

PRE-AGENDA
FOR THE REGULAR MEETING OF
CLALLAM COUNTY PUBLIC UTILITY DISTRICT #1
BOARD OF COMMISSIONERS
SEPTEMBER 26, 2022 AT 1:30 PM

Join Zoom Meeting:

<https://clallampud-net.zoom.us/j/87354891997?pwd=aldHU0VhZXIva3FJZHdWa2pDcXNuQT09>

Meeting ID: 873 5489 1997 | **Passcode:** 458903

One tap mobile: +12532158782,,87354891997#,,,,*458903# US (Tacoma)

- **Consent Agenda Items**
The Commissioners will consider approving Consent Agenda items.
- **Recommendation Memo for Re-Bid of No. 220806 for the Neah Bay Substation Transformer**
Staff requests the Commission to authorize the District to re-solicit formal bids for Bid. No. 220806 for the purchase of one (1) 3-phase, 12MVA power transformer without Load Tap Changer, for the Neah Bay Substation. Proposals for this bid were over the allowed 15% of engineer's estimate of \$320,000 (not including WSST) per RCW 54.04.080.

Staff requests a motion, second, and vote: to authorize the District to re-solicit formal bids for Bid. No. 220806 for the purchase of one (1) 3-phase, 12MVA power transformer without Load Tap Changer. Bids are to be published on September 28, 2022, in the Daily Journal of Commerce and by such other means as determined by staff to be prudent inviting sealed bids, with an increased Engineer's Estimate of \$480,000.
- **RESOLUTION 2246-22 Adopting the District's Travel Policy**
Staff requests the Commission pass Resolution 2246-22 Adopting the District's Travel Policy.

Staff requests a motion, second, and vote: to pass Resolution 2246-22 Adopting the District's Travel Policy and Rescinding Resolution 2157-19.
- **RESOLUTION 2251-22 Decreasing the Current Electric System Rate**
Staff requests the Commission pass Resolution 2251-22 Decreasing the Current Electric System Rate and Authorizing Suspension of Transformer Capacity Charge.

Staff requests a motion, second, and vote: to pass Resolution 2251-22 Decreasing the Current Electric System Rate, Authorizing Suspension of Transformer Capacity Charge and Amending Resolution 2206-21
- **RESOLUTION 2252-22 Establishing Titles and Monthly Salary Ranges for Staff Employees**
Staff requests the Commission pass Resolution 2252-22 Establishing Titles and Monthly Salary Ranges for Staff Employees.

Staff requests a motion, second, and vote: to pass Resolution 2252-22 Establishing Titles and Monthly Salary Ranges for Staff Employees and Rescinding Resolution 2235-22.
- **Discussion Regarding Carlsborg Water Rights and Service Area Expansion**
Staff will initiate a discussion and present an outline for a future public work session regarding Carlsborg water rights and service area expansion.
- **RESOLUTION 2250-22 Executing a MOU Regarding Carlsborg Water Supply**
Staff requests the Commission pass Resolution 2250-22 Executing a MOU Between Clallam County PUD No. 1 and Clallam County Regarding Carlsborg Water Supply.

