

**COMMISSIONERS PREAGENDA
FOR THE REGULAR MEETING OF
CLALLAM COUNTY PUBLIC UTILITY DISTRICT #1
BOARD OF COMMISSIONERS
JANUARY 24, 2022 at 1:30 PM**

Join Zoom Meeting:

<https://us06web.zoom.us/j/88091986753?pwd=QXVlb2ZKbEFpdG8yVENjVkJPu2YyZz09>

Meeting ID: 880 9198 6753 | **Passcode:** 252908

One tap mobile: +12532158782,,88091986753#,,, *252908# US (Tacoma)

Find your local number: <https://us06web.zoom.us/j/88091986753?pwd=QXVlb2ZKbEFpdG8yVENjVkJPu2YyZz09>

- **Consent Agenda Items**

The Commissioners will consider approving Consent Agenda items.

- **Economic Development Council Presentation**

EDC Executive Director Colleen McAleer will present a 2021 Recap and 2022 Goals for the PUD to the Commissioners.

- **Solar Washington Presentation**

Staff will present information on the Solar Washington organization to the Commissioners.

- **2022 Committee and Organization Memberships**

The Commissioners will consider adding Solar Washington to Organization Memberships and assigning its delegates.

Staff requests a motion, second, and vote: to authorize the addition of the Solar Washington organization and its delegates to Organization Memberships.

- **BPA Post-2028 Contract Discussion**

The Commissioners will discuss any recent draft updates or presentations.

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.

AGENDA
FOR THE REGULAR MEETING OF
CLALLAM COUNTY PUBLIC UTILITY DISTRICT #1
BOARD OF COMMISSIONERS
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1. CALL TO ORDER

2. APPROVAL OF CONSENT AGENDA

- a. Revised minutes of the December 13, 2021 regular meeting;
- b. Minutes of the January 10, 2022 regular meeting; and
- c. Claim vouchers for January 10 through January 18, 2022 for a total of \$1,146,409.74.

3. AGENDA REVISIONS

4. COMMENTS FROM THE PUBLIC

5. BUSINESS ITEMS

- a. Economic Development Council presentation Colleen McAleer
- b. Solar Washington organization information Mattias Järvegren
- c. Addition to Organization Memberships Sean Worthington
- d. BPA Post-2028 contract discussion Commissioners, Staff

6. CORRESPONDENCE/COMMUNICATIONS

- a. Airport Water Request article Tom Martin

7. COMMISSIONER REPORTS

8. STAFF REPORTS

- a. Sekiu office restructuring Chanda Halverson, Ruth Kuch
- b. Carlsborg UGA water rights – part 2 Tom Martin

9. BOARD ACTIONS FOR STAFF

10. COMMENTS FROM THE PUBLIC

11. EXECUTIVE SESSION

12. ADJOURN

CLALLAM COUNTY PUBLIC UTILITY DISTRICT #1

Minutes of the Regular Meeting of the Board of Commissioners

Main Office | 104 Hooker Road | Sequim, WA 98382

December 13, 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 Superintendent

Terry Lind, PA Operations Manager

Colin Young, Distribution System

Supervisor

Charlie McCaughan, Procurement and
Facilities Manager

Kaylie Hunter, Procurement and Facilities
Supervisor

Mike Hill, Engineering Manager

Steve Schopfer, IT Services Manager

Lori Carter, Controller, Auditing Officer

Ruth Kuch, Finance Analyst

Chelsey Jung, Payroll Coordinator

Tom Martin, WWW Manager

Sarah Canepa, Compliance Analyst

Nicole Hartman, Communications Manager

Xanthius Christenson, Engineer I

Larry Morris, Safety Manager

Ryan Espegard, District Attorney

Chanda Halvorson, Customer Service
Supervisor

Jamie Spence, HR Manager

Julie Metzger, Power Systems Project
Coordinator

Shawn Delplain, Broadband Supervisor

Others Present as Identified

Patricia Morris

Paul Pickett

Richard deBusman

The meeting commenced at 1:30 PM.

CONSENT AGENDA 1:01

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 November 22, 2021 regular meeting;
- b. Claim vouchers for November 22 through December 6, 2021 for a total of \$2,728,676.23;
- c. Payroll vouchers for the period of November 1 through November 30, 2021;
- d. Removal of delinquent accounts from the December 2021 active accounts receivable totaling \$6870.11 including a 30% collection fee: and
- e. Contractor prequalification for Olympic Electric Company, Inc., in the amount of \$1,250,000 for the upcoming calendar year.

AGENDA REVISIONS 1:27

The Strategic Plan will be presented by Sean Worthington after the BPA 2028 Contract discussion. Water/Wastewater Manager Tom Martin will provide an update on the Clallam Bay-Sekiu water issues when he submits on Resolution 2228-21.

COMMENTS FROM THE PUBLIC 2:36

A suggestion to incorporate additional environmental policies into the environmental section of the 2022 Strategic Plan as per ISO 14000-1, to consider including any available solar and wind resources into the local power base, and to consider conducting a climate change vulnerability analysis in order to incorporate initiatives to address any identified climate change vulnerabilities.

A request for the PUD to obtain a list of the customers that may be excluded in upcoming redistricting in order to determine if the exclusions are considered large enough to necessitate being addressed.

BUSINESS ITEMS STARTING AT 9:23

- a. **9:43:** Upon recommendation of staff, and upon motion of Commissioner Paschall, seconded by Commissioner Waddell and carried, the Board approved Acceptance Memo of Completion for Bid No. 211006 for demolition and disposal of shed with lead-containing coating at 411 West E Street in Forks, WA. The contractor, Rognlin's, Inc., completed the project on November 24, 2021. The total contract cost is \$65,100 (including WSST).
- b. **11:52:** Upon recommendation of staff, and upon motion of Commissioner Paschall, seconded by Commissioner Waddell and carried, the Board approved Resolution 2223-21 authorizing the disposal of a 2001 Dodge Ram 2500 with 168,540 miles and transmission slippage. The vehicle requires extensive repairs and is no longer needed by the District. The estimated surplus value is of this vehicle is \$4000.
- c. **13:38:** Upon recommendation of staff, and upon motion of Commissioner Waddell, seconded by Commissioner Paschall and carried, the Board approved Resolution 2224-21 revising the District's Residential Meter Policy to eliminate the self-read pilot option from the Policy and to rescind Resolution 2141-19, as we had only ever had one participant for this pilot option, and there are no current participants for this self-read option. Accordingly, due to a lack of interest and the overhead involved in continuing with the self-read option, we see no reason to continue with the pilot. As of this date, we have installed over 7000 AMI meters.
- d. **18:51:** Upon recommendation of staff, and upon motion of Commissioner Paschall, seconded by Commissioner Waddell and carried, the Board approved new Resolution 2225-21 establishing electric service regulations and requirements and rescinding

Resolution 2201-21. The new Resolution will update the current electric service regulations and requirements in order to add a substation system capacity definition and substation capacity charge to the regulations, which will assist in planning for the replacement of low capacity substations to higher capacity substations in the future.

- e. **28:44:** Upon recommendation of staff, and upon motion of Commissioner Paschall, seconded by Commissioner Waddell and carried, the Board approved Resolution 2228-21 Amending Resolution 2222-21 declaring an emergency and authorizing certain emergency work, without formal bid, to enable the PUD to work with MurraySmith consulting engineers to design a final and more permanent upgrade (for a not-to-exceed amount of \$100,000) for the construction of a stable bypass pipeline on Highway 112 along Clallam Bay.
- f. **42:39:** Upon recommendation of staff, and upon motion of Commissioner Waddell, seconded by Commissioner Paschall and carried, the Board approved Resolution 2227-21 appointing Ruth Kuch, a 17 year employee of PUD, as Finance Manager/Treasurer and to rescind Resolution 2103-18. Ruth Kuch was selected after a very tough interview process with three very strong internal candidates.
- g. **46:26:** Upon recommendation of staff, and upon motion of Commissioner Paschall, seconded by Commissioner Purser and carried, the Board approved 2226-21 changing the boundaries of the Commissioner districts of Public Utility District No. 1 of Clallam County and to rescind Resolution 1954-11. Commissioner Waddell voted nay on this Resolution. The District is required to adopt new boundaries with each decennial census. Based on the resulting population statistics from the 2020 census, which shows that population is shifting east towards Sequim, we have changed our boundaries as per the plan that was presented at the November 22, 2021 board meeting, which has been posted for public comment on our website since that date. We have not received any requests from the public to change the proposed plan as presented.
- h. **52:52:** Bonneville Power Administration's (BPA)'s post-2028 contract: The discussion was preceded by Assistant General Manager John Purvis' brief summary of this morning's WPAG email regarding Clark Public Utilities' proposal to un-dedicate a portion of its River Road Gas Plant for purposes of the Northwest Power Act to reflect its new obligations under CETA. There was some discussion about whether our PUD should formally weigh in on Clark's proposal; it was determined by consensus that due to insufficient information our PUD will stay neutral on the issue and will request to not be included as a signatory on WPAG's comments of support of Clark PUD's proposal. There was also some discussion regarding wording in BPA's recently released draft concept paper.
- i. **1:13:14:** Upon recommendation of staff, and upon motion of Commissioner Paschall, seconded by Commissioner Purser and carried, the Board approved staff's proposed final version of the 2022 Strategic Plan. The proposed plan, which was presented at the November 22, 2021 meeting, has been posted for public comment on our website since that date. We have not received any requests from the public to change the proposed plan

as presented. However since that date the following two changes were incorporated into the *Manage Our Resource Portfolio* section: 1) the addition of a strategic initiative related to BPA (Item 10 - Engage with BPA Provider of Choice 2028 contract negotiations and coordinate with associations to ensure that District concerns are addressed); and 2) the addition of Item H under Big Gaps (No long term power supply contract post 2028). Prior to the vote, Commissioner Waddell additionally suggested the following: that the District hold a team or public meeting to do a deep dive into the Strategic Plan before the next version is approved; to add back the microgrid comment into the Strategic Plan (which the board did not approve for the 2022 plan); and to delve further into how we measure the Key Performance Indicators (KPI's) in the near future.

The meeting convened and recessed at 3:00 PM for a five minute break. The meeting reconvened at 3:05 PM.

COMMISSIONER REPORTS 1:35:24

Commissioner Waddell attended a WPUDA meeting. Topics were resource adequacy, the selling of surplus energy, the asset value of hydro projects, and BPA cost management. He also attended a North Olympic Development Council meeting. Topics were the makeup of Clallam County employees (retirees, hospital and government) and how this affects the County's growth and development.

Commissioner Paschall attended the WPUDA annual meeting, which included a presentation on electric vehicles. He also attended BPA Provider of Choice and BPA draft Concept Paper meetings.

Commissioner Purser attended the WPAG meeting on Clark PUD, and the WPUDA annual meeting. Topics were an upcoming water infrastructure bill, PFAS contaminants, funding for small water systems, and cyber security for water security, to be overseen by the EPA. Additional topics were the feasibility of EV charging station in rural areas, and the prevalence of ransomware. He also attended an Energy Northwest resource adequacy meeting which indicated how nuclear (specifically small nuclear reactors) is a good option for Washington state, in comparison to solar or wind farms.

CORRESPONDENCE/COMMUNICATIONS

None

STAFF REPORTS

None

BOARD ACTION ITEMS FOR STAFF

- a. Look into establishing a capacity charge for every rate class;
- b. Provide a schedule of the emergency repair work for Clallam Bay-Sekiu water systems to the Commissioners;
- c. Communicate to Ryan Neale at WPAG that Clallam PUD (due to insufficient information) requests to not be included as a signatory on the WPAG comments

regarding Clark Public Utility's proposal to un-dedicate a portion of its River Road Gas Plant;

- d. Present to the board within the first quarter of 2022 on Strategic Plan Key Performance Indicators (KPI's) that need attention (those colored yellow or red in the plan); and
- e. Come up with a plan to correct the definition of our territory with the legislature.

COMMENTS FROM THE PUBLIC

None

ADJOURN

There being no further business to come before the Commission, the meeting adjourned at 3:24 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/>.

December 13, 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

January 10, 2022 – 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

Terry Lind, PA Operations Manager

Steve Schopfer, IT Services Manager

Lori Carter, Controller, Auditing Officer

Ruth Kuch, Finance Analyst

Tom Martin, WWW Manager

Teresa Lyn, Executive Assistant

Sarah Canepa, Compliance Analyst

Nicole Hartman, Communications Manager

Larry Morris, Safety Manager

Jamie Spence, HR Manager

Eric Jacobson, Business Analyst

Ben Phillips, Engineer III

Annette Long, Finance Coordinator

Mary Doran, Accountant

Others Present as Identified

Janet Marx

Richard Debusman

Patti Morris

James Schuenemann

The meeting commenced at 1:30 PM.

