

PRE-AGENDA
FOR THE REGULAR MEETING OF
CLALLAM COUNTY PUBLIC UTILITY DISTRICT #1
BOARD OF COMMISSIONERS
AUGUST 8, 2022 AT 1:30 PM

Join Zoom Meeting:

<https://clallampud-net.zoom.us/j/84895526098?pwd=REdRS0hHRXNXd0l0VjBxaUltbHJ6dz09>

Meeting ID: 848 9552 6098 | **Passcode:** 151437

One tap mobile: +12532158782,,84895526098#,,,,*151437# US (Tacoma)

Find your local number: <https://clallampud-net.zoom.us/u/kdRo9pkLQs>

- **Consent Agenda Items**

The Commissioners will consider approving Consent Agenda items.

- **Acceptance Memo for Agreement Cost Increase Contract No. 200334**

The Commissioners will consider approving the Acceptance Memo for a cost increase for Contract No. 200334. This contract is for engineering services on LUD 3 infrastructure pre-construction, contracted at \$65,998.00. Due to additional requirements with City of Port Angeles, a change order was previously done and approved by the General Manager to extend the agreement time and add to the scope of work for an additional \$31,601.00, with a total project cost not-to-exceed \$97,599.00. Due to the extended delay in conditional use permit and purchase and sale agreement, more time in engineering services is needed on the agreement to complete the scope of work on the sub-division and project design. The extended service time increases the agreement amount over 10% with an additional \$4,806.00, for a total project cost of \$102,405.00 and further extends the completion date from May 31, 2022, to January 31, 2023.

Staff requests a motion, second, and vote: to approve the Acceptance Memo for an agreement cost increase for Contract No. 200334 for a not-to-exceed amount of \$102,405.00, and for an extension of the agreement deadline to January 31, 2023.

- **Acceptance Memo for Agreement Cost Increase Contract No. 200328**

The Commissioners will consider approving the Acceptance Memo for a cost increase for Contract No. 200328. This contract is for engineering services on Clallam Bay/Sekiu water main upgrades pre-construction, contracted at \$349,452.00. Due to delays and design changes with Washington State Department of Transportation (WSDOT), a change order was previously done and approved by the General Manager to extend the agreement time and add to the scope of work for an additional \$34,843.00, with a total project cost not-to-exceed \$384,295.00. This request is for additional services not included in the original scope of work: attend the bid opening with travel time and mileage: review and provide recommendation of bids: and reference check of the lowest responsive bidder: and to provide necessary documentation. The additional scope of work and time increases the agreement amount over 10% with an additional \$4,172.00, for a total project cost of \$388,467.00 and extends the completion date from December 15, 2021 to August 10, 2022.

Staff requests a motion, second, and vote: to approve the Acceptance Memo for an agreement cost increase for Contract No. 200328 for a not-to-exceed amount of \$388,467.00, and for an extension of the agreement deadline to August 10, 2022.

CONTINUED ON PAGE 2

- **Acceptance Memo of Completion Contract No. 221022**

The Commissioners will consider approving Acceptance Memo of Completion for Contract No. 221022 for the central warehouse facility's (CWF) roof restoration. All work with CHG Building Systems Inc., has been completed. The project consisted of all necessary services, labor, and materials required to clean, prep, and restore the roof and gutters of CWF at 100 Hooker Road, Sequim, due to deterioration of existing roof sealant and leaking gutters.

Staff requests a motion, second, and vote: to approve Acceptance Memo of Completion for Contract No. 221022 for the central warehouse facility roof restoration for a total contract cost of \$269,382.72, including WSST.

- **Discussion of Potential Modification to Construction Cost Sharing**

Staff will present on a recommendation is to eliminate sharing due to the cost of the program and the inherent liabilities with administering it.

- **Public Comment on the District's 2023 Draft Strategic Plan presented to the Board**

Staff will present a comprehensive compilation of all public comment received – written and audio – to the Commissioners.

- **BPA Post-2028 Contract Discussion**

Commissioners and staff will discuss recent developments of the BPA post-2028 contract.

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.

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1. CALL TO ORDER

2. COMMENTS FROM THE PUBLIC

3. AGENDA REVISIONS

4. APPROVAL OF CONSENT AGENDA

- a. Minutes of the July 25 work session;
- b. Minutes of the July 25 regular board meeting;
- c. Claim vouchers for July 25 through August 1, 2022, for a total of \$3,516,522.20;
- d. Removal of delinquent accounts from the August 2022 active accounts receivable totaling \$5,678.92 including a 30% collection fee; and
- e. July 2022 treasurer report.

5. BUSINESS ITEMS

- | | |
|---|----------------------|
| a. Acceptance Memo of Agreement Cost Increase 200332 – LUD 3 | Tom Martin |
| b. Acceptance Memo of Agreement Cost Increase 200328 – Water main | Tom Martin |
| c. Acceptance Memo of Completion 221002 – CWF roof | Kaylie Hunter |
| d. Potential Modification to Construction Cost Sharing - Discussion | Colin Young |
| e. Public comment on draft strategic plan | Sean Worthington |
| f. BPA Post-2028 contract discussion | Commissioners, Staff |

6. CORRESPONDENCE/COMMUNICATIONS

7. COMMISSIONER REPORTS

8. STAFF REPORTS

- | | |
|---|------------|
| a. Briefing on Climate Commitment Act (CCA) | Tyler King |
|---|------------|

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

July 25, 2022 at 1:30 PM - This meeting was held remotely via ZOOM

Commissioners Present

Will Purser, President

Rick Paschall, Vice President

Jim Waddell, Secretary

Staff Present via Zoom

Sean Worthington, General Manager

John Purvis, Assistant General Manager

Lori Carter, Controller/Auditing Officer

Ruth Kuch, Finance Manager/Treasurer

Teresa Lyn, Executive Assistant

Steve Schopfer, IT Manager

Mike Hill, Engineering Manager

Jenean Keate, Contracts Coordinator

Doug Adams, Transmission/Substation
System Supervisor

Tom Martin, WWW Manager

Nicole Hartman, Communications Manager

Eric Jacobson, Business Analyst

Tyler King, Power Analyst

Julie Metzger, Power Systems Project
Coordinator

Chelsey Jung, Payroll Specialist

Shawn Delplain, Broadband Supervisor

Cheryl Thomas, Engineering Technician

Chanda Halvorsen, Customer Service
Supervisor

Others Present as Identified

Janet Marx

Ken Hays

Patti Morris

JojoBeadArt

Robert Knapp

Krestine Reed

Brian Gawley

Ken Hays

360-670-9178

The meeting commenced at 1:30 PM.

