

**COMMISSIONERS PREAGENDA
FOR THE REGULAR MEETING OF
CLALLAM COUNTY PUBLIC UTILITY DISTRICT #1
BOARD OF COMMISSIONERS
JULY 12, 2021 at 1:30 PM**

Join Zoom Meeting:

<https://us06web.zoom.us/j/81545192183?pwd=amlBN2pxUWt5S3JWVWE1VjhINZiUT09>

Meeting ID: 815 4519 2183 | **Passcode:** 639054

One tap mobile: +12532158782,,81545192183#,,,,*639054# US (Tacoma)

Find your local number: <https://us06web.zoom.us/u/kdDIN6zdV1>

- **Consent Agenda Items**
The Commissioners will consider approving Consent Agenda items.
- **Appointing Delegates for NW RiverPartners**
Commissioners and Staff will discuss appointing the delegate and alternate for NW RiverPartners.
- **Reopening District Facilities to the Public**
Commissioner and Staff will discuss reopening district facilities to the public.
- **Update on Avian and Power Line Mitigation Efforts**
Staff will provide an update on efforts to mitigate avian and power line interactions near Kirner Road.
- **Update on Disconnect Moratorium**
Staff will provide an update on the State's disconnection moratorium and its expected impact on the District.
The moratorium was recently extended through September 30th.

The Commissioners will also consider the customary business matters associated with approval of payments, minutes of the previous meeting, reports from Commissioners and staff, comments from the public, and other items of information or general business. Items may be added to, or removed from, the agenda at the meeting.

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BOARD OF COMMISSIONERS
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1. CALL TO ORDER

2. APPROVAL OF CONSENT AGENDA

- a. Minutes of the June 21, 2021 special meeting;
- b. Minutes of the June 28, 2021 regular meeting;
- c. Claim vouchers for June 28 through July 6, 2021 for a total of \$919,256,00;
- d. Payroll vouchers for the period of June 16 through June 30, 2021;and
- e. Removal of delinquent accounts from the July 2021 active accounts receivable totaling \$6,880.33 including a 30% collection fee.

3. AGENDA REVISIONS

4. COMMENTS FROM THE PUBLIC

5. BUSINESS ITEMS

- a. BPA post-2028 contract discussion Commissioners/Staff
- b. Discuss appointing the delegates to NW RiverPartners Doug Nass
- c. Plans to reopen District facilities to the public Doug Nass

6. CORRESPONDENCE/COMMUNICATIONS

7. COMMISSIONER REPORTS

8. BOARD ACTIONS FOR STAFF

9. STAFF REPORTS

- a. Update on the disconnection moratorium extension Sean Worthington
- b. Update on avian and power line mitigation efforts Mike Hill

10. EXECUTIVE SESSION

11. COMMENTS FROM THE PUBLIC

12. ADJOURN

CLALLAM COUNTY PUBLIC UTILITY DISTRICT #1
Minutes of the Special Meeting of the Board of Commissioners
Main Office | 104 Hooker Road | Sequim, WA 98382
June 21, 2021 – This meeting was held remotely via ZOOM

Commissioners Present

Rick Paschall, Vice President

Jim Waddell, Secretary

Staff Present

Doug Nass, General Manager

John Purvis, Assistant General Manager

Sean Worthington, Finance Manager/Treasurer

Mike Hill, Engineering Manager

Terry Lind, Operations Superintendent

Doug Adams, Transmission and Substation Supervisor

Lori Carter, , Controller/Auditing Officer

Tom Martin, Water/Wastewater Manager

Jamie Spence, HR Manager

Steve Schopfer, IT Manager

Teresa Lyn, Executive Assistant

Others Present as Identified

Paula Simpson-Barnes

The meeting commenced at 1:30 PM.

