

CLALLAM COUNTY PUBLIC UTILITY DISTRICT #1
Minutes of the Regular Meeting of the Board of Commissioners
Main Office | 104 Hooker Road | Sequim, WA 98382
July 27, 2020 – This meeting held remotely via ZOOM

Commissioners Present

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

Staff Present

Doug Nass, General Manager
John Purvis, Assistant General Manager
Sean Worthington, Finance Manager/Treasurer
Lori Carter, Controller/Auditing Officer
Tyler King, Power Analyst
Mattias Järvegren, Utility Services Coordinator
Tom Martin, Water and Wastewater Manager
Steve Schopfer, IT Manager
Jamie Spence, HR Manager
Nicole Clark, Communications Manager
Larry Morris, Safety Manager
Mike Hill, Engineering Manager
Teresa Lyn, Executive Assistant

Others Present as Identified

Krestine Reed
Paula Barnes
Richard DeBusman
James Schuenemann
Patricia Morris
Rob, last name not provided

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 July 13th, 2020 regular meeting; and
- b. Claim vouchers from July 13th through July 20th, 2020 for a total of \$1,698,306.45.

AGENDA REVISIONS

The Clallam 10 Year Utility Resource Plan was added to the agenda as Business Item C.

COMMENTS FROM THE PUBLIC

Comments heard from the public regarding: Tier 1 utilities; the name of the consulting firm that performed a resource adequacy analysis; a request for an update on the Forks operations building and its potential for solar installation; PUD representation at BPA's upcoming rate case negotiations; and the disposal of renewable energy credits (RECs), which Commissioner Purser advised would be addressed during a staff presentation.

BUSINESS ITEMS

Upon recommendation of staff, and upon motion of Commissioner Anderson seconded by Commissioner Waddell and carried, the Commissioners authorized Recommendation Memo reference Sourcewell Contract No. 121218-WES to purchase 31 composite poles of various sizes and necessary accessories for the Airport substation to Oak Street Rebuild. The amount of the contract is \$238,254.52.

Upon recommendation of staff, and upon motion of Commissioner Anderson seconded by Commissioner Waddell and carried, the Commissioners passed RESOLUTION 2178-20 Authorizing the Disposal of Surplus Renewable Energy Credits (RECs). Power Analyst Tyler King answered questions from the public, explaining that RECs are not actual energy; they are a certificate that corresponds to the environmental attributes of energy generated by renewable energy sources, such as solar or wind. The PUD purchases RECs to offset conventional energy use and disposes of surplus RECs by selling them to a broker who resells them to the renewable energy marketplace.

Upon recommendation of staff, and upon motion of Commissioner Waddell seconded by Commissioner Anderson and carried, the Commissioners approved a motion to approve the Clallam 10-Year Utility Resource Plan, which is based on BPAs load forecast of a 0.3% load growth over the next 10 years. The Department of Commerce requires the plan to be updated and displayed at a public meeting every two years. The 10-Year Utility Resource Plan projects PUDs potential energy needs, taking into account conservation efficiencies and projected economic growth.

CORRESPONDENCE/COMMUNICATIONS

General Manager Nass reported on a recent American Public Power Association (APPA) article that outlined the benefits of PUD's implementation of the National Information System COOP (NISC) enterprise solution. The solution facilitates: real-time transactions and reporting; an integrated intelligent mapping solution, which improves accuracy out in the field; an outage management system, which enables dispatchers to direct linemen to trouble areas; and improved customer care.

COMMISSIONER REPORTS

Commissioner Anderson attended virtual WPUDA roundtable meetings. With COVID, he noted, there is increased impetus on expanding broadband to unserved and underserved rural and remote areas. Discussions focused on the possibility of revising RCW language for broadband grant authority from wholesale to wholesale and retail; and the estimated costs and timelines of applying for grants and permits, the ordering of materials, and the maintenance factors involved in the build out of a fiber infrastructure.

Commissioner Waddell attended virtual WPUDA meetings. Topics were public participation in commission meetings, the impact of COVID, CETA guidance and rulemaking, water river temperatures, the Environmental Impact Study (EIS) on the lower Snake River dams, and resource adequacy studies and reporting. He attended the Clallam County Economic Development Council (EDC) meeting; discussed were the EDC budget, cash flow of local businesses, and CARES funding.

Commissioner Purser attended a BPA webinar on resource adequacy, which is on the BPA website at <https://www.bpa.gov/news/AboutUs/Hydropower-101/Pages/Resource-adequacy-Meeting-the-regions-energy-needs.aspx>. He also attended WPUDA roundtable meetings. Topics included: cybersecurity issues; the vulnerability of government officials in terms of hacking and/or harassment due to the current Public Disclosure Commission (PDC) reporting requirements; the potential for a big windfarm in Benton County; potential language revisions to the RCWs to eliminate the term wholesale in order to prevent the PUDs from having to provide broadband when it is not economically viable to do so; NoaNet's system upgrade to 300 Gbps; CETA rulemaking procedures; a report from River Partners; and the upcoming legislative session.

STAFF REPORTS

Utility Services Coordinator Mattias Järvegren reported on the District's 2018/2019 energy efficiency (savings) and conservation goals and programs. The District met and exceed the target for the 2018/2019 biennial and is on track to do the same in 2020/2021. The success is due mostly to PUD's promotion of and ratepayer's broad utilization of LED lighting and efficient heat pumps and water heaters. He also reported that Energy Northwest (EN) applied for Department of Commerce Electric Vehicle (EV) grant in early June. If awarded, the grant would allow EN to install and operate a series of EV chargers around the Highway 101 loop, including one each in Sequim and Forks. Grant awardees will be announced in December 2020, and the earliest that contract work would begin is May 2021.

At 3:00 PM Commissioner Purser convened the meeting for a short break. The meeting reconvened at 3:08 PM.

GM Doug Nass provided an update on Coronavirus Aid, Relief, and Economic Security Act (CARES) funding. The District will receive \$45,200 in funding for residential utility customer assistance. PUD hopes to receive and disperse funds by October 31, 2020. Qualified applicants must be a county resident and Clallam PUD ratepayer; enter into a payment plan; and provide proof of the COVID-related financial hardship (job loss, illness, reduction in hours, etc.) that led to the need for assistance. The PUD will post the CARES Utility Assistance Letter on the website, and will insert inserts into our bills to notify customers of the availability of assistance.

General Manager Nass, Finance Manager Sean Worthington, and Assistant General Manager John Purvis each provided 2020 2nd Quarter Key Performance Indicator (KPI) updates on their department's strategic objectives. View the 2020 Strategic Plan online at <https://clallampud.net/about/>.

BOARD’S ACTION ITEMS FOR STAFF

There were no action items from the Board.

COMMENTS FROM THE PUBLIC

Comments heard from the public regarding: a Department of Energy spreadsheet that indicates that the District does not generate solar power. Assistant GM Purvis explained that the amount of solar power currently produced does not constitute a measurable amount of load. It is recorded under a net-metering configuration, and thus is invisible to the BPA portfolio. It was then asked if the PUD reports on the website how much solar is being generated by rooftop solar customers.

ADJOURN

There being no further business to come before the Commission, the meeting adjourned at 4:12 PM.