

CLALLAM COUNTY PUBLIC UTILITY DISTRICT #1
Minutes of the Regular Meeting of the Board of Commissioners
DNR Office | 411 Tillicum Lane | Forks, WA 98331
NOVEMBER 25, 2019

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
Tom Martin, WWW Superintendent
Bill Decker, Forks Superintendent
Teresa Lyn, Executive Assistant

The meeting commenced at 10 AM.

CONSENT AGENDA

Upon recommendation of staff, and upon motion of Commissioner Anderson seconded by Commissioner Waddell and carried, the Commission approved the following:

- a. Minutes of the October 28, 2019 regular meeting;
- b. Claim vouchers from October 28, 2019 through November 18, 2019 for a total of \$2,333,146.55;
- c. Payroll vouchers for the periods of October 16 through October 31, 2019;
- d. Removal of delinquent accounts from active accounts receivable in the amount of \$5075.19 including a 30% collection fee; and
- e. Contractor prequalification for Summit Line Construction in the amount of \$3,500,000.00.

PUBLIC COMMENT

There was no public comment.

BUSINESS ITEMS

Upon recommendation of staff, and upon motion of Commissioner Anderson, seconded by Commissioner Waddell and carried, the Commission authorized GM Nass to sign the Real Estate Purchase and Sale Agreement with Gary Lange and the Jeanne Van Dyken Trust, as presented, and to execute all documents required to open and close escrow.

Upon recommendation of staff, and upon motion of Commissioner Waddell seconded by Commissioner Anderson and carried, the Commission passed RESOLUTION 2163-19 authorizing the disposal of un-upgradeable cell phones.

CORRESPONDENCE/COMMUNICATIONS

GM Doug Nass initiated a discussion about entering into a membership agreement with the Clallam County Economic Development Corporation (EDC). After lengthy discussion of the EDC's proposed agreement and past history, the Board unanimously agreed to enter into the agreement (reviewable every year) at a membership rate of \$10,000.00, contingent on 1) receiving useful deliverables, and 2) a seat on the board. Commissioner Waddell volunteered to represent the District on the EDC board. Commissioner Anderson made a motion to enter into the agreement with EDC and Commissioner Waddell seconded.

GM Nass read a letter of commendation from Washington State Patrol's Captain James Mjor II to Forks Superintendent Bill Decker thanking him and his crew for the assistance provided when a leaking propane truck required the highway patrol to shut down a portion of Highway 101 north of Forks on October 21, 2019. GM Nass also thanked Superintendent Decker and crew for the fast response in de-energizing a potentially sparking line.

COMMISSIONER REPORTS

Commissioner Waddell reported that he attended WPUDA leadership training and meetings which included: communication techniques for interacting with the public and fellow commissioners; discussion of the process of strategic planning at different PUDs; approval of WPUDA's budget; a discussion of a recent stakeholder survey regarding hydroelectricity and the Snake River dams; and the review of a draft of upcoming national legislative issues of interest to public utilities. He also advised that Russ Elliot, Director of Washington State Broadband Program expressed the state's keen interest in providing PUDs with assistance to expand broadband within existing regulations. Commissioner Anderson advised that the Port of Port Angeles is already working with Port Angeles on this.

Commissioner Purser reported that he attended the Energy Northwest (EN) Executive Board Task Force which consisted of approval of contracts, and discussions on: the decreasing rate of Packwood's gear box failures; battery technology; the Clean Energy Transformation Act (CETA); EN's potential role in carbon reduction and resource adequacy; joining the Northwest Power Pool; and the status of the installation of electric vehicle charging stations via the Electric Vehicle Infrastructure Transportation Alliance (EVITA) on the Olympic Peninsula. He also attended a Public Power Council meeting, where resource adequacy and CETA rule making were discussed. Commissioner Purser reported that the NoaNet Board approved an amendment to the April 1, 2019 NoaNet Payment Agreement, simplifying the calculation of the rate of interest to be charged on all draws under the Agreement. The rate will be a fixed rate of 5%, rather than the LIBOR Daily Floating Rate plus 2.50%. The change is in response to complaints by a number of the remitting members about the difficulty in calculating interest under the Agreement as written.

The meeting recessed at 11:08 AM for a short break and reconvened at 11:18 AM.

STAFF REPORTS

GM Nass provided status on action items for staff from the October 28th BOC meeting. He reported that staff sent the requested notification re: meter replacement to Makah Tribal Council on October 29th, then had a follow-up meeting with Makah Chairman John Ides, Sr., GM Vincent Cooke, and Commissioner Waddell on November 29th. Additionally he confirmed that Port Angeles School District Superintendent Brewer has been invited to the January 13, 2020 BOC meeting to share the Port Angeles school district capital levy presentation.

Treasurer/Finance Manager Sean Worthington discussed the District's proposed 2020 Budget, which was originally presented in its full form at the October 28th BOC meeting. He presented for advance review the draft resolution to approve the 2020 budget and electric rate increase, which amounts to a 3.5% increase for the next 2 years. He noted that the water/wastewater rate change had been previously approved by the Board.

GM Doug Nass spoke briefly about the 2020 Strategic Plan. He advised that when he came on board thirteen years ago, there were many system upgrades and improvements at all levels that the District needed to make and those improvements are nearly complete. About three years ago the District started looking intensely at where it can be more efficient and reduce costs. He advised that our ten year plan reflects this, and that significant cost savings have already been implemented. He noted that continuous improvement is an elemental part of the Strategic Plan. He expressed concern about the administrative costs that the District will be incurring in order to comply with and implement the Clean Energy Transformation Act (CETA) rule making.

Commissioner Purser said that our membership in the Public Power Council (PPC) and the Washington Public Utility District Association (WPUDA) provides public utilities with the power to collectively pressure BPA to reduce costs and the possibility of future rate increases.

BOARD ACTION ITEMS FOR STAFF

1. Staff is to:
 - a. Research the establishment of Clallam County PUD #1 and locate the original documents that record the beginning of our PUD.

There being no further business to come before the Commission, the meeting adjourned at 11:57 AM.