STAFF REPORT

Assistant General Manager John Purvis, Operations Superintendent Terry Lind, Engineering Manager Mike Hill, and Transmission, and Substation Manager Doug Adam presented on the District's ongoing wildfire mitigation efforts, specifically in regards to:

- Strategic planning, risk, and history
- Vegetation management program, and NERC FAC-003
- Protective Systems O&M, and NERC PRC-004 & 005.

The entire 77 page presentation is viewable on the District website: [District Wildfire Mitigation – Vegetation Mgmt - Protection OM 6-21-21](#)

COMMENTS FROM THE PUBLIC

There was no public comment.

ADJOURN

There being no further business to come before the Commission, the meeting adjourned at 2:34 PM.

ATTEST:

President

Vice President

Secretary

A detailed transcript of this meeting via audio recording is available to the public on the Commission Meetings page of the PUD website here: <https://clallampud.net/commission-meetings/>.

June 21, 2021

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 28, 2021 – This meeting was held remotely via ZOOM

Commissioners Present

Will Purser, President

Rick Paschall, Vice President

Jim Waddell, Secretary

Staff Present

Doug Nass, General Manager

John Purvis, Assistant General Manager

Sean Worthington, Finance Manager/Treasurer

Travis McClain, WWW Systems Coordinator

Mattias Jarvegren, Utilities Supervisor

Tom Martin, Water/Wastewater Manager

Mike Hill, Engineering Manager

Lori Carter, Controller/Auditing Officer

Ruth Kuch, Financial Analyst

Rebecca Turner, Sr. Accountant

Jamie Spence, HR Manager

Nicole Hartman, Communications Manager

Tyler King, Power Analyst

Teresa Lyn, Executive Assistant

Others Present as Identified

Richard DeBusman

Amy (last name not provided)

Andy (last name not provided)

James Schuememann

Janet Marx

Mike Doherty

Jim Bettcher

J. Metzger

Krestene Reed

Paula Barnes

Patricia Morris

The meeting commenced at 1:30 PM.

CONSENT AGENDA :31

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

- a. Minutes of the June 14, 2021 regular meeting;
- b. Claim vouchers for June 14 through June 21, 2021 for a total of \$2,918,531.57;
- c. Payroll vouchers for the period of June 1 through June 15, 2021; and
- d. Contractor prequalification for KVA, Electric Inc., in the amount of \$750,000 for the upcoming calendar year.

AGENDA REVISIONS :50

- a. Because the public had a number of questions regarding solar, we will open the solar presentation up to receive questions from the public;
- b. Engineering Manager Mike Hill will report on the weekend power outage; and
- c. Finance Manager/Treasurer Sean Worthington will report on the District's recent financial and accountability audit.

COMMENTS FROM THE PUBLIC 2:15

A solar producing net-metering customer expressed concern about when he might receive pay back on his outstanding \$10,000 balance from his personal investment in his residential solar array installation, and appreciation for the upcoming presentation on solar energy.

BUSINESS ITEMS 6:46

Engineering Manager Mike Hill provided a report on the weekend power outage which occurred about 7:30 on Saturday evening. Approximately 12,000 customers were affected. The outage was due to an equipment malfunction in Bonneville Power Administration's (BPA) Happy Valley substation which resulted in a small fire. The power was rerouted and the outage was resolved in about an hour. BPA estimates it will take one week to repair the substation equipment.

Finance Manager/Treasurer Sean Worthington reported on the District's annual financial and accountability audit, which was closed out this morning with the WA state auditor's office. The audit this year focused on cash receipting, accounts payable, our self-insurance for unemployment, and work orders. For the third year in a row, the District had no findings, no management letters, no exit items, no significant deficiencies in internal controls, no material weaknesses, and no issues of non-compliance in the financial statements of the District. The District's Accounting and Finance staff received high praise for their exceptional cooperation and response during each phase of the audit. Lori Carter, the District's Controller/Auditing Officer, was especially complimented by the auditors for going above and beyond in making herself available on the weekends and after hours to insure the audit was completed in a timely fashion. Finance Manager/Treasurer Sean Worthington also reported that staff is compiling a comprehensive annual financial report that includes 10 years of financials and statistics in order to apply for – for the first time - an award from the Government Financial Officer Association (GFOA).