PUBLIC COMMENT :15

There was no public comment.

AGENDA REVISIONS :49

There were no agenda revisions.

CONSENT AGENDA :56

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

- a. Minutes of the July 11, 2022 regular meeting;
- b. Claim vouchers for July 11 through July 18, 2022 for a total of \$1,430,857.91;
- c. Payroll vouchers for the period of July 1 through July 15, 2022; and
- d. Treasurer Reports for April and May 2022.

BUSINESS ITEMS STARTING AT: 2:03

- a. **2:22:** Upon recommendation of staff, and upon motion of Commissioner Paschall, seconded by Commissioner Waddell and carried, the Board approved Acceptance Memo of Completion for Contract No. 210804 with Olympic Electric Company, Inc. This project was for the rebuild of transmission lines from Cherry Street to Race Street in Port Angeles, WA. This project was completed on July 1, 2022 for a total contact cost of \$315,065.76 (including WSST).
- b. **4:21:** Upon recommendation of staff, and upon motion of Commissioner Paschall, seconded by Commissioner Waddell and carried, the Board approved Bid Award No. 220801 Recommendation Memo for the construction of a water main replacement in Clallam Bay/Lower Sekiu, funded through a WA Public Works Board Loan. This Memo awards the bid to Interwest Construction, Inc., the lowest responsible bidder with a total base bid of \$4,009,180 (not including WSST).
- c. **7:46:** Upon recommendation of staff, and upon motion of Commissioner Paschall, seconded by Commissioner Waddell and carried, the Board Memo authorized District staff to solicit formal bids for the purchase of one (1) 3-phase, 12MVA power transformer without load tap changer, for the Neah Bay substation located at 1200 Backtrack Road in Neah Bay, WA. The engineer's estimate for the transformer is \$320,000.
- d. **11:05:** Upon recommendation of staff, and upon motion of Commissioner Paschall, seconded by Commissioner Waddell and carried, the Board authorize District staff to solicit formal bids for the purchase of one (1) 3-phase, 12MVA power transformer without load tap changer, for the Forks substation located at 441 West E Street in Forks, WA. The engineer's estimate for the transformer is \$320,000.
- e. **12:29:** Commissioners and staff discussed recent BPA Post-2028 contract information. The BPA post 2028 concept paper was discussed at length. Topics: the new resource connection policy of 200 kilowatts; looking at the cost of hydro projects on a project by project basis as a way of managing costs; and concerns that BPA does not consider solving the carbon issue as integral to their system.

CORRESPONDENCE/COMMUNICATIONS 19:56

General Manager Sean Worthington asked the Board if we could reopen the lobby to the public on August 15th, while still maintaining virtual Zoom Board meetings. Public meeting rooms would remain closed until the County reaches the safe low zone of 200 cases 100K. Currently we are in the high zone at 604 cases per 100K. Commissioners expressed concern about putting employees at risk as the last time we reopened the lobby several employees became infected, resulting in significant departmental shortages. The consensus is that the District can continue to service our customers well without reopening the lobby. This topic will be revisited at the August 8 board meeting.

General Manager Worthington advised that last weekend's feeder outage on Laird's corner line was due to wildlife contact with the transmission line which subsequently opened the breaker.

There are 900 people on that feeder. The outage started about 10 AM and by the time crews got there, patrolled, and closed it back up it was about 1:30 PM.

COMMISSIONER REPORTS 25:50

Commissioner Waddell attended a WPUDA meeting. Commissioner Paschall attended WPUDA meetings. Commissioner Paschall was elected vice chair of WPUDA's energy committee. Commissioner Purser attended an Energy Northwest resource advocacy committee meeting and an executive board meeting.

STAFF REPORTS 38:44

No staff reports.

BOARD ACTION ITEMS FOR STAFF 38:53

No action.

COMMENTS FROM THE PUBLIC 40:20

No public comment.

ADJOURN

There being no further business to come before the board, the meeting adjourned at 2:10 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/>.

July 25, 2022

CLALLAM COUNTY PUBLIC UTILITY DISTRICT #1

Minutes of the Special Work Session of the Board of Commissioners

Main Office | 104 Hooker Road | Sequim, WA 98382

July 25, 2022 at 10:00 AM PM - This meeting was held remotely via ZOOM

Commissioners Present

Will Purser, President

Rick Paschall, Vice President

Jim Waddell, Secretary

Staff Present via Zoom

Sean Worthington, General Manager

John Purvis, Assistant General Manager

Lori Carter, Controller/Auditing Officer

Ruth Kuch, Finance Manager/Treasurer

Teresa Lyn, Executive Assistant

Steve Schopfer, IT Manager

Mike Hill, Engineering Manager

Jamie Spence, HR Manager

Larry Morris, Safety Manager

Nicole Hartman, Communications Manager

Ben Phillips, Engineer III

Terry Lind, Operations Manager

Chelsey Jung, Payroll Specialist

Others Present as Identified

Richard DeBusman

Robert Knapp

Jim McEntire

Brad Grad

James Scheunemann

Patti Morris

Ken Hays

The meeting commenced at 10:00 AM.

BUSINESS ITEMS STARTING AT 1:02 PM

General Manager Sean Worthington advised that in early June the District's management team met for two days to complete a deep dive overhaul of the strategic plan. The resulting draft 2023 strategic plan was presented to the Commissioners at the July 11th board meeting. Commissioner changes to the plan were incorporated and the newly revised draft was then emailed the District's partners along with a request for comment. The revised draft plan was also posted on the District's website home page for two weeks for public review and comment.