CONSENT AGENDA :24

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. Claim vouchers for December 13 through December 30, 2021 for a total of \$4,408,715.13;
- b. Payroll vouchers for the period of December 1 through December 31;
- c. Removal of delinquent accounts from the January 2022 active accounts receivable totaling \$33,880.43, including a 30% collection fee; and
- d. Removal of invoices from January active accounts receivable in the amount of \$7,756.72.

Minutes of the December 13, 2021 regular meeting were excluded from consent agenda approval in order to record Commissioner Waddell's nay vote on Business Item G: approval of Resolution 2226-21 Changing the Boundaries of the Commissioner Districts of Public Utility District No. 1 of Clallam County and rescinding Resolution 1954-11.

AGENDA REVISIONS 1:43

None

COMMENTS FROM THE PUBLIC 1:57

Public comment was heard thanking Commissioner Paschall for responding to a text inquiry, commenting on the Districts organization memberships, delegates, and dues; and suggesting that the District consider membership in an organization that focuses on energy conversation.

BUSINESS ITEMS STARTING AT 5:00

- a. **5:02:** Upon recommendation of staff, and upon motion of Commissioner Paschall, seconded by Commissioner Waddell and carried, the Board authorizes District staff to purchase per Sourcewell Contract No. 091521 a 2022 Chevrolet Silverado MD crew cab diesel truck with 4 wheel drive with a crane rated at 30,000 lbs. mounted on the truck. The not-to-exceed purchase price is \$152,867.73 (not including WSST). The vehicle/crane will be purchased from 72 Hour LLC, dba. National Auto Fleet Group.
- b. **8:33:** Upon recommendation of staff, and upon motion of Commissioner Waddell, seconded by Commissioner Paschall and carried, the Board authorizes District staff to publish a notice in the Peninsula Daily News inviting sealed proposals from pre-qualified high voltage electric contractors per Invitation to Bid No. 210804. The work consists of the replacement of 22 transmission poles with 3-phase distribution underbuild, fiber optic cable, and foreign communications attachments for transmission pole replacement from Cherry Street to Race Street in Port Angeles, WA.
- c. **14:05:** Upon recommendation of staff, and upon motion of Commissioner Paschall, seconded by Commissioner Waddell and carried, the Board approved Resolution 2230-22 Appointing an Alternate Deputy Treasurer (Annette Long) effective January 16, 2022 and Rescinding Resolutions 1749-04 and 1838-07.
- d. **16:54:** Upon recommendation of staff, and upon motion of Commissioner Paschall, seconded by Commissioner Waddell and carried, the Board approved Resolution 2231-22 Appointing a Deputy Treasurer (Sarah Canepa) effective January 16, 2022.
- e. **19:57:** Staff presented current and estimated 2022 dues of the District's organization memberships. All Commissioners agreed to add the Northwest Power and Conservation Council and discussed assigning delegates; Commissioners Purser and Paschall agreed to keep NW RiverPartners on the list and to keep the current WPUDA Energy Committee delegates in place; Commissioner Waddell requested adding Solar Washington to the organization membership list and the Board directed staff to evaluate the proposed addition. Upon motion of Commissioner Purser, seconded by Commissioner Paschall with Commissioner Waddell opposing, the motion carried, and the Board approved the 2022 Committee and Organization Membership list and delegates as presented, with the addition of the Northwest Power and Conservation and delegates.

- f. **38:46:** Bonneville Power Administration's (BPA)'s post-2028 contract: Commissioner Waddell advised that he attended the Public Power part of the BPA post-2028 process. Topics were demand, load growth, resource adequacy, and excess capacity. He attended a NW Power and Conservation Council economic/load growth forecast presentation. He attended a WPAG overview presentation from EES Consulting on acquiring resources, significant market changes, BPA project cost analyses and debt strategy, and the need for flexibility in the future. Commissioner Purser advised that Energy Northwest has committed to issuing a 3.6 billion dollar infrastructure bond over the next 10 years to fund BPA's capital investments, and that BPA is to provide ENW with annual bond proposals, spending details, and updates on its financial health.

- g. **48:45:** Upon recommendation of staff, and upon motion of Commissioner Paschall, seconded by Commissioner Waddell and carried, the Board approved Resolution 2229-22 in appreciation of General Manager Douglas Nass's fifteen years of exemplary management at Clallam PUD, during which he initiated and oversaw the modernization of District facilities; fostered a collaborative and cooperative team work environment within the PUD and with outside PUDs and agencies; developed and implemented a comprehensive Emergency Response and Restoration Plan, implemented a comprehensive Strategic Plan that will support and sustain the PUD far into the future; and achieved national recognition through the District receiving the American Public Power Association's Reliable Public Power Provider (RP3) and Smart Energy Provider designations. General Manager Nass thanked all Clallam employees for their openness to change and for their close teamwork in achieving these accomplishments.

54:36: CORRESPONDENCE/COMMUNICATIONS

None

54:48: COMMISSIONER REPORTS

Commissioner Waddell: see Business Item g above for comments.

Commissioner Purser attended in-person Energy Northwest (EN) Board of Directors and executive board meetings. Topics included EN's high level of COVID cases, their completed union contract, an upcoming infrastructure bill that will increase BPA's borrowing authority for 10 billion dollars, funding for small nuclear reactors, and clean energy policies. He also attended Public Power Council meetings. Topics were resource adequacy, the Columbia River Treaty, and the Blue Sky Initiative.

1:01:51: STAFF REPORTS

Water/Wastewater Manager Tom Martin provided an update on the ongoing Clallam Bay – Sekiu water system recovery from recent floods and landslides.

The meeting convened and recessed at 2:46 PM for a five minute break. The meeting reconvened a 2:51 PM.

Water/Wastewater Manager Tom Martin presented a detailed PUD Water Law Primer which explained water rights, encompassed Washington State RCWs & WACs, case law, and law implementation in Clallam County, and a PUD water rights portfolio.

The meeting convened and recessed at 2:09 PM in order to present a Resolution plaque and Service Award to outgoing Manager Doug Nass and to take photos. The meeting reconvened at 2:11 PM.

2:11:57: BOARD ACTION ITEMS FOR STAFF

- a. Update item “g” in the December 13, 2021 regular meeting minutes to reflect that Commissioner Waddell voted “nay” on the motion regarding the redistricting;
- b. Add Northwest Power and Conservation Council to the District’s organization list, with Assistant General Manager John Purvis and Power Analyst Tyler King as delegates and Commissioner Waddell as a representative;
- c. Look into adding Solar Washington to the District’s organization list; and
- d. Include in the minutes the names of the three organization meetings that Commissioner Waddell attended.

2:13:19: COMMENTS FROM THE PUBLIC

Public comment was heard regarding the District’s organization list, dues, and delegates.

Public comment was heard thanking outgoing General Manager Doug Nass for his management and leadership, thanking Commissioner Rick Paschall for his leadership, and expressing confidence in incoming General Manager Sean Worthington.

Public comment was heard regarding the FEMA reimbursement process.

2:20:20: ADJOURN

There being no further business to come before the Commission, the meeting adjourned at 3:50 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/>.

January 10, 2022

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 Yoni Carter DATE 1/19/22
AUDITING OFFICER

[Signature] DATE 1/19/22
GENERAL MANAGER

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 1/10/2022–1/18/2022

Checks	\$	1,011,253.56
Wire Transfers		111,882.59
E-Payment		16,276.47
Prepays		6,997.12
Total	\$	1,146,409.74

COMMISSIONER

COMMISSIONER

COMMISSIONER

An aerial photograph of a construction site on a waterfront. In the foreground, there are several orange and white construction trailers and equipment. A road with white lane markings runs along the edge of the site. In the middle ground, a large body of water is visible, with a small boat in the distance. The background features a range of mountains with patches of snow under a clear blue sky.

Clallam County EDC
Contract Metrics Reporting

for
Clallam PUD

2021 Report

January 24, 2022



Mission

We partner to make Clallam County a great place for businesses to thrive and people to live. By working collaboratively, we catalyze business leadership, nonpartisan problem-solving and data-driven strategies to get results for Clallam County.

What We Do

- ▶ Support Individual businesses through
 - ▶ Referrals,
 - ▶ b2b introductions and
 - ▶ Real Estate Advising
- ▶ Market Clallam County to site selectors and others through expos, conferences & via marketing packages
- ▶ Manage the North Olympic Legislative Alliance Prioritization Process and Lobbyist
- ▶ Conduct Countywide Economic Surveying & Develop a 5-year Economic Plan
- ▶ Administer the Clallam County Opportunity Fund Board
- ▶ Manage the Child Care Alliance for Clallam County – Assess Resources & Gaps
- ▶ Direct the Procurement Technical Assistance Counselor in Clallam County

Who We Are

- ▶ We are the state and county-designated economic agency – we act as “Boots on the Ground” on behalf of the Department of Commerce >> ADO
- ▶ Commerce views the ADO as evidence of Community Support/Involvement for Grant Applications: Clean Energy Fund, Public Works Board, CERB, Electrification of Transportation Systems, or Energy Retrofits for Public Buildings
- ▶ Board Directors
 - ▶ 2/3 Represent Businesses from each major sector (Hospitality, Legal, Banking, Nonprofit, Manufacturing, Construction, Healthcare, Personal Service, Retail, etc.)
 - ▶ 1/3 are Government Leaders from County, Cities of Sequim, PA & Forks, PUD, Port & Tribes
- ▶ Staff
 - ▶ 3 Full time permanent employees,
 - ▶ 4 part-time, project-focused employees, and
 - ▶ 4 contractors.

2021 Work Areas & Outcomes



2021 Work

- Strategic Planning Process – Surveys
 - Employee – 500+ Randomized Sampling collected at Grocery Stores - 60% in PA
 - Employer Surveys – 300+ distributed to assess supply chain opportunities – 60% in PA
- Marketing & Recruitment
 - Choose Clallam First Campaign in Social Media & website – Nearly 9K recipients
 - Weekly Newsletters to Share Local, State & Federal Pandemic Resources
 - Pursued 15 businesses to locate in Clallam County – many large power users – won 3
- Events & Training
 - Weekly Coffee with Colleen meetings
 - Training – e.g., Procurement & Buying or Selling a Business – What's it Worth?
 - Public Works Training for Contractors and Consultants
- NOLA Efforts (Clallam & Jefferson Counties)
 - Manage Steering Committee & Lobbyist Contract
 - Set Priorities: .09, Completion of the Elwha Bridge Replacement, Workforce Housing & Prevailing Wage
- Childcare Alliance for Clallam County – Completed Resource & Gaps Assessment

2021 Deliverables / Outcomes

What are the Clallam EDC's key success metrics?

1. Membership Revenues - more than doubled since 2019 (118% increase)
2. # of Memberships - increased by 31% since 2020
3. Social Media and Newsletter Reach - Grew by 18% in 2021
4. Audit – Completed Successful Federal Audit & Financial Statement Audit
5. Supporting Policy Issues - Hosted Restaurant Owner Meetings with Local County leaders to chart course forward
6. Assessing Clallam Economy - Completion of 700 Employee & Employer Surveys to feed 5-yr Strategic Economic Plan
7. Attract Businesses that Pay Well - Developed 15 Marketing Packages for multiple locations and sites. Won Stabicraft and 2 others that are in progress.