Finance Manager/Treasurer Sean Worthington then provided a detailed overview of the District's proposed new Financial Policy, which is in line with the District's strategic objective 'Be Financially Responsible.' The policy will work in conjunction with our upcoming new District Investment Policy (which is currently awaiting certification from the WA Public Treasurer's Association (WPTA), and which will be submitted to the Board for adoption in July), and will provide clear guidelines to staff on how to direct the District's fiscal operations. The policy addresses recommendations and guidelines for cash on hand; debt service coverage, leverage targets, rate stabilization fund, and capital funding for the Clean Energy Transformation Act (CETA). The complete Financial Policy presentation is available for viewing at <https://clallampud.net/commission-meetings/>. Upon recommendation of staff, and upon motion of Commissioner Paschall, seconded by Commissioner Waddell and carried, the Board approved RESOLUTION 2202-21 Adopting the District's Financial Policy.

Water/Wastewater Systems Coordinator Travis McClain presented on a proposed expansion of the existing Panoramic Heights water system service area in order to reach new customers adjacent to the system. Upon recommendation of staff, and upon motion of Commissioner Waddell seconded by Commissioner Paschall and carried, the Board adopted RESOLUTION 2205-21 Amending the Panoramic Heights Water System Service Area.

A brief discussion ensued regarding Bonneville Power Administration's (BPA)'s post-2028 contract. Topics included negotiation of Tier I and II rates, the effect of surplus on pricing, the load growth of other utilities who plan to incorporate solar or nuclear, and the importance of maintaining a CETA-compliant source. General Manager Doug Nass advised that staff was closely monitoring BPA's post-2028 contract and will continue to do so in the future. Finance Manager/Treasurer Sean Worthington stated that Western Public WPAG's Ryan Neale has done a tremendous job in informing utilities on the history and background of contract negotiations. According to Assistant Manager John Purvis, the overwhelming staff concern is maintaining no more than 20% carbon in order to avoid a 2% fee which would need to be passed on to the ratepayers.

CORRESPONDENCE/COMMUNICATIONS 54:46

There were no correspondence/communication items.

COMMISSIONER REPORTS 55:00

Commissioner Paschall shared a paper from BPA's website which he felt provided a very good assessment of the lower Snake River dams. See the article at

<https://www.bpa.gov/news/newsroom/Pages/Lower-Snake-River-Dams-provided-crucial-energy-and-reserves-in-winter-2021.aspx>.

Commissioner Waddell did not share Commissioner Paschall's opinion of the article. He attended WPAG's provider of choice meeting.

Commissioner Purser attended a Public Power Council (PPC) meeting at which the topic was fish returns at the lower Snake River dams. He also attended Energy Northwest (EN) meetings and provided updates on the Columbia Generating Station, which is now back online after significant maintenance updates, and EN's search for a new CEO.

The regular meeting recessed at 2:43 PM for a break and reconvened at 2:48 PM.

STAFF REPORTS 1:19:17

Utility Services Supervisor Mattias Jarvegren presented on the District's history of solar projects, net-metering laws, energy efficiency, demand response, the implications of the Clean Energy Transformation Act (CETA), the effectiveness of existing weatherization and conservation projects, energy storage, the District's current solar-related project endeavors, and solar challenges such as a lack of sunlight and the costs involved to bring solar energy here from further away. Even though Clallam County has half the sunlight as other solar-generating areas of the country, Clallam PUD has the 4th highest number of solar installments of the PUD's in Washington. While the Clean Energy Transformation Act (CETA) will provide challenges, it will make the power system less reliant on carbon resources. The District is currently working and planning under the assumption that solar will play an important part in meeting our CETA Section 12 requirements. Solar and other renewable and non-emitting sources, as well as energy storage systems will be part of a lower carbon and eventual non-carbon supply. Currently, the District's existing energy-efficiency and conservation programs produce significantly more savings than solar does. However, the District plans to invest in a 5MW distribution battery within the next five years which is expected to reduce BPA demand costs, lower power supply costs, will be an investment in CETA, and which has the potential to shape intermittent generation. As part of this storage project, the District will provide customers with an opportunity to integrate customer-owned battery systems, including EVs, under an interconnection net meter arrangement that will be based on the reduction in District power supply cost for the interconnect. The demand response element will require a contractual commitment regarding battery availability when needed.