At today's work session General Manager Worthington received public comments on each of the plan's strategic objective slides. Additionally, advance partner and public written comment was shared with Commissioners prior to the meeting. All comments written and verbal were recorded and will be compiled for review, response, and/or will be recommended for incorporation into the final plan as applicable at a future board meeting.

In response to community partner requests, the District will extend the comment period to August 5th, which will allow those who have not yet responded with suggestions to formally submit their comments. Additionally, within the next month or two the District will coordinate with the County Commissioners to schedule a joint work session to obtain their input on the plan.

ADJOURN

There being no further business to come before the board, the meeting adjourned at 11:15 AM.

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/>.

July 25, 2022 AM Work Session

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 8/3/22
AUDITING OFFICER

[Signature] DATE 8/3/22
Tom 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 7/25/2022–8/1/2022

Checks	\$	1,752,145.56
Wire Transfers		1,745,923.69
E-Payment		18,452.95
Prepays		
Total	\$	3,516,522.20

COMMISSIONER

COMMISSIONER

COMMISSIONER

PUD#1 OF CLALLAM COUNTY, WASHINGTON

AUGUST 2022
DELINQUENT ACCOUNTS TO BE REMOVED
FROM ACTIVE ACCOUNTS RECEIVABLE

Delinquent accounts listed for electricity and water on the attached pages are approved to be removed from the active accounts receivable. All accounts to be removed are grouped and total as follows:

08/01/22	Clallam Bay – Evergreen	\$	116.53
08/01/22	Forks – Evergreen	\$	959.97
08/01/22	Port Angeles – Evergreen	\$	1,786.40
08/01/22	Sequim – Evergreen	\$	1,505.50
08/01/22	All Area-Direct W/O Bankruptcy	\$	-
08/01/22	All Area-Direct W/O Deceased	\$	-
08/01/22	All Area-Direct W/O Small Balance	\$	-
	SUBTOTAL	\$	<u>4,368.40</u>
08/01/22	30% Collection Fee	\$	1,310.52
	TOTAL	\$	<u><u>5,678.92</u></u>
	Previous Debt Collected in July 2022	\$	3,160.91
	Previous Debt Collected Year To Date 2022	\$	11,192.48

Dated this _____ day of _____, 20_____.

President

Secretary

Vice-President

SW:kw

Attachments

These lists comply with our CIS software which removes accounts from the active accounts receivable when placed with a collection agency (classifies them as bad debt). The exceptions are bankruptcies, deceased customers and customer accounts with small balances under \$20. These are removed under the categories of All-Area Direct W/O, but not placed with a collection agency.

Public Utility District No. 1 of Clallam County
Treasurer's Report June 30, 2022

	5/31/22	Receipts			Disbursements			6/30/22	6/30/21
		Cash	Transfers	Investments	Cash	Transfers	Investments		
Electric Funds									
Electric Operating Fund	4,532,251.16	6,804,367.93	578,160.28	5,464,660.46	745,917.65		5,704,201.26	17,947,209.53	
Temporary Investments	21,008,222.23	10,406.73					21,018,628.96	6,015,606.71	
Safekeeping Account	13,954.54	0.05		27.00			13,927.59	4,755.23	
Working Funds	3,200.00						3,200.00	3,350.00	
Escrow in Lieu of Bond Fund									
Rate Stabilization Fund	4,145,145.24						4,145,145.24	3,910,760.94	
2018 Construction Fund								851,974.18	
2018 Construction Fund - Inv.									
2022 Construction Fund	4,618,049.73	2,268.73					4,620,318.46		
2022 Construction Fund - Inv.									
Rural Economic Dev. Fund								67,248.37	
CETA Decarbonization Fund	6,929,010.86	3,404.04					6,932,414.90	6,338,984.01	
Debt Service Funds	589,858.34		294,929.17				884,787.51	939,559.41	
Debt Service Reserve Fund	2,016,087.39						2,016,087.39	3,444,672.44	
Water Funds	43,855,779.49	6,820,447.48	873,089.45	5,464,687.46	745,917.65		45,338,711.31	39,524,120.82	
Water Operating Fund	987,461.96	485.11	444,668.60		613,452.18		819,163.49	3,700,205.47	
Water Capital Fund	4,999,034.57	2,455.90	34,128.18				5,035,618.65	1,994,029.44	
Debt Service Fund - 2019 Loan	23,550.00		3,925.00	7,050.00			20,425.00	19,921.65	
Sewer Funds	6,010,046.53	2,941.01	482,721.78	7,050.00	613,452.18		5,875,207.14	5,714,156.56	
Sewer Operating Fund	72,186.65	35.46	7,313.88		4,288.00		75,247.99	65,286.67	
Sewer Capital Fund	144,187.78	70.84	532.72				144,791.34	138,424.33	
	216,374.43	106.30	7,846.60		4,288.00		220,039.33	203,711.00	
Totals	50,082,200.45	6,823,494.79	1,363,657.83	5,471,737.46	1,363,657.83		51,433,957.78	45,441,988.38	

	Interest		
	Current Month	2022	2021
Electric Funds	20,083.91	97,350.73	72,005.44
Water Funds	2,941.01	12,079.37	7,079.58
Sewer Funds	106.30	438.91	262.05
Total	23,131.22	109,869.01	79,347.07

	Cash & Investments	
	6/30/22	6/30/21
FF/Gesa/Sound Accounts	30,398,201.23	39,418,276.44
LGIP	-	-
Working Funds	3,200.00	3,350.00
Safekeeping	13,927.59	4,755.23
Investments	21,018,628.96	6,015,606.71
Total	51,433,957.78	45,441,988.38

Cash & Investments June 30, 2022

Avg. Weighted Yield	0.70%
Avg. Days to Maturity	169

Electric	Investment Instrument	Yield/Rate	Term	Maturity Date	Balance
Gesa CU	CD	0.70%	12 MO.	1/28/2023	3,027,160.21
Gesa CU	CD	0.70%	12 MO.	1/21/2023	3,026,846.10
U.S. Treasury	U.S. Treas	0.70%	289 Days	11/30/2022	14,964,822.65
				Subtotal	21,018,628.96