2021 Communicating & Marketing

Choose Clallam First/EDC promote information via:

- Facebook
- Instagram
- Websites
- Email and Newsletters
- Phone, text and referral

Newsletters:

312,440 emails sent in 2021
48 Newsletters in 2021
Database of 8645 recipients

Youtube EDC: 94 Videos 5855 Views

Facebook CCF: 3947 Follows 17,846 Views

Facebook EDC: 609 Follows 4644 Views

Instagram CCF: 1100 Follows 1507 Views

Instagram EDC: 155 Follows 159 Views

Website CCF: 5267 Visitors 10,116 Views

Website EDC: 4608 Visitors 9544 Views

2021 Social Media Reach

15,740 Visitors

49,671 Views

Outreach is over 70k people just in Clallam County

Key Programs/Issues for 2022

Complete 5-year Countywide Economic Plan

- ▶ Identify barriers to job creation and development & Propose Solutions due to
 - ▶ Large Load Power & Availability of PPA
 - ▶ Contiguous acreage zoned Heavy Industrial
 - ▶ Housing & Child Care
- ▶ Achieve Significant Input from stakeholders through ClallamEDCConnections.com (Online Engagement Platform) for 5-year Economic Plan

Training Events – Federal, State & Local Procurement Jan 19-20, 23-24 & 27

Clallam EDC Annual Gala

- ▶ Mar 18, 2022, at 7 Cedars Casino
- ▶ Bob Donegan, Ivar's Seafood CEO - Keynote.
- ▶ Opportunities
 - ▶ Focusing on development in East Sequim & Forks Industrial park TIF & Infrastructure & Jobs Act \$
 - ▶ PTAC Funding for Clallam County, LEKT, Jamestown, Quileute and Makah Tribes



County & City Economic Data

Forks Taxable Retail Sales

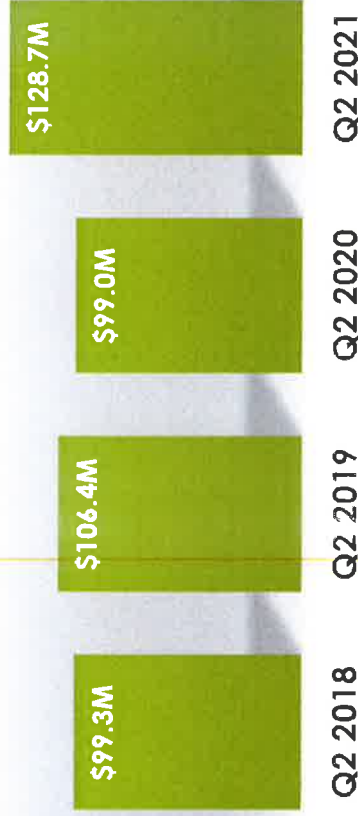
43.6% Increase Q2 2020 to Q2 2021



Retail Sales in City Limits

Sequim Taxable Retail Sales

30% Increase Q1 2020 to Q1 2021



Port Angeles Taxable Retail Sales

22.6% Increase Q1 2020 to Q1 2021

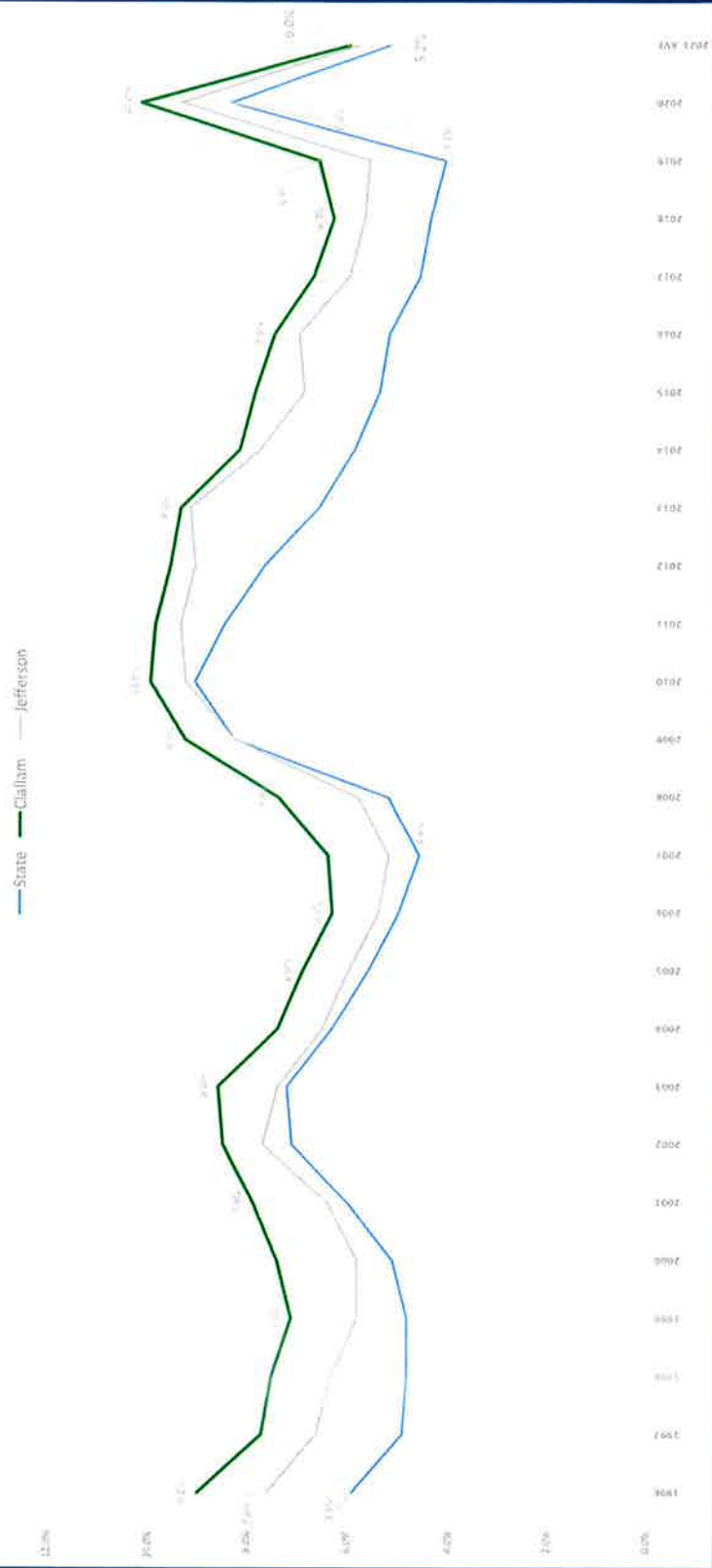


Unincorporated County Taxable Retail Sales
44.8% Increase Q1 2020 to Q1 2021





25 YEARS OF UNEMPLOYMENT RATES



Source: Employment Security Department/LMEA

Monthly Labor Market Changes

2021	OCT	NOV	Change
Civilian Labor Force	29,142	29,462	320
Total Employment	27,718	28,221	503
Total Unemployment	1,424	1,241	-183
Unemployment Rate	4.9%	4.2%	-0.7%

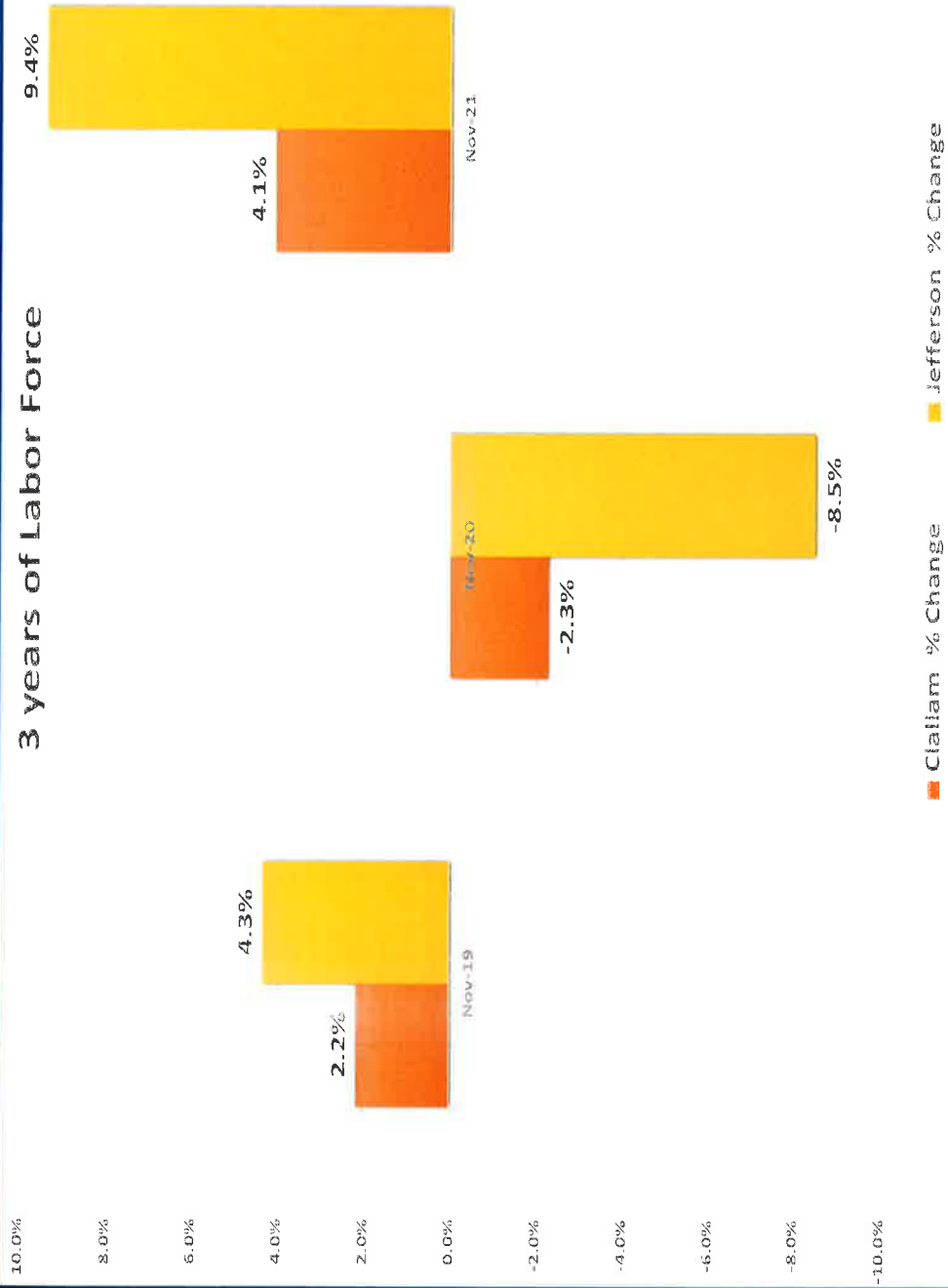
Source: Employment Security Department/LMEA

3 years of Labor Force



Source: Employment Security Department/LMEA

3 years of Labor Force





Grant Administration

COVID-19: Ongoing Response

2020

Name of Grant	Funding Source	Grants Amounts	# Biz Awarded	Max Award Amount
WW1	WA State \$ Commerce	\$177K	48	\$5K
WW2	WA State CARES Act Commerce	\$160K	17	\$10K
WW2 Chambers	WA State CARES Act Commerce	\$35K	4	\$10K
Lifeboat 1	CARES Act Clallam County	\$315K	69	\$10K
Lifeboat 2	CARES Act Clallam County	\$1.345M	208	\$10K
CDBG Jeff Co	State to Jefferson	\$83K	19	\$4K

2021

		\$ 2.155M	365	Ave: \$5,659
Lifeboat 3 Round 1	ARPA Clallam County	\$1.002M	69	\$20K
Lifeboat 3 Round 2	ARPA Clallam County	\$1.071M	84	\$20K
Lifeboat 3 Child Care	ARPA Clallam County	\$480K	23	\$60K
		\$ 2.608M	176	Ave: \$14,819

2021 PUD Contract Metrics



Recruitment and Marketing Activities

District	Business Contacts Initiated	Site Selector Contacts Initiated	Trade Shows Attended	US Recruitment & Marketing	International Recruitment & Marketing	Site Selector Work	Type of Assistance Provided
1	4			2	1	1	Assisted two Developers & R&D Firm & 1 international buyer of business
2	2			2			Investor in RE considering downtown PA locations, Pursued a lab
3	3			2	1		Two Sawmill firms & Additional Investor & Diamond Manuf (Port)
1,2	1			1			Commercial Development
2,3	2			1			BioChar Company, Tech Bridge (Port)
1,2,3	2			1			General Investor looking for passive income for \$10M
This Quarter's Total:	14	0	0	9	2	1	
Prior Quarters Amt-2021	11						
2021 Overall Total:	39						
County 2021 Contract Req	12						

Recruitment & Marketing - Countywide

Business Retention and Expansion Activities

District	Outreach Interactions Total	Minority / Tribal	Woman	Veteran	List all Types of Assistance Provided
1	34	3	18	0	State Grant Asst, Tenant Rep, Zoning spt, Sales Evaluation of Business, SVOG; Interior Design Biz
2	30	3	16	0	Regulations support for Expanding Restaurant; Capital inquiry to purchase property; Downtown PACT resolution; Car Dealership
3	18	1	8	0	RE Firm requesting info on how to evaluate business worth; initial Calls/Emails for Grant Opportunities/Initial Cmte mtg
1,2	0	0	0	0	
2,3	3	0	0	0	Trucking Firm; 2 Industrial Timber Landowners - Log Supply Analysis
1,2,3	13	1	1	0	Lifeboat3 outreach & assistance; Connect out of state ranch business with partners, (NODC, NOLT, SBDC & WSU)
This Quarter's Totals:	98	8	42	0	
Prior Quarters Amt-2021	113				
2021 Overall Total:	211				
County 2021 Contract Req	60				

