

CLALLAM COUNTY PUBLIC UTILITY DISTRICT #1
Minutes of the Regular Meeting of the Board of Commissioners
Main Office | 104 Hooker Road | Sequim, WA 98382
October 12, 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
Ruth Kuch, Financial Analyst
Steve Schopfer, IT Manager
Tom Martin, Water/Wastewater Manager

Larry Morris, Safety Manager
Lori Carter, Controller/Auditing Officer
Jamie Spencer, HR Manager
Rebecca Turner, Sr. Accountant
Chanda Halvorsen, Customer Service
Supervisor
Nicole Clark, Communications Manager
Teresa Lyn, Executive Assistant

Others Present as Identified

Rick Paschall
Patti Morris
Paula Barnes
Janet Marx
Carolyn Wilcox
Rob, last name not provided

The meeting commenced at 1:30 PM.

CONSENT AGENDA

Upon recommendation of staff, and upon motion of Commissioner Waddell, seconded by Commissioner Anderson and carried, the Commissioners approved the following consent agenda items:

- a. Minutes of the September 17th, 2020 regular meeting;
- b. Minutes of the September 17th, 2020 special meeting;
- c. Claim vouchers for September 14th through October 5th, 2020 for a total of \$4,146,838.44;
- d. Payroll vouchers for the period of September 1st through September 15th, 2020;
- e. Removal of delinquent accounts from September active accounts receivable totaling \$15,614.18 including a 30% collection fee; and
- f. Removal of invoices from active accounts receivable totaling \$21,175.05, including a 30% collection fee.

AGENDA REVISIONS

None

COMMENTS FROM THE PUBLIC

Public comment was heard regarding the Snake River dams.

BUSINESS ITEMS

The Commissioners approved the appointment of a Hearing Officer. The appointee will handle claims and disputes, one of the responsibilities that Simon Barnhart, PUD's former staff attorney, attended to.

Upon recommendation of staff, and upon motion of Commissioner Anderson, seconded by Commissioner Waddell and carried, the Commissioners authorized Acceptance Memo of Completion for Bid No. 201004 to Pacific Pole Inspection, LLC. This pole inspection, treating, and reporting project for electrical transmission and distribution poles within Clallam and Jefferson Counties was completed August 19, 2020. The total contract cost is \$136,133.11 (including WSST).

Upon recommendation of staff, and upon motion of Commissioner Anderson, seconded by Commissioner Waddell and carried, the Commissioners passed Resolution 2181-20 – 2020 Staff Titles, Salary Ranges, and Position Addition. The position addition is for a part-time Compliance Analyst, who will assist with risk management issues, which were previously handled by Simon Barnhart, PUD's former staff attorney.

Finance Manager /Treasurer Sean Worthington and Financial Analyst Ruth Kuch presented a comprehensive proposal for the District's 2021 Electric, Water and Wastewater Budget. The presentation covered:

- The budget approval timeline;
- Budget objectives (stable rates, financial responsibility, system reliability, and maintaining healthy fiscal targets);
- Budget challenges (declining sales, unpredictable weather, increasing costs, capital projects, and regulatory costs);
- 2020 year end assumptions on revenues, expenses, and capital projects for electric, water, and wastewater;
- 2021 general budget assumptions related to cost increases, retirement contributions, collective bargaining employee personnel increases, and approved electric and water increases;
- Expected fiscal impacts due to Clean Air Transformation Act (CETA) regulation requirements;
- A detailed analyses of 2021 projected electric revenues, expenses, departmental budgets, and capital costs;
- A detailed analyses of 2021 projected water and wastewater revenues, expenses, and capital costs;
- An overview of 2021 debt payment schedules;
- Personnel changes, additions, and highlights;
- 2021 budget summary and 10 year outlook; and
- An overview of the 2021 monthly rate impact to residential ratepayers.

The proposal is shared on the website at <https://clallampud.net/commission-meetings/> for public viewing and comment. The final budget, designed to achieve the District's mission of *Providing reliable, efficient, safe and low cost utility services in a financially and environmentally responsible manner* will be presented to the Commissioners for adoption at a December board meeting.

CORRESPONDENCE/COMMUNICATIONS

Commissioner Purser performed a blind drawing from a basket of candidate names for entry into the WPUDA Educational Scholarship competition. This \$1000 scholarship is awarded annually to a high school student who is a dependent of a Washington state PUD employee. The scholarship awardee will be a well-rounded student who demonstrates scholastic ability, community involvement, and thoughtful consideration of the services provided by PUDs, as demonstrated via a written essay. Clallam PUD No. 1's candidate is the daughter of Forks employee Rebecca Laushe.

COMMISSIONER REPORTS

Commissioner Anderson attended North Olympic Development Council (NODC) meetings and a North Olympic Legislative Alliance (NOLA). Meetings primarily focused on broadband and identifying the areas of greatest needs. NOLA hired a lobbyist to lobby legislators about broadband needs on the Peninsula, specifically those of low-income groups and rural areas. He reported on a PC Magazine article about the Hoh Tribe's recent implementation of satellite internet service via the installation of a StarLink ground transceiver. He also attended the WPUDA Water Workshop. Discussion topics were emerging issues and regulations affecting PUD water systems, PUD water rights, and local and regional disaster and emergency scenario planning.

Commissioner Waddell did not attend the auditor entrance conference for I937 compliance but did speak with the auditor after the fact for an overview of the conference. He asked if the District had a policy on pursuing end-of-mile broadband service. IT Manager Schopfer confirmed that we do not; our focus has been on middle mile only and in supporting substations and ISP's. General Manager Nass said that pre-COVID there has not been a strong push for service but now that there is, the District is responding and has applied for a broadband infrastructure grant funding, as any expansion of broadband infrastructure will be very costly.

Commissioner Purser represented the District at our auditor's entrance conference. He also attended a virtual Energy Northwest 'due diligence' conference with a number of attending bond rating agencies who advise on debt programs. The favorable rates of Energy Northwest's regional cooperation debt (which is backed up by BPA's debt) has contributed significantly to reduced rates for the region, to the tune of a savings of \$2.7 million dollars through reduced BPA interest rates.

STAFF REPORTS

Finance Manager/Treasurer Sean Worthington advised that the District will continue to distribute Coronavirus Aid, Relief and Economic Security (CARES) Act funds to struggling ratepayers up to the newly extended deadline of November 20, 2020.

IT Services Manager Steve Schopfer advised that the that awardees of the WA state Public Works Board's Broadband Grant, for which the District applied, will be announced October 23, 2020.

BOARD'S ACTION ITEMS FOR STAFF

- a. Place another ad in the PDN stating that the District's Strategic Plan is available for review;
- b. The District's 2021 Electric, Water and Wastewater Budget Proposal is to be posted on the PUD website and social media outlets for public viewing and comment; and
- c. The District's Draft 2021 Strategic Plan, which was presented in detail to the Board and the public at September 14, 2020 meeting is to be posted on the PUD website and social media outlets for public viewing and comment.

COMMENTS FROM THE PUBLIC

No public comment.

ADJOURN

There being no further business to come before the Commission, the meeting adjourned at 3:42 PM.