All Systems

LGIP		-
Cash	Varied	30,415,328.82
Total		\$ 51,433,957.78

*Cash held at FF, Sound, Gesa and US Bank (incl. Working Funds)

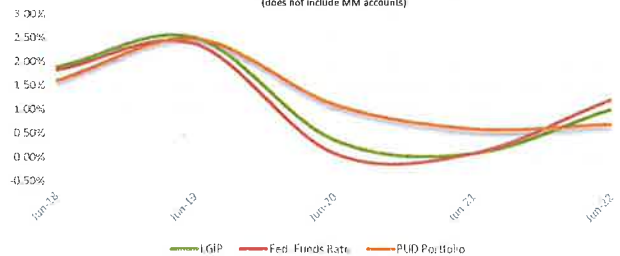
Cash & Investment Portfolio



LGIP & Fed Funds: Rate History



PUD Investment Yield: History & Comparison



Public Utility District No. 1 of Clallam County
Treasurer's Report June 30, 2022

Cash Receipts

Electric	Collections	6,800,363.57	
	Allocated Interest	4,004.36	
	Subtotal	6,804,367.93	
Temp. Investments	Bond Income	6,936.73	
	CD Interest	3,470.00	
	Subtotal	10,406.73	
Safekeeping	Treasury Bond Interest	-	
	Safekeeping Interest	0.05	
	Subtotal	0.05	
2022 Construction Fund	Allocated Interest	2,268.73	
CETA Decarbonization Fund	Allocated Interest	3,404.04	
Water	Collections	-	
	Allocated Interest	485.11	
	Subtotal	485.11	
Water Capital Fund	Allocated Interest	2,455.90	
Sewer	Collections	-	
	Allocated Interest	35.46	
	Subtotal	35.46	
Sewer Capital Fund	Allocated Interest	70.84	
	Total	6,823,494.79	

Cash Disbursements

Electric	Checks Iss'd/Fees	5,464,660.46	
	Subtotal	5,464,660.46	
Safekeeping Account	Fees	27.00	
Debt Service Fund - 2010	Principal & Interest	-	
Debt Service Fund - 2014	Principal & Interest	-	
Debt Service Fund - 2016	Principal & Interest	-	
Debt Service Fund - 2018	Principal & Interest	-	
Debt Service Fund - 2022	Principal & Interest	-	
	Subtotal	-	
Water	Debt Service Fund - 2019 Loan	7,050.00	
	Total	5,471,737.46	

Transfers In

Electric	From Water Op warehouse rent	1,990.00	
	From Water Op GIS Loan Payment	-	
	From Wat/Sew Op shared services	39,781.91	
	From Wat/Sew Op Current Month Payroll	154,500.00	
	Intercompany Trfs. - fleet, materials OH, etc. (WS)	3,342.96	
	From Wat/Sew Current Month Voucher & RnV	378,545.41	
	From Working Funds	-	
	From 2022 Construction Fund	-	
	Subtotal	578,160.28	
CETA Decarbonization Fund	From Elec Op	-	
Debt Service Funds	From Electric Op monthly debt service transfers	284,929.17	
Water	From Electric Op for Current Month Receipts	443,472.30	
	Intercompany Trfs. - fleet, materials OH, etc. (ES)	345.73	
	From Sewer Op promissory note pymt.	850.57	
	Subtotal	444,668.60	
Water Capital Fund	From Water Op for charges billed	34,128.18	
	From Water Op Transfer	-	
	Subtotal	34,128.18	
Debt Service Fund - 2019 Loan	From Water Op	3,925.00	
Sewer	From Electric Op for Current Month Receipts	7,313.88	
	Intercompany Trfs. - fleet, materials OH, etc. (EW)	-	
	Subtotal	7,313.88	
Sewer Capital Fund	From Sewer Op for charges billed	532.72	
	Total	1,363,657.83	

Transfers Out

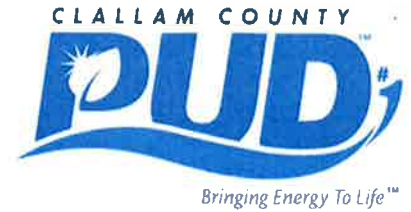
Electric	To 2010 Electric Debt Service Fund	73,120.83	
	To 2014 Electric Debt Service Fund	64,312.50	
	To 2016 Electric Debt Service Fund	75,054.17	
	To 2018 Electric Debt Service Fund	59,325.00	
	To 2022 Electric Debt Service Fund	23,116.67	
	To CETA Fund	-	
	To Wat/Sew Op Current Month Receipts	450,786.18	
	Intercompany Trfs. - fleet, materials OH, etc. (S)	-	
	Intercompany Trfs. - fleet, materials OH, etc. (W)	202.30	
	Subtotal	745,917.65	
Working Funds	To Electric Op	-	
2022 Construction Fund	To Electric Op	-	
Water	To Electric Op Current Month Payroll	153,281.57	
	To Electric Op warehouse rent	1,990.00	
	To Electric Oper shared services	39,377.94	
	To Electric Op Current Month Vouchers & RnV	377,406.53	
	To Electric Op GIS Loan Payment	-	
	Intercompany Trfs. - fleet, materials OH, etc. (E)	3,342.96	
	To Water Capital Fund charges billed	34,128.18	
	To Debt Service Fund - 2019 Loan	3,925.00	
	Subtotal	613,452.18	
Sewer	To Electric Op Current Month Payroll	1,218.43	
	To Elec Oper shared services	403.97	
	To Electric Op Current Month Vouchers & RnV	1,138.88	
	Intercompany Trfs. - fleet, materials OH, etc.	-	
	To Water Op promissory note pymt	850.57	
	Intercompany Trfs. - fleet, materials OH, etc. (W)	143.43	
	To Sewer Capital Fund charges billed	532.72	
	Subtotal	4,288.00	
	Total	1,363,657.83	