Business Retention & Expansion –
Initial Contact - Countywide

Business Assistance Activities including Start-Ups - Initial Contact

District	# Events	Minority / Tribal	Woman	Veteran	List all Types of Assistance Provided
1	3	1	2	0	Coffee Shop, Retail Shop; Grant Writer
2	3	0	1	0	Ranch; Accountant starting own office; RV Park
3	2	0	1	1	Retail Store, Recreational Camping Resort
4th Quarter's Total:	8	1	4	1	
Prior Quarters Amt-2021	16				
2021 Overall Total:	24				
County 2021 Contract Req	24				

Business Assistance Activities including Start-Ups - Follow Ups (eliminated for 2022)

District	# Events	Minority / Tribal	Woman	Veteran	List all Types of Assistance Provided
1	1	1	1	0	Apparel
2	1	0	1	0	Ranch
3	2	0	1	1	Retail Store
4th Quarter's Total:	4	1	3	1	
Prior Quarters Amt-2021	9				
2021 Overall Total:	13				
County 2021 Contract Req	12				

Startup Assistance - Countywide

Readiness & Capacity Building - Organizing - Sponsoring

District	# of activities	Type of Program
1,2,3	12	Coffee with Colleen - Clallam EDC Coffee Chat
1,2,3	3	PTAC Mtgs with Local Builder's Association
1,2,3	5	Community Organizer meetings with Agencies
1,2,3	1	Child Care Job Fair
1,2,3	8	Child Care Alliance Committee Meetings
1,2,3	2	Local Procurement and Local Hire Priority-Hiring events
1,2,3	1	EDC Board Meetings
1,2,3	3	Procurement Engagement Plan Clallam County
1,2,3	12	Surveying County Employees at Grocery Stores
1,2,3	4	Countywide Strategic Planning & Surveying sessions
1,2,3	1	NOLA
Quarterly Total:	52	
Prior Quarters Amt-2021:	67	
2021 Overall Total:	119	
County 2021 Contract Req	12	

Leading & Organizing & Readiness & Capacity Building - Countywide

(being eliminated for 2022)

Readiness & Capacity Building - Involvement

District	# of activities	Type of Assistance Provided
1	16	Sequim Chamber Board Meeting
1	3	Sequim Business Check-in
1	1	Sequim City Council Meeting
2,3	1	Port Angeles Business Association
2,3	4	PA Chamber Meeting
2,3	2	PA City Council Meeting
2,3	2	Timber Advisory Committee Meeting
3	0	Forks Chamber Meeting
1,2,3	4	North Peninsula Builders Association Meetings
1,2,3	2	BOCC Work session
1,2,3	2	North Olympic Development Council Meeting
1,2,3	8	WEDA & Commerce Meetings
1,2,3	13	WEDA/SBDC Technical Assistance Meetings on Upcoming grants
1,2,3	2	North Olympic Legislative Alliance Steering Committee Meetings
1,2,3	1	Olympic Workforce Development Council
1,2,3	2	PTAC Construction Bonding Education and Government
1,2,3	9	Port Commission Meetings
1,2,3	9	Commerce ADO Rural Statewide Zoom Meetings
1,2,3	1	PUD Commission meeting
1,2,3	1	Census Bureau Training
1,2,3	1	Tax Increment Financing Training
Quarterly Total:	82	
Prior Quarters Amt-2021	165	
2021 Overall Total:	247	
County 2021 Contract Req	36	

Involvement
Readiness &
Capacity
Building –
Countywide

(being eliminated
for 2022)

State Reporting - Export Assistance

District	# of activities	Minority	Woman	Veteran	List all Types of Assistance Provided
1	1	0	0	0	Sling Manufacturer
2	1	0	0	1	Retention System Manufacturer
3	2	0	0	0	Sawmill & Manufacturer; Refer to Impact WA
1,2	0	0	0	0	
2,3	2	0	0	0	Timber Exporter
1,2,3	0	0	0	0	
2022 Overall Total:	6	0	0	1	
Commerce 2022/2023 Contract Req	6				

New 2022-2023 Biennium State Requirement Export Assistance Countywide

State Reporting - Training

District	# of activities	Minority	Woman	Veteran	List all Types of Assistance Provided
1,2,3	1	1	3	0	UBI Zoom Training Session for 6 small businesses
1,2,3	1	0	2	0	Obtain LLC Zoom Training Session for startups
Quarterly Total:	2	1	5	0	
Prior Quarters Amt-2022	0				
2022 Overall Total:	2				
Commerce 2022/2023 Contract Req	12				

New 2022-2023 Biennium State Requirement
Training - Countywide

Questions?



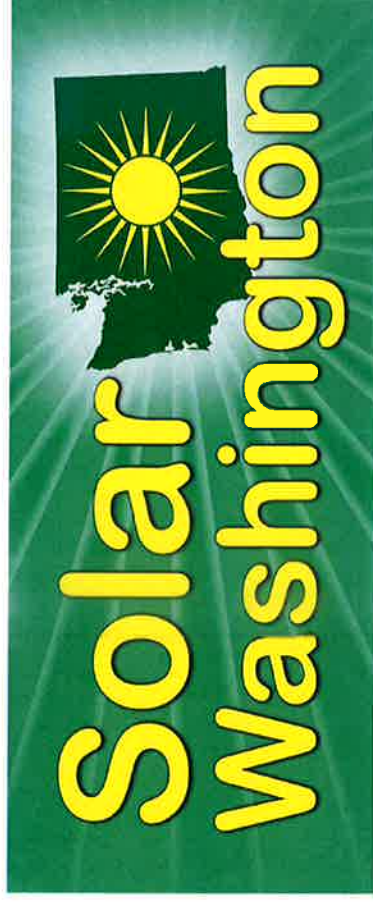


Solar Washington Membership

January 24, 2022

Mattias Järvegren
Utility Services Supervisor





Solar Washington is a non-profit organization comprised of people, companies, programs and organizations joining together to advance solar energy in Washington State. They are an association of solar energy equipment manufacturers, system integrators, distributors, dealers, designers, installers, consultants, students, teachers, homeowners, and solar enthusiasts.





Bringing Energy To Life™

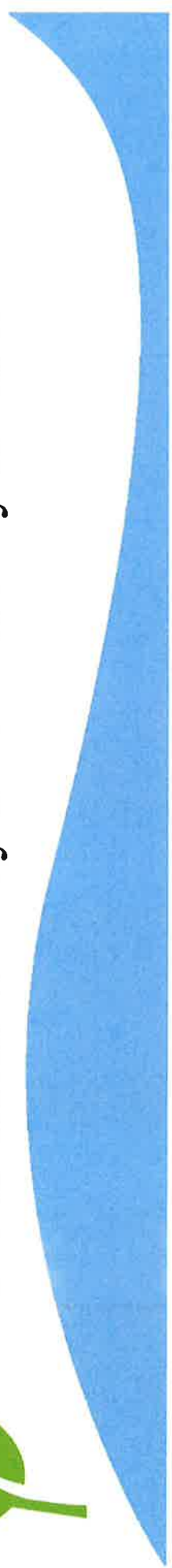
\$350 - Annual Company Business Membership

For companies wishing to contribute to Solar Washington at the \$350 level. Acknowledgements include a “Business Members” listing (with a link to your business web site) plus a short description of your company or organization's services on the Solar Washington website. Also includes periodic e-newsletters and other alerts.

Other public power company members:

Clark Public Utilities

Snohomish County Public Utility District





Hosted by Solar Washington since 2015 the Washington State Solar Summit is an important annual information gathering and networking event for industry stakeholders including manufacturers, installers, utilities, municipalities, legislators/policy makers, educators, students, tribal members, advocacy organizations/nonprofits, distributors, engineers, financial lenders, consultants and more. The Solar Summit attempts to tackle the most timely issues and most talked about conversations surrounding solar energy and solar adoption in Washington.

Public power sponsors:

Snohomish County Public Utility District
Seattle City Light



Thank You

Mattias Järvegren
MattiasJ@ClallamPUD.net
(360) 565-3263



Seki, Washington

Clallam PUD Personnel Restructure Plan



Current West End PUD facility and payment kiosk locations:

Forks

- Office
- Drop box
- Drive-through window



Neah Bay

- Payment kiosk; recently moved from Makah Education/Tech Center to Neah Bay Public Safety Lobby. *Why move?*
 - 24-hour access; nights, weekends, holidays
 - Solid internet connection, well-regulated power with generator backup



Sekiui

- Office
- Drop box
- Drive-through window with payment kiosk



Sekiu Office Current Staffing

- Full Time Customer Service Rep Connie
- Drives from Forks to staff Sekiu office Monday – Friday
- Office open Monday – Friday 8:30am – 3:00pm. Closed for lunch 11:30am-12:00pm

- Connie retires March 15, 2022



Forks Office Current Staffing

- Two Full Time Customer Service Reps: Renee (Lead) and Katelyn
- One Part-Time Customer Service Rep: Rebecca
 - Office open Monday – Friday 7:30am – 4:00pm



Distance between communities and PUD offices:

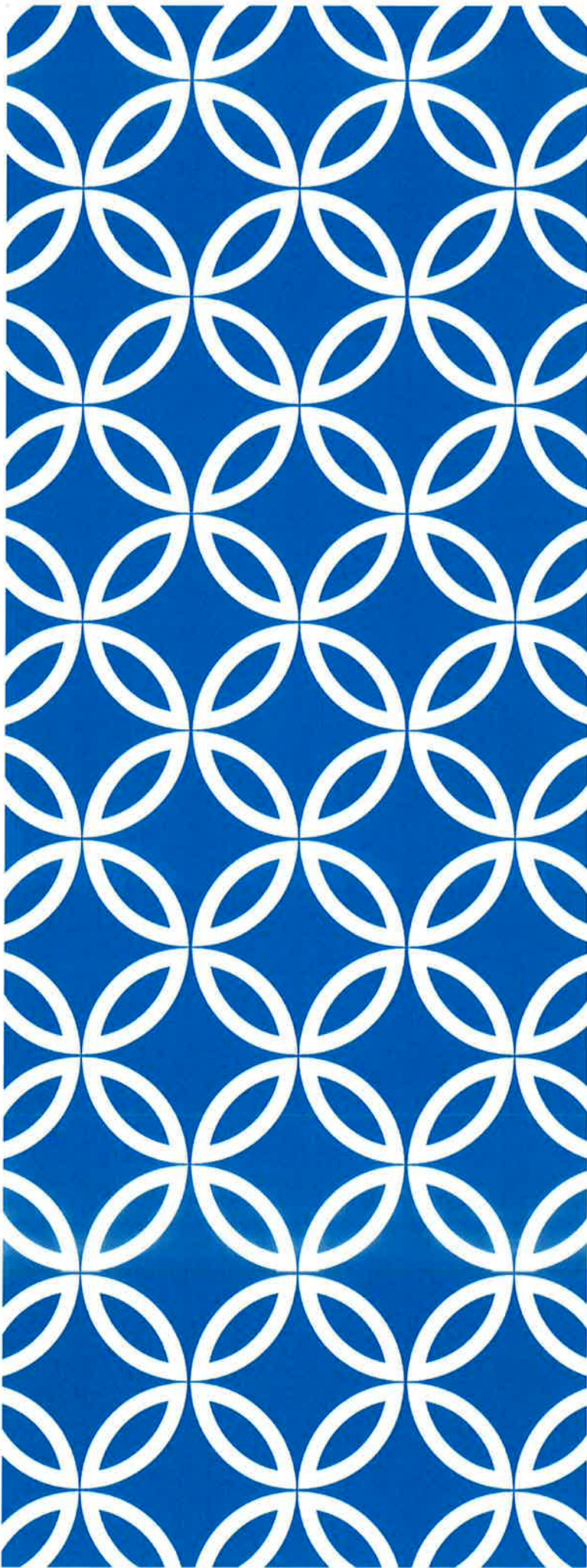
- Forks to Sekiu office: 32 miles / 45 minutes
- Forks to Neah Bay: 50 miles / 1 hour 15 minutes
- Neah Bay to Sekiu office: 18.5 miles / 30 minutes
- Clallam Bay to Sekiu office: 4.5 miles / 10 minutes



Plan Upon Connie's Retirement:

- Increase Forks office staff from 2.5 to 3 full time CSRs
- Keep Sekiu office open Fridays, rotating Forks CSRs to staff every week
 - Community can rely on consistent PUD personnel one day per week
 - Necessary to ensure kiosks are serviced
- Remove Sekiu office drop box
 - The kiosk is right there to pay, we do not want payments sitting in the drop box

Questions?



WATER RIGHTS PRIMER

District Water Resource Portfolio
January 2022

OUTLINE

Introduction—What is a Water Right?

