

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 8, 2020 – This was a remote meeting 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
Larry Morris, Safety Manager
Steve Schopfer, IT Manager
Shawn Delplain, Broadband Supervisor
Nicole Clark, Communications Manager
Teresa Lyn, Executive Assistant
Charlie McCaughan, Procurement & Facilities Supervisor
Mike Hill, Engineering Manager
Tyler King, Power Analyst

Others Present as Call In Users

- Werner Buehler
- Nina Sarmiento
- Patti Morris
- Brian Grad
- Scott Simms
- James Schuenemann
- Krestine Reed
- Richard DeBusman
- Peter Vanderhoof
- Paula Barnes-Simpson
- Paul Hagen
- Kurt Miller

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 May 11, 2020 regular meeting;
- b. Claim vouchers from May 11th through June 1st, 2020;
- c. Payroll vouchers for the period of April 16th through May 15th, 2020;
- d. Removal of delinquent accounts from June active accounts receivable in the amount of \$10,753.53 including a 30% collection fee; and
- e. Contractor pre-qualification for National Wood Treating Company in the amount of \$250,000.

AGENDA REVISIONS

None

COMMENTS FROM THE PUBLIC

Comments were heard from the public about: the PPC protest, call-in users, consulting agencies, and Commissioner Waddell’s data.

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 for Bid No. 201006 with 2 Grade, LLC. for a water main construction near James Page Road and Bagley Creek Road. The project was completed April 3, 2020 for a total contract cost of \$99,423.33. Water/Wastewater Manager Tom Martin advised that unforeseen conditions resulted in unexpected change orders and cost. Commissioners suggested that unit price contracts be considered for upcoming projects that include subservice work.

Upon recommendation of staff, and upon motion of Commissioner Anderson seconded by Commissioner Waddell and carried, the Commissioners voted to authorize a Bid Award Acceptance Memo for Bid # 201004 for 2020 pole inspection, treating, and reporting from Pacific Pole Inspection, LLC. of Kelso, WA. The contract will have an estimated not-to-exceed amount of \$125,600 (not including WSST) and is to be completed by November 20, 2020.

Upon recommendation of staff, and upon motion of Commissioner Anderson seconded by Commissioner Waddell and carried, the Commissioners voted to adopt RESOLUTION 2171-20 adopting Clallam County Multijurisdictional Hazard Mitigation Plan 2020. The plan document, which was approved by the U.S. Department of Homeland Security’s FEMA region 10 provides participating jurisdictions with eligibility to apply for hazard mitigation grants. The Plan may be found at <http://www.clallam.net/EmergencyManagement/documents/hmpdraft2019update.pdf>.

Upon recommendation of staff, and upon motion of Commissioner Anderson seconded by Commissioner Waddell and carried, the Commissioners voted to adopt RESOLUTION 2172-20 Establishing Network Access Charges for Excess Capacity and rescinding Resolution 2064-16. The Resolution updates the fee schedule for network access.

GM Nass read an April 13, 2020 letter from the Public Power Council (PPC) to PUD. The letter outlined and provided documentation of the reason for PUD's recent expulsion from PPC membership, which are Commissioner Waddell's violations of PPC's stated expectations of confidentiality and non-disclosure. After a lengthy rebuttal by Commissioner Waddell and dialogue from Commissioner Purser and GM Nass the discussion concluded. No action was taken. Commissioner Purser stated that PPC's decision is final and there is no appeal process.

CORRESPONDENCE/COMMUNICATIONS

GM Nass reported on the COVID-19 Utility Customer Support Program Guidance document pursuant to Governor Inslee's Proclamation 20-23, which pertains to utility ratepayer assistance and preservation of essential services through July 28, 2020. WPUDA has written to the Governor in protest of some aspects of the proclamation which they feel are a further reduction in local control of PUDs, including bringing in the UTC to watch over public power. GM Nass advised that community block grants to help low-income customers avoid eviction or homelessness due to an inability to pay their utility bill may soon be available. PA City Manager Nathan West is taking the lead on this and will keep GM Nass informed if there is anything the PUD can do to assist.

COMMISSIONER REPORTS

Commissioner Anderson attended WPUDA Water, NoaNet, Sequim Chamber, Western Public Agency Group (WPAG), and North Olympic Development Council (NODC) teleconferences. The water meeting discussions revolved around water rights and water right transfers. There is a concern that certain parts of the state are in danger of losing access to water, due to individual or group water rights owners selling their rights downriver where they can get more money for them. He reported on the availability of federal funds for installing broadband internet in underserved/rural areas. Because the application requirements are stringent and geared towards larger providers such as Wave and Comcast, the PUDs are looking to join a consortium, possibly via NoaNet in order to apply for this funding. At WPAG it was announced that BPA is in the process of expanding surcharges. Another topic was the high rate of fraudulent unemployment claims among PUDs.

Commissioner Waddell attended a WPUDA and WPAG teleconference. He reported that COVID scenarios showed a 3% decline in load. He said a BPA surcharge is triggered anytime they do not maintain 90 days cash on hand and he expected that a surcharge would be implemented as early as August and would be spread over ten months.

Commissioner Purser attended WPUDA, Energy Northwest (EN), and NoaNet teleconferences. EN meeting discussions revolved around resource adequacy, and next generation nuclear. He reported that EN sent letters of intent to both TerraPower and EX Energy to determine if either are interested in partnering with EN to provide technical expertise for next generation nuclear.

STAFF REPORTS

GM Doug Nass reported on the District's professional staff and lineman attrition in 2020, primarily driven by higher paying offers outside the District. GM Nass noted that several recent and upcoming vacancies due to retirements. Six out of eight positions, including transitions, are currently unfilled, including two journey linemen, an engineering technician, accountant, and a senior staff personnel position. Combined with the impact of COVID-19, this attrition will result in

the postponement of several capital projects in 2020 and possibly the renegotiation of some contracts.

IT Manager Steve Schopfer and Shawn Delplain, Broadband Supervisor reported on the District's activities in addressing the county's broadband needs during lockdown, specifically those of school district's families. There is a concern that if broadband could be made available to these groups at some point the cost of internet or equipment may be too high. GM Nass advised that local school district superintendents are working to identify students who do not have internet access and that the PUD will work with ISPs to help underserved areas' school children. IT Manager Schopfer said that \$300 million in federal funds are available but the PUDs would need to gather together in order to apply for them, as the FCC is dictating the guidelines and the guidelines are geared to the private sector. The District will be accessing and recommending specific areas of interest for funding consideration and will be working with the state broadband office on possibilities.

Finance Manager/Treasurer Sean Worthington provided an update on the Bonneville Power Administration's (BPA) proposed suspension of the financial reserves policy surcharge.

BOARD'S ACTION ITEMS FOR STAFF

Look into additional opportunities to provide relief to struggling ratepayers. The Commissioners' WPUDA meeting on June 17th will address these issues.

COMMENTS FROM THE PUBLIC

Comments were heard from the public regarding: BPA's energy efficiency goals, Commissioner Waddell, PUD's COVID response, commendations on PUD's professionalism, Snake River dams, PPC, and how to replace PPCs services.

ADJOURN

There being no further business to come before the Commission, the meeting adjourned at 4:41 PM.