

CLALLAM COUNTY PUBLIC UTILITY DISTRICT #1
Minutes of the Regular Meeting of the Board of Commissioners
Main Office | 104 Hooker Road | Sequim, WA 98382
February 28, 2022 – This meeting was held remotely via ZOOM

Commissioners Present

Will Purser, President
Rick Paschall, Vice President
Jim Waddell, Secretary

Staff Present

Sean Worthington, General Manager
John Purvis, Assistant General Manager
Jamie Spence, HR Manager
Larry Morris, Safety Manager
Lori Carter, Controller, Auditing Officer
Nicole Hartman, Communications Manager
Mattias Järvegren, Utility Services
Supervisor
Sarah Canepa, Financial Analyst
Chelsey Jung, Payroll Coordinator
Tyler King, Power Analyst

Tom Martin, WWW Manager
Ruth Kuch, Finance Manager/Treasurer
Steve Schopfer, IT Services Manager
Teresa Lyn, Executive Assistant
Kaylie Hunter, Procurement and Facilities
Supervisor
Rebecca Turner, Sr. Accountant
Mike Hill, Engineering Manager
Annette Long, Finance Coordinator
Mary Doran, Accountant

Others Present as Identified

Patty Morris
Paul Pickett
Bill, no last name provided

The meeting commenced at 1:30 PM.

CONSENT AGENDA :21

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 February 14, 2022 regular meeting;
- b. Claim vouchers for February 14 through February 22, 2022 for a total of \$4,076,315.68;
and
- c. Payroll vouchers for the period of February 1 through February 14, 2022.

AGENDA REVISIONS :42

Addition of item b under Correspondence and Communications; General Manager Sean Worthington will discuss our tentative reopening plan.

COMMENTS FROM THE PUBLIC 2:21

There was no public comment.

BUSINESS ITEMS STARTING AT 2:46

- a. **2:50:** Prior to the presentation General Manager Sean Worthington advised the Commissioners that staff will conduct a “deep dive” into the strategic plan in June. Thereafter staff will present our proposed changes to the board via a work session. The General Manager’s Direct Reports provided an in-depth update of each of the strategic plan’s objectives using Key Performance Indicator (KPI) reporting. These objectives are: Provide Stable Rates While Always Seeking Reduced Costs; Ensure Reliable Supply; Practice Environmental Responsibility; Continuous Performance Improvement; Enhance Customer Partnership; Manage Our Resource Portfolios; Influence Regulatory Issues; Build on Our Safety Culture; Attract and Retain Great People; Manage Risk; and Be Financially Responsible.

- b. **1:01:16:** Bonneville Power Administration’s (BPA)’s post-2028 contract: Assistant General Manager John Purvis attended PPC and WPAG meetings. Topics were spot market and forward pricing for mid-C; provider of choice preferences; new and modified BPA options to set Contract High Water Marks (CHWM’s) that we need to pay attention to—specifically Options 2 and 4 which were presented on at our February 14, 2022 board meeting. General Manager Sean Worthington added that recently sent out provider of choice education letters and his recent communication with Colleen McAleer of Economic Development Council (EDC) enable us to address questions about the new large single load issue and clarify that our that our utility does not negotiate back and forth exclusively with BPA on our contract, as it is a boilerplate contract for all of public power. He is meeting with the EDC Friday to address any additional power questions they may have. Commissioner Paschall commented on WPAGs desire to come up with a position on the topic of a Regional Transmission Organization (RTO) – which the Pacific Northwest does not currently have –branching into wholesale energy markets. Commissioner Purser advised that transmission issues are a bottleneck and that the California Independent System Operator (CAISO) is presenting itself as an RTO for the western U.S. Commissioner Waddell suggested that at some point PUDs may want to send individual letters directly to BPA on what their positions are on items that WPAG’s PUD-consensus concept paper cannot address.

CORRESPONDENCE/COMMUNICATIONS 1:15:01

Water and Wastewater Manager Tom Martin discussed recent letters (from the WSDOT Aviation Director and from a developer letter to the County) requesting or in support of the District providing the Sequim airport and the proposed development with access to the District’s Carlsborg water system. We have recently addressed the water rights issue raised in both letters in our February 16, 2022 response in the Sequim Gazette. The proposed development is located in the Carlsborg Urban Growth Area (UGA), which the airport is outside of. In order for the District to provide water to the UGA development, the following needs to occur: a) Ecology must authorize a new point of withdrawal from the new well for the planned blending treatment system, and b) the County must secure Ecology-approved mitigation credits made available by the blending treatment system to enable the District to make a limited expansion of the Carlsborg retail service area.

The expansion would be limited to the amount of mitigation credits secured by the County. The District intends to request that the County allow use of new water rights for the airport.

General Manager Sean Worthington advised that staff is monitoring the current COVID situation and is working on a re-opening plan. Upon reaching the benchmark of 75/100,000 cases, he anticipates we could reopen April 11th and start holding in-person board meetings at that time. He will share more details as that date approaches.

COMMISSIONER REPORTS 1:33:17

Commissioner Waddell attended WPAG, PPC, WPUDA, BPA and NODC meetings. Topics were commissioner per diem training; electrical vehicles and their impact on loads; batteries and how they will fit into smart grids using AMI; a Genesis resource impact model for the lower Snake River dams; and grid resilience.

Commissioner Paschall attended WPAG, PPC and WPUDA meetings. Topics were the WPAG concept paper: system size, allocation, and capacities; cost controls; and wildfire mitigation legislative bills. He also advised that a local solar contractor he is working with went out of his way to compliment PUD employees Chanda Halverson and Mattias Järvegren, saying: *“they are great to work with and made the process enjoyable.”*

Commissioner Purser attended WPAG, WPUDA and EN meetings. Topics were broadband funding and the need for a broadband action plan and team (Assistant Manager John Purvis confirmed that we do these in place); lease of the Columbia System Powerplant; a lower Snake River dams scoping study which is expected to last 12 to 27 months; a cap and trade bill entitled the Climate Commitment Act; fuel switching from natural gas to electric; Senate Bill 5842 to establish a Climate Change Agency; wildfire mitigation plans; and a bill that would require that any new projects must demonstrate ecological benefits.

STAFF REPORTS 1:46:46

There were no staff reports.

BOARD ACTION ITEMS FOR STAFF 1:46:51

- a. Staff is to continue to update the board on and proceed with coordinating with the County in regards to drafting an MOU that will a) authorize a new point of withdrawal from the new well for the blending treatment system, and b) enable expansion of the Carlsborg retail service area to the extent of Ecology-approved mitigation credits made available by the blending treatment system.
- b. Complete: In future KPI reporting, staff is to incorporate BPA outages in SAIDI reporting.

COMMENTS FROM THE PUBLIC 1:47:49

Comment was heard from a single customer regarding automatic payments on SmartHub and reporting for undercapitalization of water system assets.

ADJOURN

The meeting adjourned at 3:21 PM.

February 28, 2022