Water Law Primer

- Washington State RCWs & WACs
- Case Law
- Law Implementation in Clallam County

PUD Water Right Portfolio

Carlsborg Water Rights (next Meeting)

WHAT IS A WATER RIGHT?

Legal authorization to use a certain amount of public water for a beneficial purpose.

Public Water

Basic Principal:

- The waters of Washington State belong to the people of Washington State.
- A permit holder does NOT own the water—It is permission to use what belongs to all of us.

WHAT IS A WATER RIGHT?

A right to beneficial use of a reasonable quantity of public water for beneficial purpose during a specific period of time occurring at a certain place.

Western Water Law

- Appropriation Doctrine: Regardless of where the water source is located, the allocation is based on “first in time, first in right.”
- The date of first putting the water to beneficial use becomes the senior water right.

WHAT IS A WATER RIGHT?

Four P's are Specified:

Priority Date

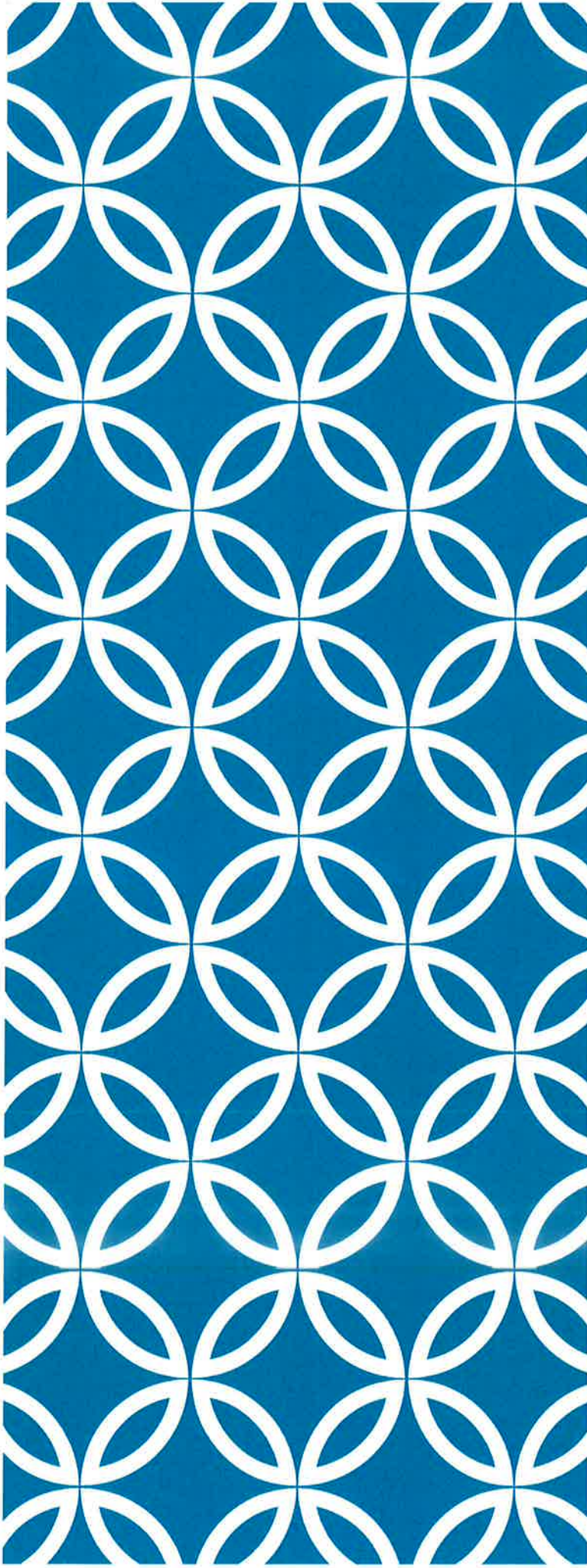
Purpose of Use

Place of Use

Period of Use

Water Rights in Washington

- Outgrowth of state's "police power" to protect the general welfare of the people of the state.
- Department of Ecology is responsible for managing the state's water resources



WATER LAW PRIMER

State Laws and Rules, Case Law,
Local Implementation

1917 WATER CODE

Declaration that all unclaimed surface water belongs to the public

Appropriation Doctrine is the exclusive way to create a water right.

1917 Water Code

- Permit required to establish surface water rights
- New permit subject to existing rights
- Public notice for all appropriations now required, with opportunity to protest if an earlier right may be impaired/harmed by new right.

1917 WATER CODE

Once the permit is granted, progress must be made on “perfecting” the water right with “due diligence.”

Once a project is complete, a certificate is issued confirming extent and nature of the water right obtained.

1917 Water Code

- Appurtenancy: Water right becomes attached to the land that is identified as place of use.
- 4 Part Test
 - Is the water available
 - Will it be put to beneficial use
 - Will it harm senior users
 - Is it in the public interest

1945 GROUND WATER CODE

Extended surface water code and permitting process to groundwater with four exceptions:

- Providing water for livestock
- Watering a non-commercial law or garden 1/2 acre in size or less
- Domestic uses < 5000 gpd
- Industrial uses < 5000 gpd

Later Water Resource Acts

- 1969 Minimum Water Flows
- Water Resources Act of 1971
- Growth Management Act
- 1998 Watershed Planning Act
- Municipal Water Law 2003

1969 MINIMUM WATER FLOWS

Focus on stream flow protection

DOE, upon request of Dept. of Fish and Wildlife, can establish minimum flow levels to protect:

- Fish
- Wildlife
- Water Quality
- Other in-stream uses

Water Resources Act of 1971

- Allows DOE to set in-stream flows AND to ensure sufficient stream flows are maintained
- In-stream flows are considered Water Rights (priority date = date of specific rule adoption)
- In-stream flows may close a watershed or stream or require that all rights be conditioned with the flows
- Conditioned water rights are generally interruptionable

GROWTH MANAGEMENT ACT

Sub-divisions and building permits for buildings requiring water, must provide evidence of adequate water supply

1998 Watershed Planning Act

- Framework for locally driven process to address water issues
- Water Resource Inventory Areas (WRIAs)
- Local governments and citizen committee
- Address current and future water supply needs

MUNICIPAL WATER LAW 2003

Municipal Rights are not subject to relinquishment (i.e. “use it or lose it”)

PUDs are “Municipal Water Suppliers”

Population or number of services are not a limiting attribute of MWS right if Water System Plan is approved by State Department of Health.

Municipal Water Law 2003

- Allows the place of use to be designated in the Water System Plan, with concurrence from local government.
- Provides for a duty to serve within the retail service area of the place of use.
- Requires DOH to establish Water Use Efficiency requirements.

STATEWIDE WATER BANKING ACT 2009

Use of State Trust Water Rights Program for water banking purposes statewide.

Mitigate for impacts, future water supply needs or any beneficial use.

Transfer water rights to and from Trust Water Rights Program on temporary or permanent basis.

Streamflow Restoration Act 2018

- Helps restore streamflows to levels necessary to support robust, healthy, and sustainable salmon populations while providing water for homes in rural areas.
- Develop watershed plans that offset impacts of new domestic exempt wells and achieve a net ecological benefit within the watershed.

CASE LAW

Much of the water code interpretation is based on various court decisions

Case law is binding on Ecology as is statutory law.

- Grimmes v DOE 1993
- Hubbard v DOE 1994
- DOE v Theodoratus 1998
- Postema V PCHB 2000
- DOE v Campbell & Gwinn 2002
- Swinomish v DOE 2013
- Foster v DOE 2015
- Whatcom County v Hirst 2016

Case Law

- Obligation to maintain efficient delivery and use systems that are not wasteful.
- Hydraulic continuity between ground and surface water.
- In-stream flows established by rule are treated as water rights.
- Ecology issues certificates when water is put to actual beneficial use (not per capacity of pumps and pipes)
- Ecology can place new conditions on extension of water right permits
- Impairment determined on case-by-case basis- "one molecule" policy (no "deminimus" impact)

CASE LAW

A development using several wells each pumping less than 5000 gpd, but all together more than 5000 gpd, is not exempt from the permitting requirements.

Overriding consideration of Public Interest to be applied only on temporary basis. Permanent reservations of water for future year-round out-of-stream uses impair

Mitigation of new out-of-stream water use needs to be in-kind, in-place and in-time regardless of the in-stream impact magnitude

Per the Growth Management Act, the County and not Ecology must make the decision about the physical and legal availability of water to approve building permits relying on a well.

Tribal Water Rights in Washington

- Treaty Tribes have the most senior water rights (Federal Reserve).
- Tribal water rights are both within and outside of their reservations.
- Off-reservation rights are designated to leave enough water in streams for healthy salmon populations.
- Most Tribes do not have their water rights quantified.
- Tribes can request Federal or State adjudication process for determining their quantities.

WRIA 18 WATERSHED PLAN 2005

Dungeness and Elwha
Watersheds

Desired Conditions and
Outcomes :

Water rights sufficient to allow
public water systems to meet
future growth with their current
and projected service areas.

Connection of new development
to public water service wherever
feasible limiting the proliferation
of exempt wells.

Expansion of larger Group A
service areas where growth
occurs outside current service
areas, and where consistent with
UGA boundaries and GMA
planning.

WRIA 18 Water Quantity Recommendations

- Recognizing projected buildout within and beyond current service areas, Group A Systems should apply to Ecology for water rights needed to serve that growth, take steps to extend service areas where feasible and cost-effective.
- Connection to Public Water Service: Growth should be managed by directing development in growth areas (R1 zones in particular) to public water service.
- Connection should be required for all new development inside or adjacent to the boundaries of service areas for all 1.25-acre lots (and smaller) wherever service is legally and economically feasibly available.

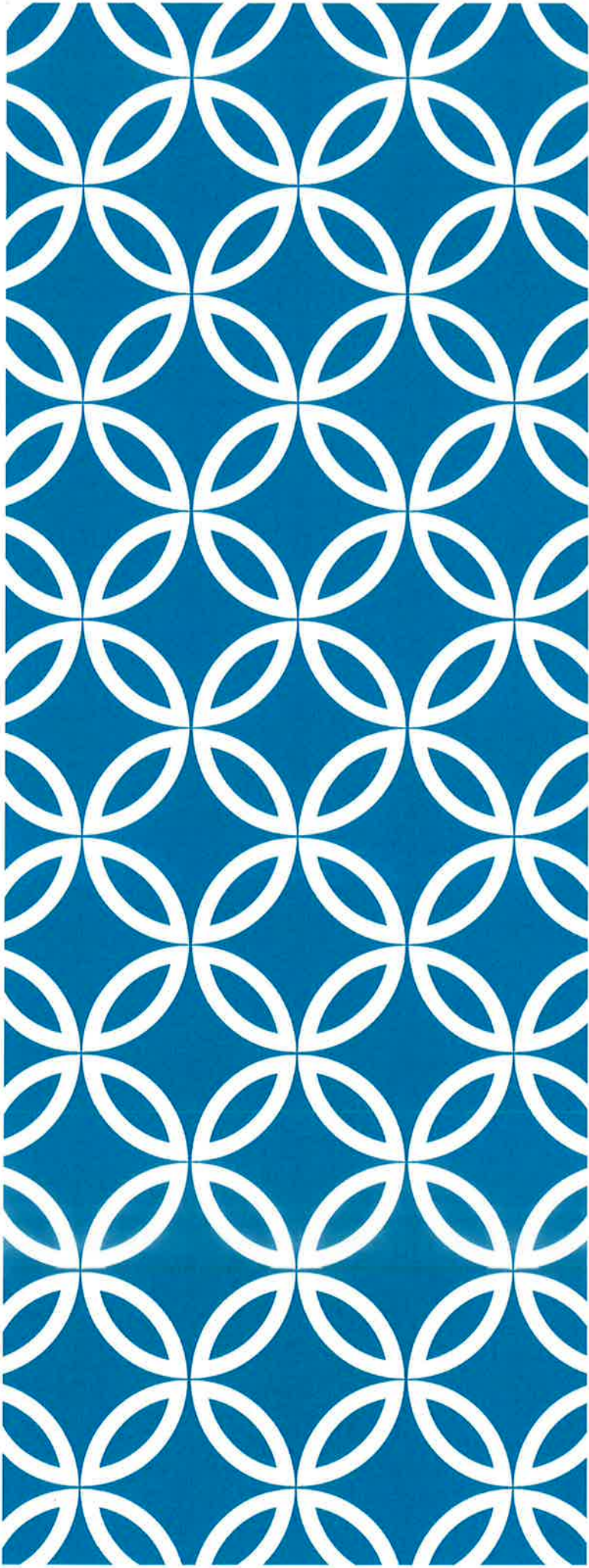
WRIA 18 REGIONAL WATER PLANNING

Explore the ability and willingness of the existing Group A systems to serve on a more regional basis coordinated with other Group A systems. The following should be considered:

1. Capacity of these Group A systems' existing water rights to meet forecasted growth in water demand.
2. Willingness of the Group A systems to provide water supply for expanded use.
3. Limits embodied in water right "place of use."
4. Relationship between regional service and GMA growth plans (urban growth areas) and Water System Comprehensive Plans, with an objective to contain growth within UGAs.

