

CLALLAM COUNTY PUBLIC UTILITY DISTRICT #1
Minutes of the Regular Meeting of the Board of Commissioners
Main Office | 104 Hooker Road | Sequim, WA 98382
JUNE 22, 2020 – This meeting held remotely via WebEx

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
Tom Martin, Water and Wastewater Systems Manager
Travis McClain, Water and Wastewater Systems Coordinator
Brad Teel, Sr. Power Systems Project Coordinator
Steve Schopfer, IT Manager
Shawn Delplain, Broadband Supervisor
Nicole Clark, Communications Manager
Mike Hill, Engineering Manager
Charlie McCaughan, Procurement and Facilities Supervisor
Colin Young, Distribution System Supervisor
Teresa Lyn, Executive Assistant

Others Present as Identified

Janet Marx
Krestine Reed
Patti Morris
Paula Simpson-Barnes
Fred Mitchell
James Schuenemann
Scott Levy

The meeting commenced at 1:40 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 June 8th, 2020 regular meeting;
- b. Claim vouchers from June 8th through June 15th, 2020 for a total of \$1,281,909.98; and
- c. Payroll vouchers for the period of May 16th through May 31st, 2020.

AGENDA REVISIONS

There were no agenda revisions.

COMMENTS FROM THE PUBLIC

Comments were heard from the public regarding next generation nuclear.

BUSINESS ITEMS

Upon recommendation of staff, and upon motion of Commissioner Anderson seconded by Commissioner Waddell and carried, the Commissioners voted to approve acceptance Memo of completion of a contract with Trenchless Construction Services LLC., Reference Bid No. 201002 for horizontal directional drilling and installation of an underground water main along SR101 near S. Bagley Creek. The work was completed on June 3, 2020 for a total contract amount of \$171,798.90 including WSST.

Adoption of RESOLUTION 2173-20 Establishing the Current Schedule of Deposits and Charges, Electric Line Extension Unit Prices and Rescinding Resolution 2147-19 was deferred to the next regular board meeting scheduled for July 12th, 2020 in order to give the public an opportunity to view and comment on it.

Upon recommendation of staff, and upon motion of Commissioner Anderson seconded by Commissioner Waddell and carried, the Commissioners passed RESOLUTION 2174-20 Re-establishing the Dollar Amounts for the Working Funds and Rescinding Resolution 2083-17.

Upon recommendation of staff, and upon motion of Commissioner Anderson seconded by Commissioner Waddell and carried, the Commissioners voted to approve RESOLUTION 2175-20 Establishing a Phased One-System Capital Maintenance Fund Charge Structure for Wastewater Systems. The goal is have a ‘postage stamp’ rate in place for all wastewater customers by 2024.

CORRESPONDENCE/COMMUNICATIONS

None

COMMISSIONER REPORTS

Commissioner Anderson attended NoaNet, WPUDA, and WPAG virtual meetings. Topics were pushback from utilities on the Governor’s recent Proclamation 20-23, which places the administration of extended mandates under the Utility and Transportation Commission (UTC); the upcoming Financial Reserve Policy (FRP) surcharge; and the development of a resource adequacy program.

Commissioner Waddell attended a virtual WPAG meeting. Topics were: resource adequacy and BPA’s Integrated Program Review (IPR). He then read aloud letter that he composed in response to Public Power Agency’s (PPC) letter notifying the PUD of its expulsion from its membership due to Commissioner Waddell’s actions. After reading the letter, he proposed that GM Nass sign it and send the letter to PPC. Both Commissioner Purser and Anderson said that they felt that it would not be appropriate that the letter come from GM Nass or the Commissioners. They instead suggested that Commissioner Waddell sign and send the letter out on his own behalf.

Commissioner Purser attended Energy Northwest virtual meetings and NoaNet and WPAG virtual meetings. Discussions revolved around: shutdown of the Columbia Generating Station for maintenance due to excessive turbine vibrations; NoaNet pension contributions, liability, and return-on-investment; WPUDA's and individual PUD's pushback against the Governor's recent proclamation calling for UTC compliance; and concern voiced by linemen about the difficulties in communicating while wearing required masks. Also discussed were community 'helping hand-type' programs that could possibly assist customers in catching up their arrears accounts without dipping into PUD reserves or reducing rates to assist them, which essentially would be a gift of public funds and therefore not legal.

STAFF REPORTS

IT Manager Steve Schopfer reported that NoaNet has received the balance of \$200K in funding (in the form of a revolving loan) from nine PUDs, which is to be used for various NoaNet capital project; he confirmed that Energy Northwest's plan to purchase NoaNet is no longer an option; and that NoaNet is considering becoming a competitive telecom provider. He advised that he and Broadband Supervisor Shawn Delplain met via Zoom with Crescent School District Superintendent David Bingham and Russ Elliot, Director of WA State Broadband to discuss the funding possibilities and obstacles related to expanding broadband to the Crescent school district. He and Mr. Delplain will within the next few weeks develop numbers for the potential costs of such a project. The expectation is that the cost will be very high and that the lead-time for procuring equipment to build the infrastructure will be lengthy.

GM Nass reported on the District's hiring of Seattle Attorney Don Cohen as a legal consultant in the interim, noting that Mr. Cohen was well thought of in the utility industry. He possesses a breadth of experience with utility and telecom companies, which has been difficult to locate on the Peninsula.

At 3:07 PM Commissioner Purser convened the meeting for a short break. The meeting reconvened at 3:12 PM.

Finance Manager/Treasurer Sean Worthington provided a response to inquiries about what percentage of Home Fund donations come from ratepayers (approx. 3% in 2018); and how the PUD solicits contributions for the Home Fund (quarterly in the PUD Hotline newsletter). To address a perception that local business customers are being severely impacted by their delinquent utility bills, he advised that total business arrears as of June 18th was \$30,716, one third of which came from two customers (marijuana grow operations). Removing those two customers from the totals, the average 60-day balance of delinquent accounts is \$146.37 for business customers. He has received no complaints from the business community regarding the District and its willingness to work with them, and said that CSRs are being proactive in implementing payment plans and/or referring customers to assistance agencies such as OlyCap as well as directing them to state and federal resources. Mr. Worthington also reported on the possible suspension of BPA's Financial Reserve Policy (FRP) surcharge, and the significant financial implications of its deferment. The surcharge, if there are no objections, is scheduled to take effect July 1, 2020.

BOARD'S ACTION ITEMS FOR STAFF

- a. Check the meeting call in number to ensure it is correct.
- b. Ask OlyCap to advise what percentage of donations received from ratepayers go to commercial businesses versus to individuals, and what percentage goes to (or comes from) Jefferson versus Clallam County.
- c. Contact WAVE to determine if they are interested in collaborating with us on the possible expansion of broadband into the County's west end.

COMMENTS FROM THE PUBLIC

Comments were heard from the public regarding PPC and the recent draft Environmental Impact Statement (EIS) regarding the Lower Snake River dams.

ADJOURN

There being no further business to come before the Commission, the meeting adjourned at 3:35 PM.