

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

JANUARY 13, 2020

Met with State Auditor Staff via Skype due to weather

Commissioners Present

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

District 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
Rebecca Turner, Senior Accountant
Tyler King, Power Analyst
Nicole Clark, Communications Manager
Teresa Lyn, Executive Assistant

State Auditor Staff present (via Skype)

Carol Ehlinger, Audit Manager
Tammy Lane, Audit Lead
Thomas Bernard, CPA

Others Present

Fred Mitchell
Krestene Reed
Werner Buhler

The meeting commenced at 12:01 PM.

During this Exit Conference, State Auditor staff reviewed with District staff three reports as a result of their recent audits

Report No. 1025550 – Accountability Audit Report for the period January 1, 2018 through December 31, 2018

- There were no uncorrected misstatements in the audited financial statements.
- There were no material misstatements in the financial statements corrected by management during the audit.
- The District was commended for: not having any audit recommendations given the size and complexity of the District; and quickly implementing the State Auditors' recommendations from the prior year's audit.
- Lori Carter, Controller, was specifically commended for her cooperation and timely response during the audit.

Report No. 1025541 – Report on Compliance with the Energy Independence Report for the period of January 1, 2019 through December 31, 2019 and Report No. 1025542 – Report on Compliance with the Energy Independence Report for the period of January 1, 2018 through December 31, 2018

- There were no uncorrected misstatements to either renewable energy acquisition target or the MWh value of the renewable energy credits (RECs) claimed to meet those targets.
- There were no material misstatements corrected by management during the engagement.

After a Yellow Book examination of the District’s compliance with the renewable energy requirements of the Energy Independence Act, the State Auditor’s Office (SAO):

- “Obtained reasonable assurance the District’s renewable energy target of 55,953 MWh (2018) and 57,763 MWh (2019) were supported and fairly stated.
- “Verified the renewable energy credits (RECs) the District retired were from eligible renewable resources of eligible vintage, and were of a total megawatt-hour (MWh) value sufficient to meet its targets

The 2019 compliance period was the eighth consecutive period the District complied with its annual renewable energy compliance target.

Power Supply Analyst Tyler King was thanked for his assistance and efforts during the audit.

There being no further business to come before the Commission, the meeting adjourned at 12:32 PM.