Investments Matured/Purchased


Operating Fund	Subtotal	-
Safekeeping	Subtotal	-
Temp. Investments	Subtotal	-
2022 Construction Fund	Subtotal	-
	Total	-

Investments Matured/Purchased

Operating Fund	Subtotal	-
Safekeeping	Subtotal	-
Temp. Investments	Subtotal	-
2022 Construction Fund - Inv.	Subtotal	-
	Total	-



MEMORANDUM

Date: August 8, 2022
To: Sean Worthington, General Manager
From: John Purvis, Assistant General Manager 
Kaylie Hunter, Procurement & Facilities Supervisor
Re: ACCEPTANCE MEMO OF COMPLETION
BID OPENING MAY 3, 2022
CENTRAL WAREHOUSE FACILITY ROOF RESTORATION
100 HOOKER ROAD, SEQUIM
BID NUMBER 221002

All work under the above-referenced contract with **CHG BUILDING SYSTEMS, INC.**, has been completed. It is recommended this work be accepted as complete.

The project consisted of all necessary services, labor, and materials required to clean, prep, and restore the roof and gutters of Central Warehouse Facility at 100 Hooker Road, Sequim, due to deterioration of existing roof sealant and leaking gutters.

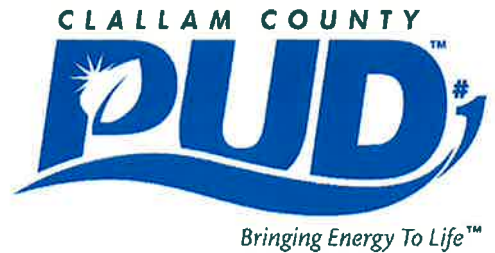
The Contractor started the project on May 9th 2022 and completed the project on July 20th 2022. The total contract cost:

JP:KH:jk

Item	Total
Contract Amount	\$248,279.00
WSST (8.5%)	\$21,103.72
Total Contract Cost	\$269,382.72

Accepted by Board of Commissioners at meeting of: August 8, 2022.

Sean Worthington, General Manager



MEMORANDUM

Date: August 8, 2022

To: Sean Worthington, General Manager

From: John Purvis, Assistant General Manager
Tom Martin, Water & Waste Water Systems Superintendent

Re: ACCEPTANCE MEMO FOR AGREEMENT COST INCREASE
MURRAYSMITH, INC
CLALLAM BAY SEKIU WATER MAIN UPGRADES PRE-CONSTRUCTION
AGREEMENT NUMBER 200328

This contract is for engineering services on Clallam Bay/Sekiu Water Main Upgrades Pre-Construction, contracted at \$349,452.00. Due to delays and design changes with Washington State Department of Transportation (WSDOT), a change order was previously done and approved by the General Manager to extend the agreement time and add to the scope of work for an additional \$34,843.00, with a total project cost not-to-exceed \$384,295.00.

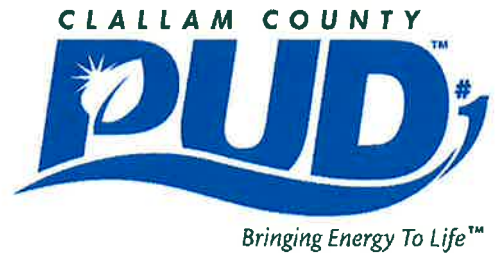
This request is for more additional services not included in the original scope of work; attend the bid opening with travel time and mileage, review and provide recommendation of bids, and reference check of the lowest responsive bidder and provide necessary documentation. The additional scope of work and time increases the agreement amount over 10% with an additional \$4,172.00, for a total project cost of \$388,467.00 and extends the completion date from December 15, 2021, to August 10, 2022.

It is recommended to accept the additional agreement cost of not-to-exceed amount of \$388,467.00 and extend the agreement deadline to August 10, 2022.

JP/TM/jk

Accepted by Board of Commissioners at meeting of August 8, 2022.


Sean Worthington, General Manager



MEMORANDUM

Date: August 8, 2022

To: Sean Worthington, General Manager

From: John Purvis, Assistant General Manager 
Tom Martin, Water & Waste Water Systems Superintendent

Re: ACCEPTANCE MEMO FOR AGREEMENT COST INCREASE
KENNEDY/JENKS CONSULTANTS, INC.
LUD 3 INFRASTRUCTURE UPGRADES PRE-CONSTRUCTION
AGREEMENT NUMBER 200334

This contract is for engineering services on LUD 3 Infrastructure Pre-Construction, contracted at \$65,998.00. Due to additional requirements with City of Port Angeles, a change order was previously done and approved by the General Manager to extend the agreement time and add to the scope of work for an additional \$31,601.00, with a total project cost not-to-exceed \$97,599.00.

Due to the extended delay in conditional use permit and purchase and sale agreement, more time in engineering services is needed on the agreement to complete the scope of work on the sub-division and project design. The extended service time increases the agreement amount over 10% with an additional \$4,806.00, for a total project cost of \$102,405.00 and further extends the completion date from May 31, 2022, to January 31, 2023.

It is recommended to accept the additional agreement cost of not-to-exceed amount of \$102,405.00 and extend the agreement deadline to January 31, 2023.

JP/TM/jk

Accepted by Board of Commissioners at meeting of August 8, 2022.

Sean Worthington, General Manager

Clallam Bay-Seki Water Main Upgrades Pre-Construction
 Clallam County PUD No. 1
 Exhibit B - Fee Estimate for Additional Bid Phase Services

Staff Name	Professional Engineer VIII	Professional Engineer IV	Hours	Labor	United Engineering Inc.	Subconsultant Multiplier % Markup	Subconsultant Total with Markup	Total
	\$221 Krusc	\$180 Mneer						
Task 11 - Bidding and Support Services								
Bid Opening Meeting Attendance and Coordination	1		1	\$ 221	\$ 698	1.1	\$ 768	\$ 989
Tabulate Bids	1	4	5	\$ 941		1.1	\$ 941	\$ 941
Evaluate Bids for Responsiveness	1	6	7	\$ 1,301		1.1	\$ 1,301	\$ 1,301
Check References for Lowest Responsive Bidder and Document Feedback	2	2	2	\$ 360		1.1	\$ 360	\$ 360
Make Recommendation for Award to Lowest Responsive Bidder	1	2	3	\$ 581		1.1	\$ 581	\$ 581
Task 11 Subtotal	4	14	18	\$ 3,404	\$ 698		\$ 768	\$ 4,172
TOTAL - ALL TASKS	4	14	18	\$ 3,404	\$ 698		\$ 768	\$ 4,172



PUD Line Sharing

By Colin Young

8/8/2022

What is Sharing?



