

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 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.

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