Dungeness Water Rule 2013

- Mitigate first, water right second.
- Water-for-Water (in-kind)
- Dungeness Water Exchange
 - Washington Water Trust
 - Irrigation Water Rights
 - Promotes Private Wells
 - Ecology approves issuance of mitigation certificates
 - Aquifer Recharge Projects replenish reserves
- Revise rule as new data becomes available



PUD WATER RIGHT PORTFOLIO

Water Rights and KPI

PA COMPOSITE

Water Right Inventory							
Source Name	Water Right or Claim No.	Name of Right Holder	Priority Date	Instantaneous Limit - O _i (gpm)	Annual Limit - O _a (acre-feet)	Primary or Supplemental	Comments
Interne with Port Angeles (290 and 484 Zone)	N/A	N/A	N/A	909	807	N/A	1
Morse Creek (1150 Zone)	S2-00076C	District	2/16/1972	673	379	Primary	2
Bluffs Water Company Well	G2-10012C	Bluffs Water	2/10/1969	100	150	Primary	
Township Line Rd Well No. 1 (1150 Zone)	-	-	-	-	-	Emergency	3
Township Line Rd Well No. 2 (1150 Zone)	-	-	-	-	-	Emergency	3,4
Hunt-Albers Well	GWP 7707	District	1/13/1966	80	128	Primary	
Bluffs Well (560 Zone)							
Bobcat Hollow Well (560 Zone)	CG2-GWP7439	District	1/20/1966	1,350	187	Primary	5
Old Olympic Well (560 Zone)							

Clallam Bay - Sekiu

Water Right Inventory							
Source Name	Water Right or Claim No.	Name of Right Holder	Priority Date	Instantaneous Limit - Qi (gpm)	Annual Limit - Qa (AF/yr)	Primary or Supplemental	Comments
Hoko Wellfield	GWC 5488-A	District	4/30/1964	563	400	Supplemental	1,2
Unnamed Stream, trib. of Clallam R.	SWC 7422	District	7/8/1958	450	N/A ¹	Primary	2,4
Hoko Diversion	SWP 12982	District	10/10/1961	2,250	N/A ¹	Primary	3,5
Lighthouse Well	GWP 4682	District	7/8/1958	200	112	Primary	5

Island View (LUD#9)

Water Right Inventory							
Source Name	Water Right or Claim No.	Name of Right Holder	Priority Date	Instantaneous Limit - Qi (gpm)	Annual Limit - Qa (AF/Yr)	Primary or Supplemental	Comments
Olsen Creek	S2-27102C	District	4/2/1987	90	40	Primary	1.2
Pierson Creek	SWC 8383	CZ	8/21/1961	13.5	N/A'	Primary	4.3

Carlsborg

(LUD#10,12,13,14)

Water Right Inventory							
Source Name	Water Right or Claim No.	Name of Right Holder	Priority Date	Instantaneous Limit - Qi (gpm)	Annual Limit - Qa (AF/Yr)	Primary or Supplemental	Comments
Carlsborg Well	G2-27681C	District	1/9/1990	408	396.5	Primary	1
Sequim Valley Tracts #1	GWC 5855	District	1/10/1966	50	16.8	Primary	1,2,1
Sequim Valley Tracts #2	G2-22899C	District	1/24/1974	70	72	3	1,2
Temp WR @ Carlsborg Well	G2-22899C	District	6/6/2017	0.15	0.25	Primary	4

Evergreen

Water Right Inventory (Primary Portion Only)						
Source Name	Water Right or Claim No.	Name of Right Holder	Priority Date	Instantaneous Limit - Qi (gpm)	Annual Limit - Qa (AF/yr)	
Loma Vista #1 (500 Zone)	G2-21241	K.G.D.T., Inc.	7/14/1982	380'	275'	
Loma Vista #2 (500 Zone)	G2-21728					
Loma Vista #3 (500 Zone)	G2-25174					
	G2-26196					
Haller #1 (790 Zone)	G2-00937C	Highland Hills	4/27/1970	50'	75'	
Haller #2 (790 Zone)	G2-26200C	District	7/16/1982	50'	45'	
Holgeron #1 (1050 Zone)	G2-24327C	Delbur, Inc.	10/27/1976	45	24	
Holgeron #2 (1050 Zone)	G2-27140P	District	3/19/1987	277	255	

Panoramic Heights

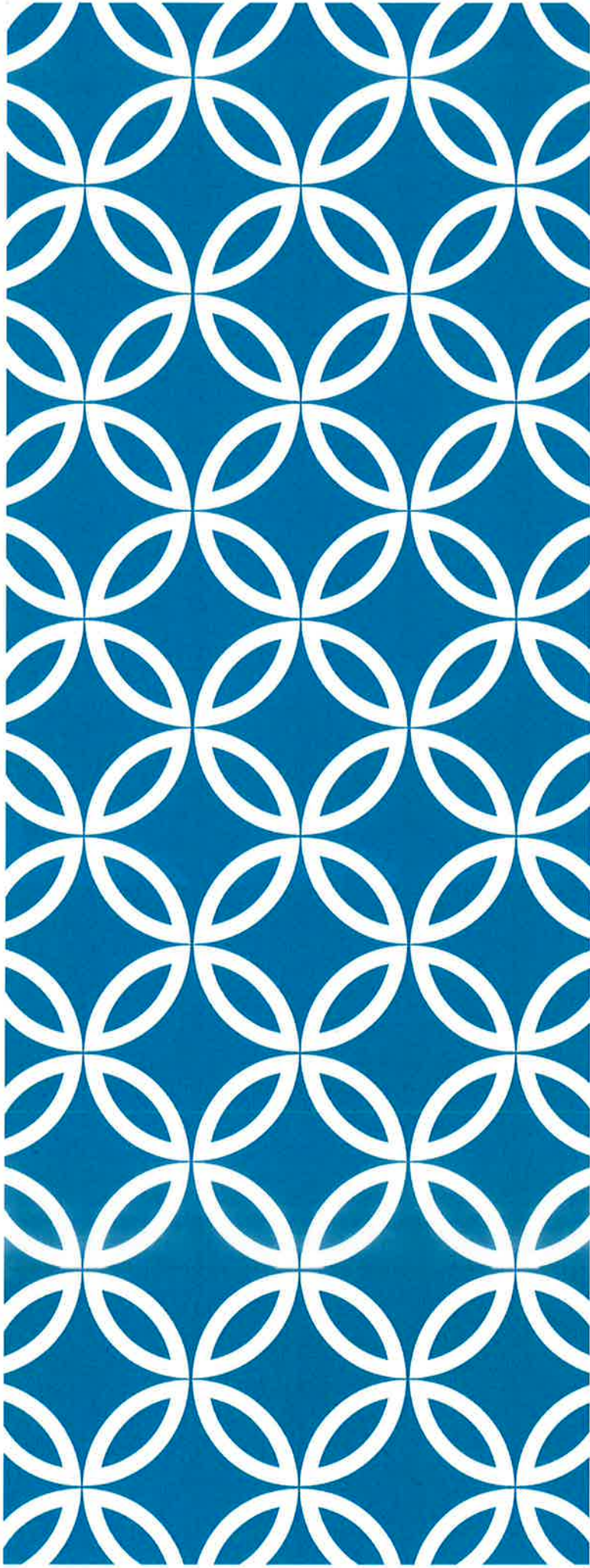
Water Right Inventory							
Source Name	Water Right or Claim No.	Name of Right Holder	Priority Date	Instantaneous Limit - Qi (gpm)	Annual Limit - Qa (AF/Yr)	Primary or Supplemental	Comments
Well #1	G2-21749C	District	12/26/1973	20	9	Primary	1
Well #2							

MANAGE RESOURCE PORTFOLIO KPI'S

ERU's			
Water System	Full Buildout	Water Rights	Percent
Carlsborg	5,113	2,391	47%
Clallam Bay/Sekiu	3,935	3,105	79%
Evergreen	3,152	2,188	69%
Island View	46	446	970%
Fairview	6,182	3,652	59%
Gales/Monroe/Mt. Angeles	4,359	4,769	109%
Panoramic Heights	20	46	230%

Ratio of water right supply to full buildout demand

- Green = > = 100%
- Yellow = 80-100%
- Red = < 80%

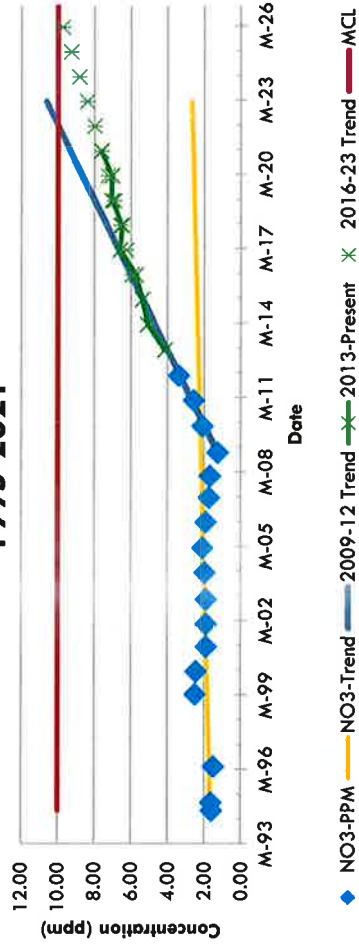


CARLSBORG WATER RIGHTS

Existing and Pending

NITRATES IN LUD 10 WELL

Nitrate in LUD #10 Well Water 1995-2021

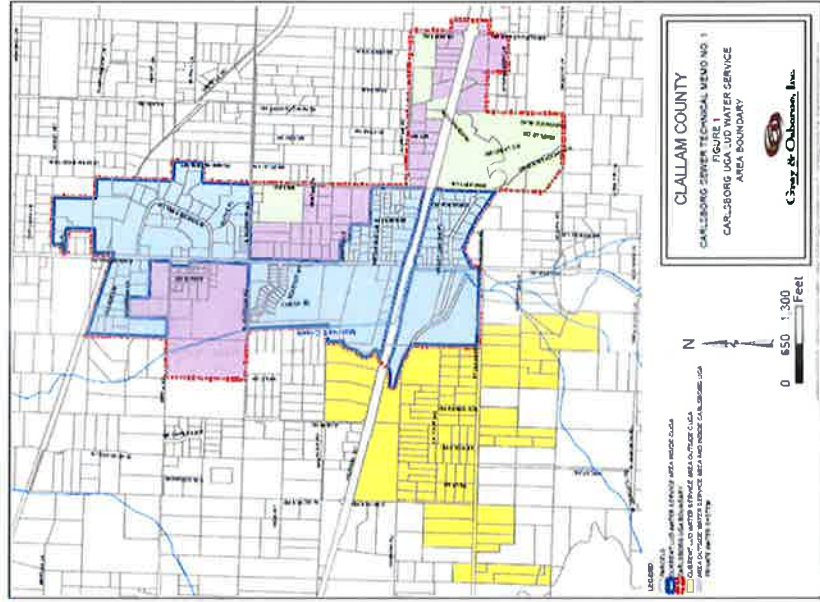


Blending with New Well



image copyright: 7/29/2021

LUD SERVICE AREA HISTORY



1990 Water Right for LUD10 (1.5 sq.mi place of use)
LUDs 12, 13 & 14 added during 1990s

Commissioners establish informal service area policy—Reserve water right for pioneers of LUD

2005 UGA formed within and outside of LUDs

2006 PUD applies for water to serve UGA outside LUDs.

2007 Sewer Feasibility Study—Full buildout design

2013 Dungeness Instream Flow Rule Adopted

2013 PUD-County Interlocal Agreement: County acquires water rights for buildout

2014 Sewer Facilities Plan: mitigate with reclaimed water

Aug 2016 PUD submits draft Three-Party Agreement to County and City of Sequim

Oct 2016 County Reduces Zoning Density and buildout water demand projections

Dec 2016 PUD Three-Party Water Supply Agreement Rejected by City and County

Jan 2017 Commissioners adopt formal service area expansion policy

1990 WATER RIGHT -- 2017 WATER RIGHT

PRIORITY DATE January 9, 1990	APPLICATION NUMBER G2-27681	PERMIT NUMBER	CERTIFICATE NUMBER
NAME Public Utility District No. 1 of Clallam County			
ADDRESS (PROPERTY) 2419 Highway 101 East			
CITY Port Angeles		STATE Washington	ZIP CODE 98362