Allows pioneers the potential to recover a portion of the costs of installing new utility facilities from additional customer connections. Clallam PUD facilitates this process by providing a dedicated employee to administer the Sharing Program. This includes determining eligible sharing payments, recording and filing of sharing payments for individual customers for 7 years, researching parcel ownership, and working with accounting to track sharing payments. Instead of customers meeting on their own to negotiate extending power, we track and maintain records for individuals. If a customer has to pay sharing, we take the payment and refund the original customer.

Why Are We Discussing Sharing

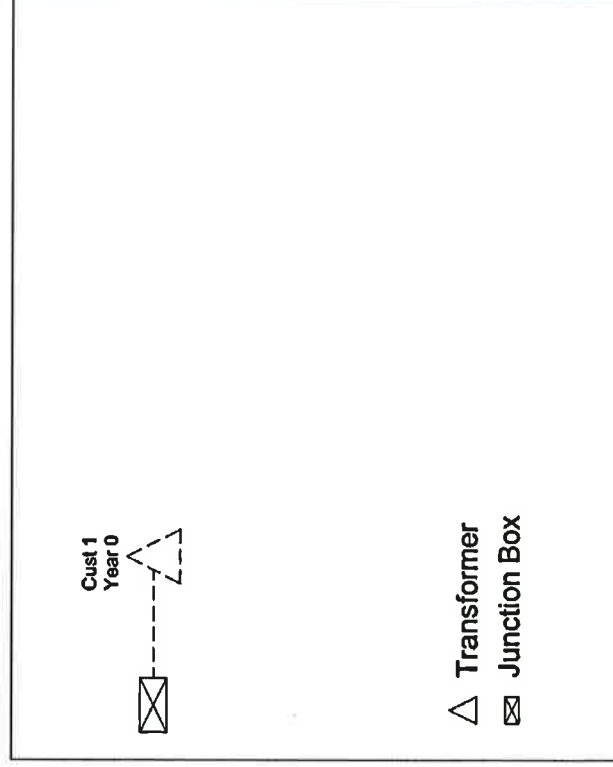


- Large subdivisions already waive sharing.
- We are losing our employee with over 35 years of experience.
- Opportunity to simplify the process, reduce paperwork, free up employee to do other work.
- We average about 5 sharing payouts each year, but maintain records for hundreds of customers.
- The sharing program requires over 300 hours of employee time per year to administer program and there is additional time from accounting for processing.
- Customers can negotiate between each other.
- Very few changes have been made since 1994, but the way new customers connect has changed. Most new customers are either subdivisions (which wave sharing) or single transformers to single customers with very low likelihood of new connections, but we are still required to keep records for 7 years on each customer.
- PUD can sometimes be put in the middle of customer disputes of sharing payments.
- The nature of how sharing expands as each additional customers connects, increases processing error and legal risk.
- The water department has a similar practice in place which is currently in review.

7 year sharing drawing example



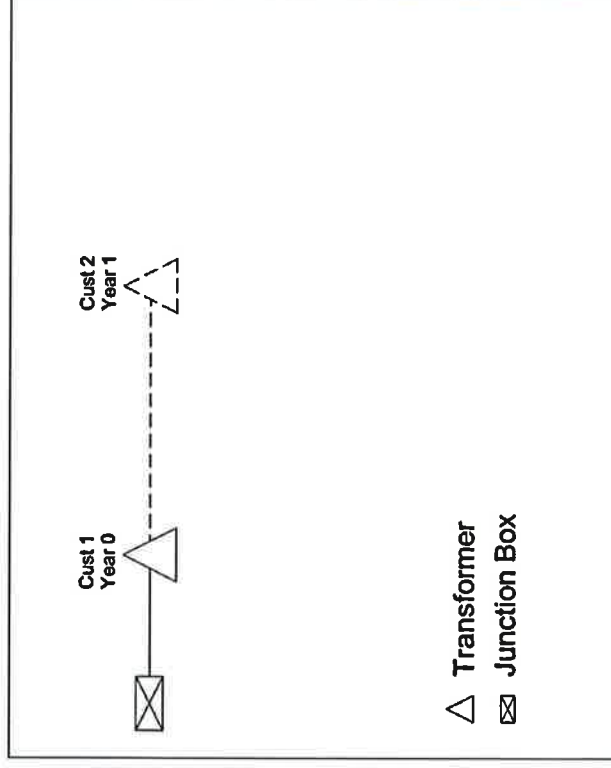
- Year 0 (Initial electrical installation)



7 year sharing drawing example



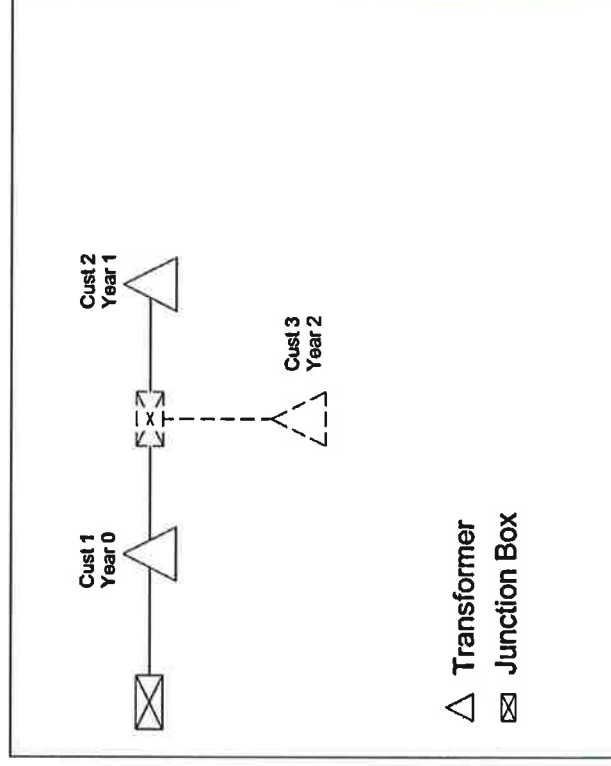
- Year 1 (2nd Customer)
- Cust2 pays Cust1 1/2 portion of Cust1 line extension



