

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 11, 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
Charlie McCaughan, Procurement/Facilities
Supervisor
Travis McClain, WWW Coordinator
Ruth Kuch, Financial Analyst
Tom Martin, WWW Manager
Larry Morris, Safety Manager

Steve Schopfer, IT Manager
Lori Carter, Controller/Auditing Officer
Mattias Jarvegren, Utility Services
Supervisor
Tyler King, Power Analyst
Chelsey Jung, Payroll Coordinator
Michael Currie, Utility Services Advisor
Shawn Delplain, Broadband Supervisor

Others Present as Identified

Paula Barnes
John Martig
Patti Morris
Keith Parsons

The meeting commenced at 1:30 PM.

CONSENT AGENDA :34

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 September 27, 2021 regular meeting;
- b. Claim vouchers for September 27 through October 4, 2021 for a total of \$1,300,953.82;
- c. Payroll vouchers for the period of September 16 through September 30, 2021;
- d. Removal of delinquent accounts from the October 2021 active accounts receivable totaling \$11,681.81 including a 30% collection fee; and
- e. Removal of invoices from active miscellaneous accounts receivable \$54,161,96 including a 30% collection fee.

AGENDA REVISIONS 1:02

No agenda revisions.

COMMENTS FROM THE PUBLIC 1:05

A ratepayer requested returning an easement section of his property to its former condition prior to it being trenched for underground line installation. The customer was advised that he will be contacted within the week to facilitate the resolution of the issue with the responsible contractor.

BUSINESS ITEMS STARTING AT 4:05

- a. **4:09:** Upon recommendation of staff, and upon motion of Commissioner Paschall, seconded by Commissioner Waddell and carried, the Board adopted RESOLUTION 2215-21 authorizing the disposal of surplus property consisting of a 22KW 120/240 volt propane operated generator which was removed from the Sequim fiber hut due to constant fuel problems. The estimated value of this item is \$3,000.
- b. **6:22:** Upon recommendation of staff, and upon motion of Commissioner Paschall, seconded by Commissioner Waddell and carried, the Board approved RESOLUTION 2216-21 amending the Carlsborg water system service area to allow for future expansion once sufficient water rights have been secured and the expansion area is approved by the Washington State Department of Health. The Commissioners requested that WWW Manager Tom Martin provide an update on related Carlsborg water issues in the near future.
- c. **28:09:** Finance Manager/Treasurer Sean Worthington and Financial Analyst Ruth Kuch provided detailed proposals for the 2022 electric, and water/wastewater system budgets. Prior to the presentation, Mr. Worthington advised that action on the previously approved bond defeasance decision is postponed until the end of the month due to the volatility in the bond market and current Congress debt ceiling negotiations. Topics covered were budget objectives and challenges; 2021 year end revenue, expenses, and capital assumptions; 2022 and CETA budget assumptions; projected 2022 revenues and expenses, capital, debt, and personnel overviews for both the electric and water/wastewater systems. Challenges with the electric budget in the coming year are expected come from: increased costs for liability insurance for wildfires, higher premiums for cyber security; unpredictable weather; increased employee healthcare costs; declining sales of electric power due to conservation and efficiencies; and an increase in labor and material costs. The Board's previous approval of the 2.25% electric rate increase will result in an increase of an estimated \$3.07 for the average customer in 2022. Water and wastewater budget challenges will primarily stem from increased expenses due to the WSDOT fish passage projects. A Resolution for these 2022 proposed budgets will be submitted to the Board for adoption in November or December 2021.

The meeting convened and recessed at 2:52 PM for a five minute break. The meeting reconvened at 2:57 PM.

- d. **1:27:33:** Bonneville Power Administration's (BPA)'s post-2028 contract discussion topics included expressed appreciation for WPAG observations and suggestions, and BPA's apparent position to not utilize zero-carbon resources to address CETA requirements.
- e. **1:29:24:** Commissioner Purser advised that the Board would not be voting today on Resolution 2213-21 Confirming the Appointment of Sean Worthington as General Manager as compensation is still being negotiated. The Board expects to vote on this Resolution at the next board meeting.

CORRESPONDENCE/COMMUNICATIONS 1:30:04

General Manager Doug Nass reported on Communications Manager Nicole Hartman's community service on behalf of the District. Ms. Hartman donated and distributed PBA-free water bottles to Forks Middle school students. Due to COVID-19 concerns, the students have been unable to access school water fountains and the PUD/Spartan-branded water bottles fulfill the need for accessible drinking water during school hours.

COMMISSIONER REPORTS 1:31:39

Commissioner Waddell reported that he attended a BPA/PPC and WPAG meetings. Topics included: WPAG suggestions for BPA to address system size allocation, capacity and non-federal resource allocation, and the cost of hydro.

Commissioner Paschall attended the BPA/PPC meeting as well. He found BPA's presentations over the past few months worthwhile as they provided background and education to newer Commissioners. Meeting topics were BPA's discussion of several carbon options, their plan to create Renewable Energy Credit (RECs) for their hydro generation; and Grant county's prohibition of any solar generation within their county.

Commissioner Purser attended WPAG and Energy Northwest meetings. Topics of discussions were: some states' consideration of increasing dam spill; EN resource adequacy task force and its responsibilities; and plans for a Small Nuclear reactor (SMR) program with and/or in Grant County.

STAFF REPORTS 1:45:41

There were no staff reports.

BOARD ACTION ITEMS FOR STAFF 1:45:43

- a. The water department will provide an update to the board on Carlsborg water issues.
- b. Staff will correct the pre-agenda regarding Resolution 2216-21.

COMMENTS FROM THE PUBLIC 1:46:19

There was no public comment.

The meeting convened and recessed at 2:47 PM for an Executive Session. It was announced that the session is expected to last 45 minutes, after which there may or may not be action taken.

EXECUTIVE SESSION 1:47:29

The Commissioners held an executive session to review the performance of a public employee and evaluate the qualifications of an applicant for public employment, pursuant to RCW 42.30.110(1)(g), and specifically as to current District Finance Manager/Treasurer Sean Worthington as General Manager. In attendance were Commissioners Purser, Waddell, and Paschall, and District Attorneys Don Cohen and Ryan Espegard.

The meeting reconvened at 3:17 PM. No action was taken.

ADJOURN 1:48:48

There being no further business to come before the Commission, the meeting adjourned at 3:18 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/>.

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