PURPOSE Municipal Supply			
WITHDRAWAL OR DIVERSION RATE 408			
UNITS GPM			
ANNUAL QUANTITY (AF/YR) 396.5			
PERIOD OF USE (mm/dd) 01/01 - 12/31			

WITHDRAWAL OR DIVERSION RATE 408			
UNITS GPM			
ANNUAL QUANTITY (AF/YR) 396.5			

Purpose			
WITHDRAWAL OR DIVERSION RATE			
UNITS			
ANNUAL QUANTITY (AF/YR)			
PERIOD OF USE (mm/dd)			

Purpose			
WITHDRAWAL OR DIVERSION RATE			
UNITS			
ANNUAL QUANTITY (AF/YR)			
PERIOD OF USE (mm/dd)			

Purpose			
WITHDRAWAL OR DIVERSION RATE			
UNITS			
ANNUAL QUANTITY (AF/YR)			
PERIOD OF USE (mm/dd)			

Purpose			
WITHDRAWAL OR DIVERSION RATE			
UNITS			
ANNUAL QUANTITY (AF/YR)			
PERIOD OF USE (mm/dd)			

Total Quantity Authorized for Withdrawal or Diversion

WITHDRAWAL OR DIVERSION RATE 408 UNITS GPM ANNUAL QUANTITY (AF/YR) 396.5

Purpose

PURPOSE Municipal Supply WITHDRAWAL OR DIVERSION RATE 408 UNITS GPM ANNUAL QUANTITY (AF/YR) 396.5 PERIOD OF USE (mm/dd) 01/01 - 12/31

ADDITIVE IRRIGATED ACRES NON-ADDITIVE 003070 PUBLIC WATER SYSTEM INFORMATION WATER SYSTEM ID CONNECTIONS 003070

COUNTY CLALLAM

WATERBODY GROUNDWATER

WATER RESOURCE INVENTORY AREA 18-ELWHA-DUNGENESS

SOURCE FACILITY/DEVICE LUD #10 Well PARCEL 043015449110 WELL TAG ACA563 TWP 30N R4G 04W SEC 15 SESE 48.0895 LONGITUDE -123.1683

Date: NAD83/WGS84

Place of Use (See Attached Map)

LEGAL DESCRIPTION OF AUTHORIZED PLACE OF USE

The place of use (POU) of this water right is the service area described in the most recent Water System Plan/Small Water System Management Program approved by the Washington State Department of Health, so long as the water system is and remains in compliance with the criteria in RCW 90.03.386(2). RCW 90.03.386 may have the effect of revising the place of use of this water right.

LOCATION OF DIVERSION/WITHDRAWAL

800 feet north and 400 feet west of the south east corner of Section 15.

SECTION 15	TOWNSHIP N 30N	RANGE E 4W	SERIAL 18	COUNTY Clallam
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LEGAL DESCRIPTION OF PROPERTY ON WHICH WATER IS TO BE USED

Area served by Clallam County Public Utility District No. 1 within Sections 7-11, 14-18, 19-23, T. 30 N., R. 4 W.W.M., all west of the Dungeness River.

2006 WATER RIGHT APPLICATION

- Priority Date: August 2006
- Purpose of Use: Municipal
- Point of Withdrawal: Business Park Loop or another location TBD
- Place of Use: Existing Service Area and Entire Carlsborg UGA
- Quantities
 - Annual Amount $Q_a=215$ afy
 - Maximum Instantaneous Withdrawal $Q_i=510$ gpm

NEW CARLSBORG WELL HISTORY



- Intended to serve full buildout of entire UGA
- Sep 2017 County contracts with Hydrogeological Consultant Robinson Noble
- Sep 2018 Hydrogeological Siting Study Completed and Van-Lan Site Selected
- Nov 2019 PUD Purchase and Sale Agreement
- Jan 2020 County completes drilling and testing of New Carlsborg Well to aquifer 4.
- Jun 2020 Robinson Noble final well report
- Mar 2021 draft Mitigation Plan submitted to Ecology—shift production to new well.
- Jun 2021 Ecology meeting to comment on Mitigation Plan
- Aug 2021 Ecology Rejects Mitigation Plan
- Sep 2021 Ecology additional comments
- Sep 2021 County Denies Request for Comprehensive Plan Update
- 2022 New water right for nitrate treatment system

DUNGENSESS GROUNDWATER MODEL

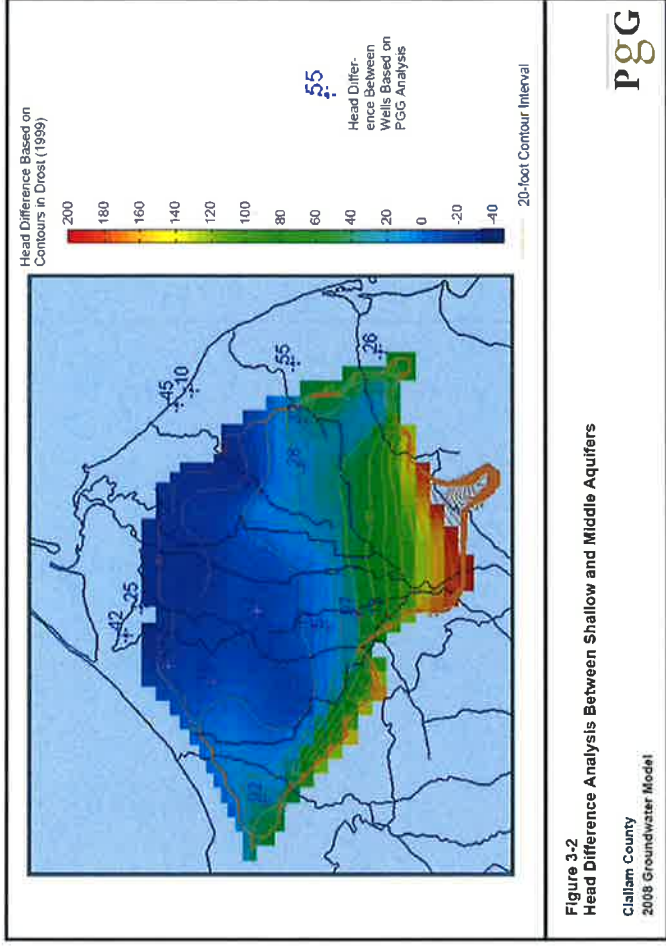
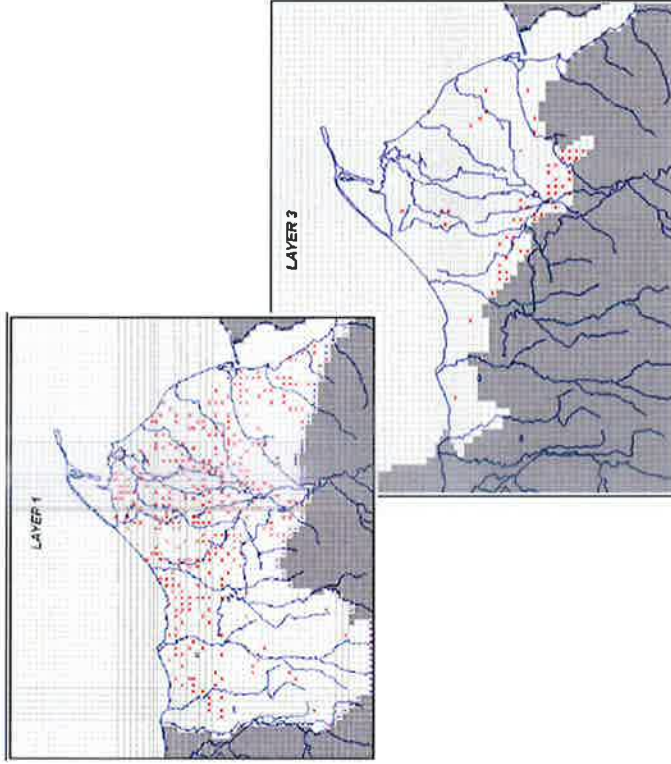


Figure 3-2
Head Difference Analysis Between Shallow and Middle Aquifers

Cibola County
2008 Groundwater Model

MITIGATION CONCEPT

Deeper Well Withdrawals

=

Less Impact on Streamflow

- Groundwater Model and Mitigation Calculator
- Trend of Reduced Impact with Deeper Aquifer

Select Parcel Number Below	Shallow Aquifer	Middle Aquifer	Deep Aquifer	Bedrock Aquifer
009-043015449110	92.170%	74.928%	43.268%	43.268%

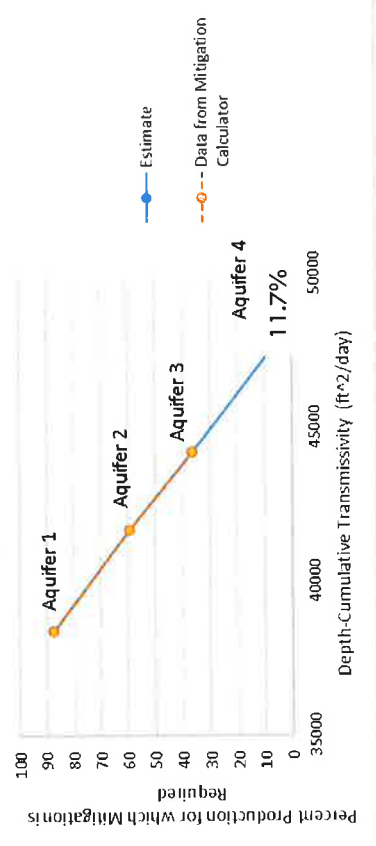
Carlsborg well

MITIGATION CONCEPT

Select Parcel Number Below	Shallow Aquifer	Middle Aquifer	Deep Aquifer	Bedrock Aquifer
009-043015449110 Carlsborg well	92.170%	74.928%	43.268%	43.268%
009-043010510080 Carlsborg Test Well	87.602%	59.380%	36.495%	36.495%

Aquifer 4 extrapolation
11.7%

Trend--Impact vs. Cumulative Thickness



Streamflow Mitigation Provided by Shift of Withdrawal from Aquifer #2 (Existing LUD10 Well) to Aquifer #4 (New Carlsborg Well).

OVER-MITIGATION

Mitigation Calculator Determines:

- Distribution of Impact Across All Rivers and Creeks in Rule Area
- Mitigation Distribution
- Greatest Mitigation Required for Bagley Creek
- All Other Creeks Receive Excess Mitigation—Bank It!

MITIGATION REQUIRED FOR NEW VANLAN WATER RIGHT										
VanLan parcel #: 009-043010510080										
using 261 ac ft (233,000 gpd average) and a %value of 1.7% as extrapolated aquifer 4 impacts										
	Bagley Creek	Bell Creek	Cassalery Creek	Dungeness River	Glerin Creek	Matriotti Creek	McDonald Creek	Meadowbrook Creek	Siebert Creek	
% Of total	0.485%	3.892%	12.135%	64.607%	12.079%	3.352%	2.051%	1.066%	0.332%	
gallons per day	19.23	154.23	481.37	2560.1	478.64	132.83	81.26	42.24	13.17	
Excess mitigation achieved for 29.4 acre feet transfer (gpd)	8.52	96.01	685.12	13083.71	408.18	747.55	190.41	24.68	11.07	

