefficient manual system, and enables crews to digitally illustrate which areas were cut back, and when they need to be revisited. The system keeps track of the revisit date, and sends notifications accordingly. Outage maps can be overlaid on the digital vegetation maintenance map, to identify if there could be a potential vegetation management issue at or near the outage area. All data is saved in a database.

Dave Papandrew, Interim District Auditor, presented a brief summary of the District's 10 Year Financial Projection, which outlined a) objectives and assumptions and the resulting revenue projections, b) projected power costs, credits, loads, and rates, c) projected operations, maintenance, and related costs, including taxes, d) projected capital asset expenditures, and e) long-term debt coverage ratio projections and cash reserves.

There being no further business to come before the Commission, the meeting adjourned at 4:05 p.m.