COMMENTS FROM THE PUBLIC 2:12:35

A customer inquired if he could receive a rebate for a consumer-owned battery. Public comment was heard regarding the District's plan to hire an intern and a request to design community solar and a request from a rate-payer to be part of any test projects with battery storage of solar energy.

ADJOURN 2:15:55

There being no further business to come before the Commission, the meeting adjourned at 3:45 PM.

ATTEST:

President

Vice President

Secretary

A detailed transcript of this meeting via audio recording is available to the public on the Commission Meetings page of the PUD website here: <https://clallampud.net/commission-meetings/>.

June 28, 2021

SUMMARY VOUCHER APPROVAL
PUBLIC UTILITY DISTRICT #1 OF CLALLAM COUNTY
OPERATING FUND

We certify, under penalty of perjury, that the materials have been furnished, the services rendered, or the labor performed as described herein, and that the attached list of claims are a just, due and unpaid obligation against Public Utility District No. 1 of Clallam County, and that we are authorized to authenticate and certify said claims.

SIGNED Yvri Carter DATE 7/2/21
AUDITING OFFICER

[Signature] DATE 7/2/21
GENERAL MANAGER
for

Vouchers audited and certified by the Auditing Officer and the General Manager have been recorded on the attached list(s) which has been made available to the Board of Commissioners of Public Utility District No. 1 of Clallam County. We, the undersigned Board of Commissioners of Public Utility District No. 1 of Clallam County, approve for payment those vouchers included on the attached list(s):

Summary for Voucher Lists Dated 6/28/2021–7/6/2021

Checks	\$	646,162.08
Wire Transfers		198,251.91
E-Payment		32,871.13
Prepays		41,970.88
Total	\$	919,256.00

COMMISSIONER

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COMMISSIONER

PUD#1 OF CLALLAM COUNTY, WASHINGTON

**JULY 2021
DELINQUENT ACCOUNTS TO BE REMOVED
FROM ACTIVE ACCOUNTS RECEIVABLE**

Delinquent accounts listed for electricity and water on the attached pages are approved to be removed from the active accounts receivable. All accounts to be removed are grouped and total as follows:

07/01/21	Clallam Bay – Evergreen	\$	-
07/01/21	Forks – Evergreen	\$	610.49
07/01/21	Port Angeles – Evergreen	\$	2,132.63
07/01/21	Sequim – Evergreen	\$	2,549.43
07/01/21	All Area-Direct W/O Bankruptcy	\$	-
07/01/21	All Area-Direct W/O Deceased	\$	-
07/01/21	All Area-Direct W/O Small Balance	\$	-
	SUBTOTAL	\$	<u>5,292.55</u>
07/01/21	30% Collection Fee	\$	1,587.78
	TOTAL	\$	<u><u>6,880.33</u></u>
	Previous Debt Collected in June 2021	\$	2,462.48
	Previous Debt Collected Year To Date 2021	\$	9,712.13

Dated this _____ day of _____, 20____.

President

Secretary

Vice-President

SW:kw

Attachments

These lists comply with our CIS software which removes accounts from the active accounts receivable when placed with a collection agency (classifies them as bad debt). The exceptions are bankruptcies, deceased customers and customer accounts with small balances under \$20. These are removed under the categories of All-Area Direct W/O, but not placed with a collection agency.