7 year sharing drawing example



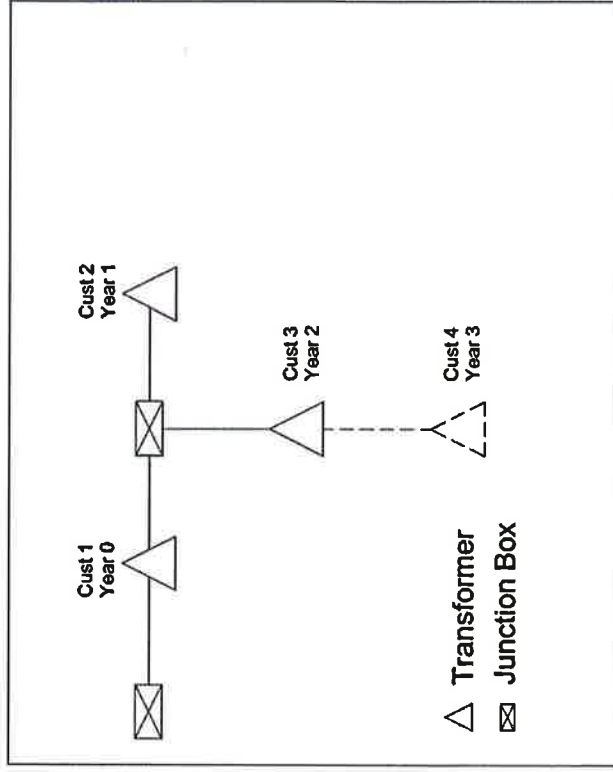
- Year 2 (3rd Customer)
- Cust3 pays Cust1 1/3 of Cust1 line extension to Cust1 & Cust2
- Cust3 pays Cust2 1/2 of Cust2 line extension



7 year sharing drawing example



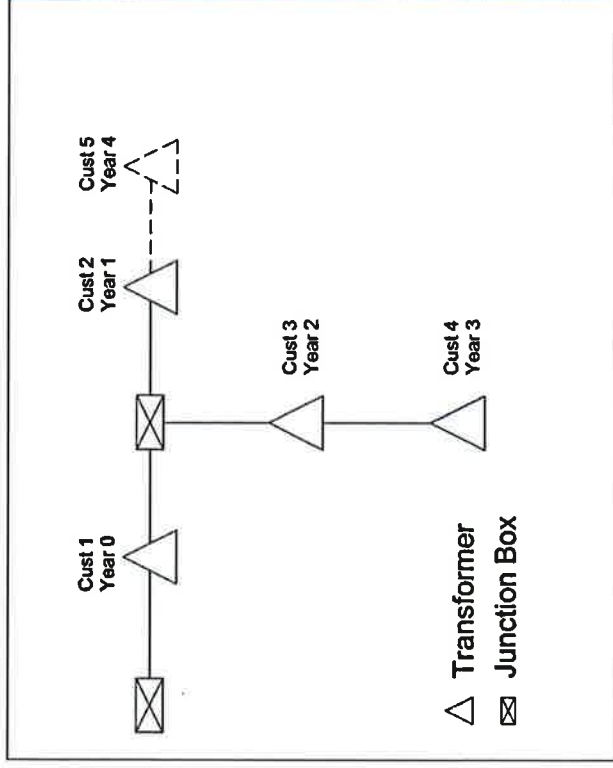
- Year 3 (4th Customer)
- Cust4 pays $\frac{1}{4}$ of Cust1 line extension to Cust1, Cust2 & Cust3
- Cust4 pays $\frac{1}{3}$ of Cust2 line extension to Cust2 & Cust3
- Cust4 pays $\frac{1}{2}$ of junction box
- Cust4 pays $\frac{1}{2}$ of Cust3 line extension



7 year sharing drawing example



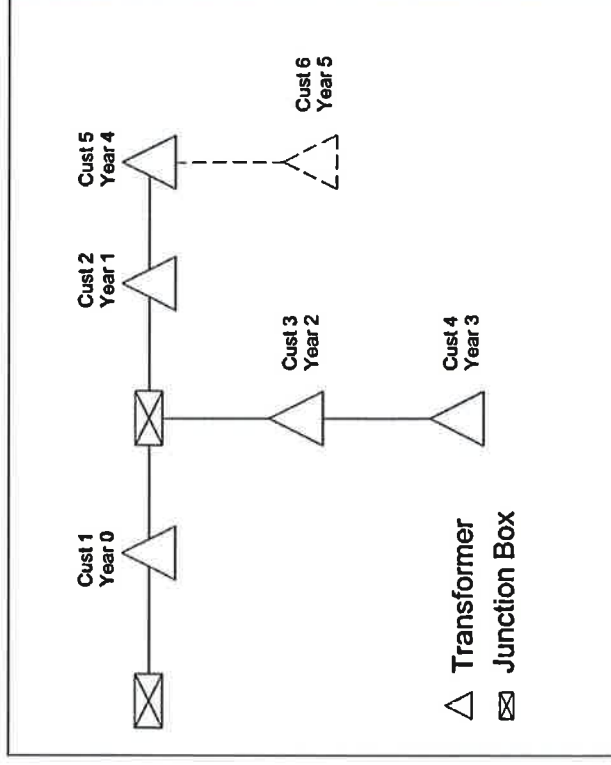
- Year 4 (5th Customer)
- Cust5 pays 1/5 of Cust1 line extension to Cust1, Cust2, Cust3 & Cust4
- Cust5 pays 1/4 Cust2 line extension to Cust2, Cust3 & Cust4
- Cust5 pays 1/2 Cust2 line extension between junction box and Cust2 transformer
- Cust5 pays 1/3 of junction box to Cust3 & Cust4



