

CLALLAM COUNTY PUBLIC UTILITY DISTRICT #1
Minutes of the Regular Meeting of the Board of Commissioners
Main Office | 104 Hooker Road | Sequim, WA 98382
August 9, 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
Bill Decker, Forks Operations
Superintendent
Colin Young, Distribution System
Supervisor
Titan Berson, Engineering Intern
Mike Hill, Engineering Manager
Lori Carter, Controller/Auditing Officer
Ruth Kuch, Financial Analyst
Rebecca Turner, Sr. Accountant

Tyler King, Power Analyst
Mattias Järvegren, Utility Services
Supervisor
Tom Martin, WWW Manager
Jamie Spence, HR Manager
Nicole Hartman, Communications Manager
Julie Metzger, Power Systems Project
Coordinator
Ben Phillips, Engineer
John Ward, Sr. Utility Systems Land Agent
Alan Plasch, Power Systems Project
Coordinator

Others Present as Identified

Sergey Tarasov (FCS Group)
Paula Barnes
Steven DePiro

Rob Ollikainen
Tricia (no last name provided)

The meeting commenced at 1:33 PM.

CONSENT AGENDA 3:16

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

- a. Minutes of the July 12, 2021 regular meeting;
- b. Claim vouchers for July 12 through August 2, 2021 for a total of \$4,113,302.26;
- c. Payroll vouchers for the period of July 1 through July 15, 2021;
- d. Removal of delinquent accounts from August 2021 active accounts receivable totaling \$16,035.93 including a 30% collection fee; and
- e. Contractor prequalification for Michels Power in the amount of \$10,000,000.

AGENDA REVISIONS 3:40

The BPA post-2028 contract was added to business items as a standing discussion item.

COMMENTS FROM THE PUBLIC 4:11

No public comment.

BUSINESS ITEMS STARTING AT 4:40

- a. **4:40** - A Cost of Service review was presented by FCS Group's Sergey Tarasov. A review and discussion of the electric rates for the next 2 years followed. All documents were posted to the website since July 9 for public review and comment. Upon recommendation of staff, and upon motion of Commissioner Paschall, seconded by Commissioner Purser and carried, the Board approved Resolution 2206-21 Establishing the Electric System Rate Schedules for 2022-2023.
- b. **1:16:24** - Upon recommendation of staff, and upon motion of Commissioner Paschall, seconded by Commissioner Waddell and carried, the Board authorized Acceptance Memo of Completion for Contract No. 190804 for the Forks Operations building with Interwest Construction, Inc for a total cost of \$3,792,389.93 including WSST. The project consisted of construction of a single story operations building of approximately 11,640 square feet located at 241 Industrial Center in Forks, WA.
- c. **1:19:00** - Upon recommendation of staff, and upon motion of Commissioner Paschall, seconded by Commissioner Waddell and carried, the Board authorized Acceptance Memo of Completion for Bid No. 211003 for Pole Inspection Treating, and Reporting with Pacific Pole Inspection, LLC. The project consisted of pole inspection, treating, and reporting of an unspecified number of electrical transmission and distribution poles within Clallam County. The total contract cost is \$141,601.02 including WSST.
- d. **1:20:32** – Regarding The Bonneville Power Administration's (BPA)'s post-2028 contract: Commissioner Paschall asked for the Boards position on 1) BPA unmelded rates; 2) BPA joining CAISO Energy Imbalance Market; and 3) BPA joining the Regional Resource Adequacy Program that the Northwest Power Pool is putting together. He is in favor of all three and wanted to make sure that the other two board member are in consensus on these issues as well. Both Commissioner Purser and Waddell advised that they still had unanswered questions at this point about items 2 and 3.

The meeting convened and recessed at 3:07 PM for a break. The meeting reconvened at 3:11 PM.

CORRESPONDENCE/COMMUNICATIONS 1:39:32

General Manager Doug Nass reported that due to a Stage 4 drought condition in Island View, the water department has started to truck water into this area. Clallam Bay and Sekiu water systems are under Stage 3 outdoor water restriction and the Carlsborg, Evergreen, Fairview, and Panoramic Heights water systems are under Stage 2 voluntary water conservation. As of yet, there are no alerts for the Mount Angeles, Gales Addition, and Monroe water systems.

COMMISSIONER REPORTS 1:39:39

Commissioner Waddell sat in on some of the Washington Public Utility Association (WPUDA) meetings. He also attended a North Olympic Development Council (NODC) meeting and reported that they are in the process of setting up a 5-year economic development plan and will be holding relevant surveys and workshops. He attended a Western Public Agencies Group (WPAG) meeting. Topics were the Energy Imbalance Market (EIM), Provider of Choice, and the 200 kw limit that BPA has for utilities that want to add resources – a request may be made to increase the limit). He also sat in on Northwest Power and Conservation Council meetings.

Commissioner Paschall attended Bonneville Power Administration (BPA) Provider of Choice meetings, WPUDA meetings, and Public Power Council (PPC) meetings. An update on the legislation of a number of energy-related bills were presented at the WPUDA Energy Committee meeting. Of concern is Bill 5472 which if passed would require the District to do onsite visits prior to disconnecting service. Finance Manager Sean Worthington advised that this practice would be onerous to implement and that WPUDA is actively opposing it on behalf of its public utility members. Finance Manager Worthington also confirmed for Commissioner Paschall that the District has indeed implemented the CETA-required Energy Assistance Program. Commissioner Paschall also asked about the possibility of using a letter of credit with respect to the District's finances and reserves.

Commissioner Purser attended several on-site Energy Northwest (EN) meetings. Topics were CEO candidate interviews. Internal candidate Bob Schuetz was selected. Previously, Mr. Schuetz was the plant general manager and site vice president for the Columbia Generating Station (CGS) Prior to EN, he served as a plant evaluation team leader for the Institute of Nuclear Power Operations (INPO). He is a 28-year U.S. Navy veteran who retired from service as the deputy commander and chief of staff for the U.S. Pacific Fleet Submarine Force. Upcoming EN topics are policies, committees, and structure; small modular reactors (SMRs); and the relicensing and upgrade of the CGS.

STAFF REPORTS 1:50:17

- a. Distribution Systems Supervisor Colin Young provided the Board with an update on the District's Engineering Internship Program. Clallam PUD recently collaborated with EN to identify a summer intern for the Engineering department. The selected Clallam County intern, Titan Berson, is in the fourth year of a five year track in mechanical engineering focused on power production at Embry-Riddle Aeronautical University. As a PUD intern, Titan contributed to multiple projects and developed a design for a 100KW photovoltaic (PV) system, which could possibly be implemented in the future.
- b. Engineering intern Titan Berson presented on the 100KW solar project that he designed, a Johnson Creek Substation Train-Trestle Array. The presentation covered site selection, performance result analysis and selection of panels, structure configuration, pros and cons of string and micro inverters, solar array design and wiring diagrams, bills of materials and pricing, and a comparison to the existing Sequim PV station.

BOARD ACTION ITEMS FOR STAFF 2:06:48

- a. Look at Line of Credit (LOC) for reserves and compare the return on reserves vs the cost of maintaining a LOC; and
- b. Further evaluate cost of service for the irrigation classification over next several months.

COMMENTS FROM THE PUBLIC 2:08:20

Public comment was heard regarding a property close to Highway 101 that will be impacted by a high voltage transmission tower project.

ADJOURN

There being no further business to come before the Commission, the meeting adjourned at 3:58 PM.

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/>.

August 9, 2021