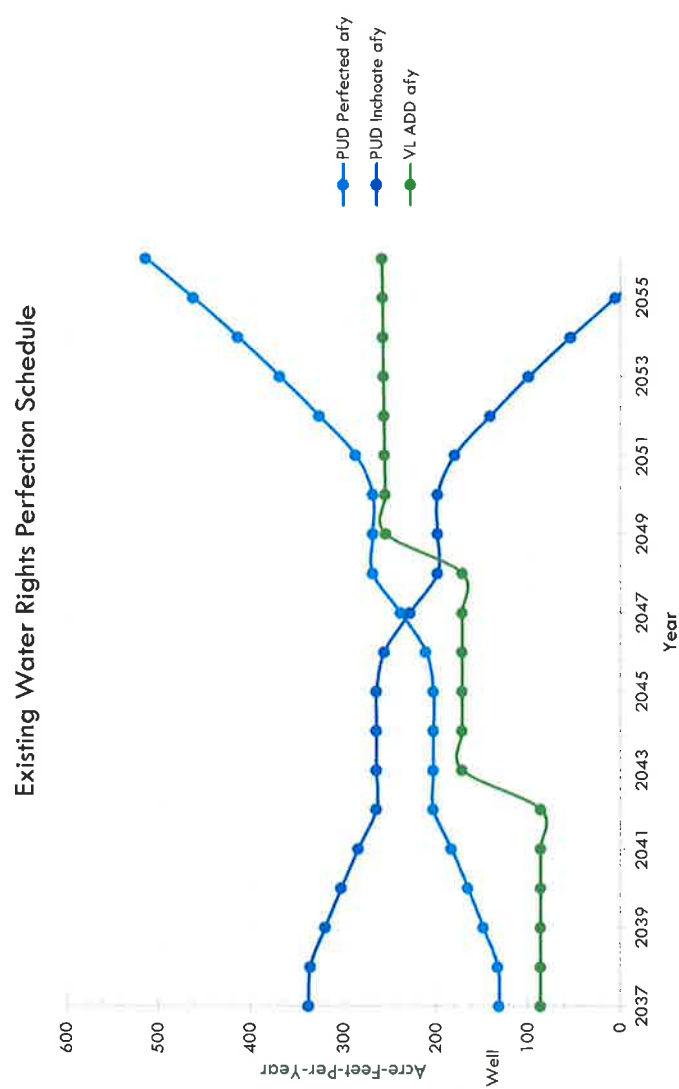
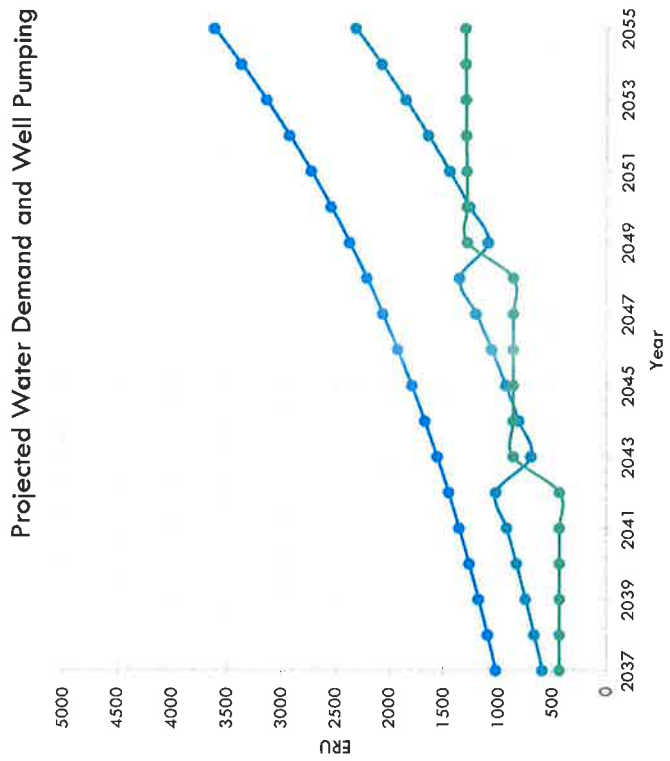
FUTURE USE

- New Water Quantities Required for Full Buildout
 - Qa = 261 afy
 - Qi = 510 gpm
- Projections Change with New Data/Requirements
 - Originally Requested 215 afy in 2006
 - 2014 Sewer Facility Plan Approved by Ecology
 - 2018 County Reduced Zoning: 261 afy

FUTURE USE

- Water Right Perfection
 - Maximum Qa already put to beneficial use
 - Unused Qa is “inchoate” water for future
 - Municipal Water Law: no “use it or lose it”
- Permit Development Schedule
 - Full Buildout Projected in 2055
 - 2022: About 23 Percent Perfected
 - 2055: 100 Percent Perfected

WATER RIGHT DEVELOPMENT SCHEDULE



ECOLOGY RATIONALE FOR REJECTION

1. Ecology determines that Aquifer 4 pumping impact is same as Aquifer 3 impact—36.5%
2. Ecology Preliminary finding on Application for New Water Right for Carlsborg
 1. original intent to serve a large regional area with a projected 20-year demand
 1. 15 square mile area, including Carlsborg and vicinity
 2. 1,500 residential connections, and
 3. Additional commercial/industrial use.
 2. new water right is for Carlsborg UGA only and inconsistent with original intent
 3. draft mitigation plan does not meet public interest test
 4. likely only be approvable for additional instantaneous quantity (Q_i) only
3. Ecology considers the consequences of District service area expansion policy to be:
 1. Existing water right is under-developed—only 80% used
 2. Existing water right not applied to beneficial use in a timely manner
 3. Promotion of reservation of surplus supply in a portion of the service area
 4. Perceived deficiency in the rest of the service area

ECOLOGY REQUIREMENTS

- Ecology Requires Long-term, Regional Water Supply Coordination Plan
 - Additional documentation of future demand beyond 20-year water system plan,
 - Ecology considers that District-estimated long-range demand:
 - is not reliable, or
 - additional annual quantity allocation is not justified at this time
 - Explain how new water rights will be developed and used in a timely manner along with inchoate water previously allocated.

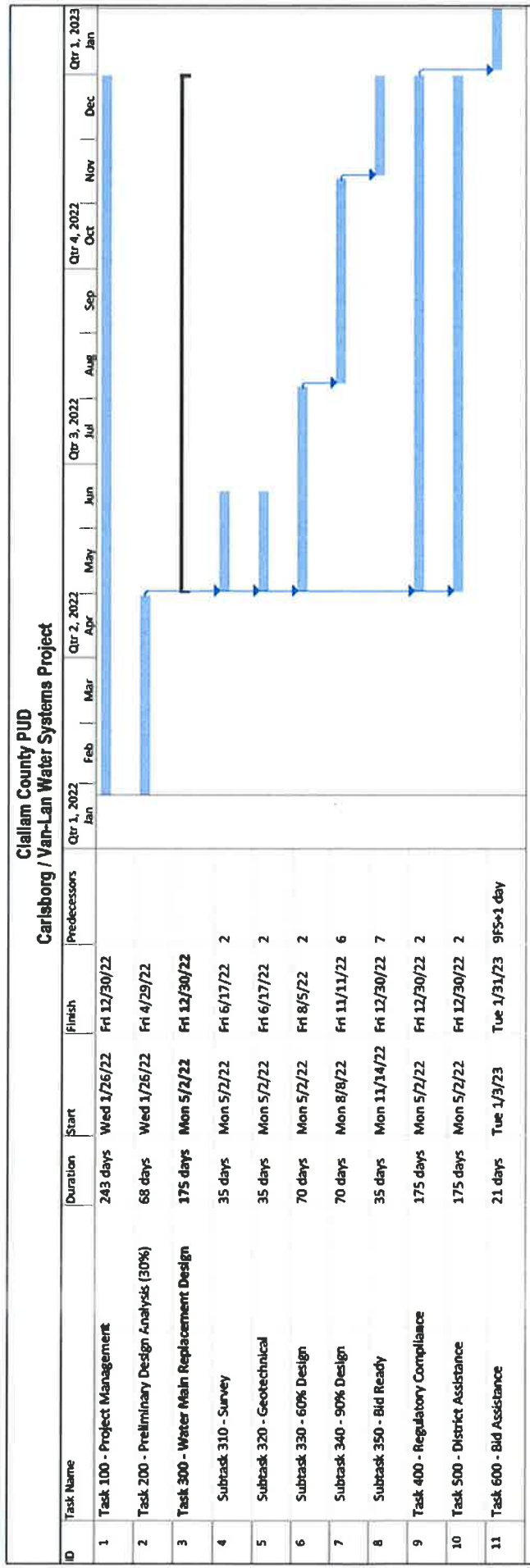
WATER RIGHT FOR BLENDING TREATMENT SYSTEM

1. File new water right for new well for blending treatment—common practice
2. Shift 50% existing production from LUD 10 Well to New Carlsborg Well
3. No expansion of service area
4. Non-Additive: No new Qa/Qi
5. Water Neutral Application—No Public Interest Test
6. Test for harm to senior water rights—possible Bagley Ck. impact and mitigation
7. Goes to front of line for Ecology processing
8. Need water right for DOH approval
 1. new source
 2. water system plan amendment (SEPA)

CARLSBORG NEW WATER SOURCE PROJECT

Carlsborg / Van-Lan Water Systems Project RFQ No. 210308

Project Schedule



Airport owner pushes for water

Growth boundary part of difficulty

By MICHAEL DASHIELL

Olympic Peninsula News Group

1-18-2022

SEQUIM — When a major disaster strikes the North Olympic Peninsula, longtime owner Andy Sallee said, Sequim Valley Airport will likely become a busy — and critical — location for assistance and recovery efforts.

"The biggest thing is, if we had some big emergency (such as a long-predicted Cascadia Subduction Zone earthquake), you're going to have Blyn washouts," Sallee said. "Basically, we'd be an island."

The prospect of events have Sallee and other airport advocates seeking better options for water, and their push to have the facility hooked up with Clallam County Public Utility District water and sewer by becoming part of the Carlsborg Urban Growth Area has gained county commissioner support.

See AIRPORT, Page A13



ANDY SALLEE / SEQUIM VALLEY AIRPORT

Members of U.S. Coast Guard, Clallam County Fire District 3, Port Angeles Police Department and Washington State Patrol participate in a training session at Sequim Valley Airport in April 2021.

Airport: County's letters of support

CONTINUED FROM A1

In November, Clallam's three county commissioners signed letters up support to PUD general manager Doug Nass as well as Gary Idleburg, a senior planner at the state Department of Commerce.

Calling the airport a "vital local facility," commissioners write that "it serves as an essential component of our regional emergency management infrastructure and plays an important role in both wildfire response capability and in emergency life flights taking off for trauma care in Seattle that isn't available in our rural county."

Clallam County may not expand or offer sewer connections to locations outside of the UGA boundary, commissioners noted, and the county does not currently meet all requirements for expansion of the UGA.

"However," commissioners wrote, "given the important role the Sequim Valley Airport plays in our region, we write today in support of the Airport owner's request for expanding the Carlsborg UGA to include the Airport property."

Commissioners in their letters lobbied PUD officials for a water connection and for the Department of Commerce for connection with the Carlsborg sewer system.

"We are uncertain as to why this facility was not included in the Carlsborg UGA boundary when it was originally created," commissioners wrote to



COURTESY OF ANDY SALLEE / SEQUIM VALLEY AIRPORT

Members of U.S. Coast Guard, Clallam County Fire District 3, Port Angeles Police Department and Washington State Patrol participate in a training session at Sequim Valley Airport in April 2021.

state Commerce officials on Nov. 9, "but given both the nature of the facility and its role as essential infrastructure, we do support its inclusion now and would like the Department of Commerce to take action to assist the county in getting sewer access for the Sequim Valley Airport."

In their letter to PUD officials, commissioners noted, "We are uncertain as to why this facility was not included in the Carlsborg UGA boundary when it was originally created, but given both the nature of the facility and its role as essential infrastructure, we do support its inclusion now and we sincerely hope that a path forward may be forged to allow for a water connection."

Sallee said in early January that the appeals have not yet been answered.

"It took a little bit of educating the commissioners to understand the issue," said Sallee, who added he appreciated that the county leaders support the value of the proposal.

Access to large volumes of water would benefit

"However, given the important role the Sequim Valley Airport plays in our region, we write today in support of the Airport owner's request for expanding the Carlsborg UGA to include the Airport property."

Clallam County commissioners
Letter of support

emergency vehicles during a catastrophic event such as a major forest fire in the Olympic National Park; tankers could load up and deliver water from the nearby airport.

The water and sewer access would also provide a benefit to the airport as its owners consider expansion, cutting the cost of having to develop septic systems and trimming considerable building requirement costs.

"Environmentally, it's better across the board," Sallee said. "It's huge for us ... to succeed long term. We're really optimistic. This would really be a game-changer for us. I just see a win-win for everybody."

Sequim Valley Airport is

also a public-use airport that has served Clallam County for the past 3½ decades.

A number of government and public entities use the airport and surrounding grounds or various activities and training sessions, including U.S. Border Patrol, U.S. Coast Guard and U.S. Army, Clallam County Sheriff's Office, Civil Air Patrol, Disaster Assistance Response Team (DART) and disaster food distribution teams and fire districts.

In addition to local and out-of-town pilots, the airport provides service for various ambulance and air ambulance Medivac companies, Angel Flights, air cargo, air taxis, blood transportation companies, animal rescue flights, local Experimental Aircraft Association members, flight instruction, hot air balloon flights, events such as the Olympic Peninsula Air Affaires and more.

Michael Dashiell is the editor of the Sequim Gazette of the Olympic Peninsula News Group, which also is composed of other Sound Publishing newspapers Peninsula Daily News and Forks Forum. Reach him at editor@sequimgazette.com.