7 year sharing drawing example



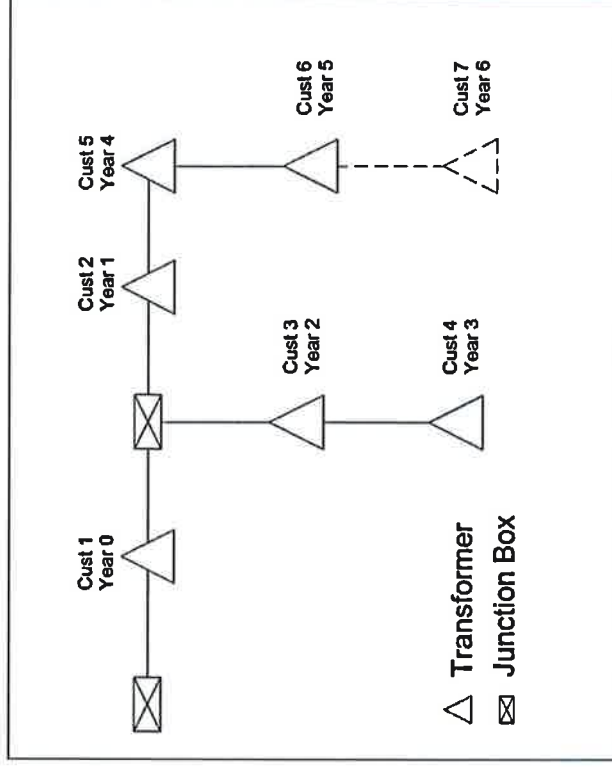
- Year 5 (6th Customer)
- Cust6 pays 1/6 of Cust1 line extension to Cust1, Cust2, Cust3, Cust4 & Cust5
- Cust6 pays 1/5 of Cust2 line extension to Cust2 Cust3, Cust4 & Cust5
- Cust6 pays 1/3 Cust2 line extension between junction box and Cust2 transformer to Cust2 & Cust5
- Cust6 pays 1/4 of junction box to Cust3, Cust4 & Cust5
- Cust6 pays 1/2 Cust5 line extension



7 year sharing drawing example



- Year 6 (7th Customer)
- Cust7 pays 1/7 of Cust1 line extension to Cust1, Cust2, Cust3, Cust4, Cust5 & Cust6
- Cust7 pays 1/6 of Cust2 line extension to Cust2, Cust3, Cust4, Cust5 & Cust6
- Cust7 pays 1/4 Cust2 line extension between junction box and Cust2 transformer to Cust2, Cust5 & Cust6
- Cust7 pays 1/5 of junction box to Cust3, Cust4, Cust5 & Cust6
- Cust7 pays 1/2 Cust6 line extension



*Note: Example does not include instances where customers install electrical jointly, land transfers before the 7 year time period expires and sharing waivers. Transformer costs are not included in sharing.



Sharing Stats

- How many customer jobs are eligible for sharing per year? Average 115
- How many sharing payments are distributed per year? Average 5 per year
- Typical customer job cost? \$2,500 to \$3,500
- Typical customer sharing value? \$1,150
- Typical service poles installations cost about \$1,515
- Engineering Maintains hundreds of paper records that are tracked for 7 years.
- Over 100 customer jobs are scanned for sharing per year. This requires investigation into land ownership, previous work orders, calculating eligible sharing amounts, and filing.
- Last major sharing update was 1994.

Other PUDs

- 26 utilities were contacted, 12 did not have sharing, 11 had sharing, 3 did not respond. Mostly PUDs and a few Municipals.
- PUDs with Sharing
 - Some had 10 year terms.
 - Some had 5 year terms.
 - Some had sharing prorated over 5 years.
 - One had a 3 year term.
- PUDs without Sharing
 - 1 expressed interest in adding sharing.
 - 11 had no interest in the future of adding sharing.
 - 2 utilities eliminated sharing due to legal issues.
 - 1 utility is planning on eliminating sharing due to legal issues.

Staff Recommendation



1. Eliminate Sharing Regulations
2. Allow customers with a signed PLE and paid construction estimate before resolution date to be considered under prior sharing regulations (Adopted Resolution 2239-22).



Climate Commitment Act (CCA)

Presented by Tyler King / Power Analyst
August 08, 2022



Background



The program includes in-state generation and imported electricity. The entity with the obligation for complying with the program for the electricity sector is called the First Jurisdictional Deliverer (FJD).

- BPA power is considered imported electricity
- Program covers imported electricity if cumulative annual total is >25,000 MT CO₂e.

• The CCA gives BPA the option to decide to participate in WA's program as the FJD.



If BPA does not elect to be FJD



- BPA will not be the FJD for 2023, but will consider 2024 after WA finalizes the program rules.
- BPA will not be responsible for compliance, lower administrative workload.
- BPA costs will be zero (\$1.85 million for BPA customers over the threshold). Assuming \$32 per allowance = 1 MT CO₂e.
- Increased risks to secondary revenues; transactional friction and future EIM lost benefits.



Transactional friction if BPA is not the FJD



- Value of BPA energy is expected to increase.
- If BPA is not FJD, the price BPA receives is expected to be lower due to unique FJD cost exposure rules for power used to serve WA loads.
- EIM- BPA must be FJD in CA cap-and-trade program to receive EIM dispatch orders for CA loads. Same rules may apply for WA loads.



CCA Goals



- The revenue estimates for WA are nearly \$1 billion per year by the late 2020s.
- The total number of credits/allowances would shrink each year, increasing the price of pollution.
- Reduce GHG emissions by 95% by 2050.
- Proceeds from the CCA allowance auctions must be invested in critical climate projects, addressing issues in environmental justice and inequity. Also, requires 35% of funds be invested in projects for overburdened communities. Minimum of 10% go to projects with Tribal support.