Staff requests a motion, second, and vote: to pass Resolution 2250-22 Executing a MOU Between Clallam County PUD No. 1 and Clallam County Regarding Carlsborg Water Supply.
- **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 September 12 regular meeting;
 - b. Claim vouchers for September 12 through September 19, 2022 for a total of \$3,037,153.72;
 - c. Payroll vouchers for the period of August 16 through September 15, 2022; and
 - d. August 2022 Treasurer's Report.
- 5. BUSINESS ITEMS**
 - a. Recommendation Memo for Re-Bid of No. 220806 for the Neah Bay Substation Transformer Doug Adams
 - b. RESOLUTION 2246-22 Adopting the District's Travel Policy and Rescinding Resolution 2157-19 Sean Worthington
 - c. RESOLUTION 2251-22 Decreasing the Current Electric System Rate and Authorize Suspension of Transformer Capacity Charge Sean Worthington
 - d. RESOLUTION 2252-22 Establishing Titles and Monthly Salary Ranges for Staff Employees and Rescinding Resolution 2235-22 Jamie Spence
 - e. Discussion/Outline for Public Work Session Regarding Carlsborg Water Rights and Service Area Expansion Travis McClain
 - f. RESOLUTION 2250-22 Executing a MOU Between Clallam County PUD No. 1 and Clallam County Regarding Carlsborg Water Supply Tom Martin/Travis McClain
 - g. BPA Post-2028 contract discussion Commissioners, Staff
- 6. CORRESPONDENCE/COMMUNICATIONS**
- 7. COMMISSIONER REPORTS**
- 8. STAFF REPORTS**
- 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 Clallam County PUD No. 1 Board of Commissioners and Clallam County Board of Commissioners

Main Office | 104 Hooker Road | Sequim, WA 98382

September 12, 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
Terry Lind, Operations Manager
Colin Young, Distribution System Supervisor
Xanthius Christiansen, Engineer
Teresa Lyn, Executive Assistant
Steve Schopfer, IT Manager
Tom Martin, WWW Manager

Nicole Hartman, Communications Manager
Eric Jacobson, Business Analyst
Mike Hill, Engineering Manager
Sarah Canepa, Financial Analyst II
Bowen Kendrick, WWW Systems Superintendent
Julie Metzger, Power Systems Project Coordinator
Chelsey Jung, Payroll Coordinator
Tyler King, Power Analyst
Shawn Delplain, Broadband Supervisor

Others Present as Identified

Mark Ozias, County Commissioner
Randy Johnson, County Commissioner
Bill Peach, County Commissioner
Richard Sill, Risk Manager
Steve Gray, Transportation Program Manager
Ron Cameron, Undersheriff
Diane Harvey, County Planner
Loni Gores, County Clerk of the Board
Bert Dee Boughton, Attorney
Carol Creasey, Hydrologist
Patti Morris
Greg Thompson
Shawn Hines
Dave Swinford

Mark Lane
Kenneth Reandeu
D. Harvey
Katherine no last name
Alan no last name
Mark Lane
Ken Hays
Ed Bowen
Hansi Hals
Peter Segall, PDN
Sanders, no other name provided
Zoom user, no name provided
Cheryl, last name not provided
360-461-4326

The meeting commenced at 1:30 PM.

PUBLIC COMMENT

Public comment was heard in appreciation of the District for quick completion of a joint project of the PUD, the Clallam Fire District, the Port of Port Angeles, and the Clallam County Amateur Radio Club to put in place a radio station that provides emergency and power outage

communications between the Hoko River water station and the District's Emergency Operations Center in Carlsborg.

AGENDA REVISIONS

Two agenda items were added to the agenda; a BPA rate case update and an invitation to join a PNGC Power-initiated discussion group.

CONSENT AGENDA

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 August 22 regular meeting;
- b. Claim vouchers for August 22 through September 6, 2022 for a total of \$1,174,761.08;
- c. Removal of delinquent accounts from the September 2022 active accounts receivable totaling \$12,019.69 including a 30% collection fee; and
- d. July 2022 Treasurer's Report.

BUSINESS ITEMS STARTING AT:

A. **Part 1:** PUD Commissioners and Clallam County Commissioners discussed the status of the Carlsborg new water right application and service area expansion. The PUD wants to secure additional water rights before expanding the service area, and the County wishes to see some short-term action with the existing water right that would allow for more housing development within the unserved portions of the County's Carlsborg Urban Growth Area (UGA). Accordingly, staff of the two entities recently developed a Memo of Understanding (MOU) regarding Carlsborg water rights and expansion, which defines the mutual interests of the PUD and the County, as well as some of the individual interests. The MOU provides the collaborative foundation from which solutions can be developed by both entities working together to meet their mutual interests. The MOU was provided to the County Board for review on August 22nd, 2022. Commissioner Mark Ozias anticipates that the Clallam Board will support it. WWW Manager Tom Martin advised that a next step is for the Department of Ecology (DOE) to consider all the input, and then to potentially enter into a cost reimbursement agreement with Ecology. The agreement is for the County to pay Ecology (on behalf of the District) to select a contractor from their pool of consultants, or selected PUD's own consultant, to draft a report of examination. There are legal prerequisites to getting a water right and these are listed in the MOU. The District needs Ecology to give us a clear path of how to get additional water rights when we need them in the future. Additionally, comments from other stakeholders are needed, including: the State, the existing Carlsborg Local Utility District (LUD) participants; the Dungeness River Water Management Team; and the Jamestown S'Klallam Tribe.

Part 2: The Clallam Board of Commissioners inquired about three areas of the PUD's 2023 Strategic Plan: opportunities for resilience of local our energy grid; the potential for creation of micro-grids and other technologies that could help Clallam be a more resilient community in case of a significant disaster; and the suggestion that a different mix of renewables in the energy supply could aid in attracting future businesses. PUD is aware of public interest for the development of micro-grid and energy alternatives, and although

at this time these are not cost-effective, Assistant Manager John Purvis advised that a number of grants are becoming available that may make these alternative cost-effective in the near future. Accordingly, the 2023 Strategic Plan includes initiatives to coordinate with community partners in support of these grant opportunities, including: the Pacific Northwest National Laboratory (PNNL); the North Olympic Development Council (NODC); the Clallam County Economic Development Council (EDC); and the Jamestown S'Klallam Tribe. PUD commits to provide technical advice, letters of support, and as we have recently with PNNL, to coordinate on projects that are in the strategic interest of our public utility and our ratepayers, and to support grid-stability generation projects within transmission and regulatory constraints. In answer to Commissioner Ozias' inquiry about what kind of grid stabilization project would make sense for Clallam County, Assistant Manager Purvis advised that dispatchable energy that is available when we specifically need it would stabilize the grid. However, if we go above twenty megawatts generation per interconnect project the PUD would be required by North American Electric Reliability Corporation (NERC) standards to initiate 24-7 system operations and other regulatory requirements, which would incur a major cost. Also discussed was PUD's strategic initiative to support low-income community solar up to two hundred kW where the off take is devoted to low-income customers, if they are situated at locations where we can take the load. This alleviates a legislative requirement or goal to alleviate energy assistance need. Expected substantial growth due to electric vehicles in the county was also discussed, which could possibly be met by an alternative renewable energy sources as they are now cost-competitive with BPA's Tier Two rate. Clallam Commissioner Johnson emphasized the need for collaboration of all major entities in the County to qualify for upcoming infrastructure grants. Clallam Commissioner Peach expressed interest in alternative energy sources but to also holding down the cost of energy for households that don't have a lot of income.

- B. Upon recommendation of staff, and upon motion of Commissioner Paschall, seconded by Commissioner Waddell and carried, the Board authorized Acceptance Memo of Completion for Purchase Order 24550 for the grading and resurfacing of the Forks pole yard at 241 Industrial Center in Forks. All work under this purchase order was completed by 2 Grade, LLC., on August 23, 2022 for a total contract cost of \$46,683.88, including WSST.
- C. Upon recommendation of staff, and upon motion of Commissioner Paschall, seconded by Commissioner Waddell and carried, the Board approved RESOLUTION 2248-22 establishing the Current Electric Service Regulations and Requirements and rescinding Resolution 2239-22.
- D. Upon recommendation of staff, and upon motion of Commissioner Paschall, seconded by Commissioner Waddell and carried, the Board passed Resolution No. 2249-22 authorizing the disposal of surplus property consisting of a 5000 KVA step transformer due to age and repairs needed. Item is valued at \$3760.00.
- E. There was no discussion of BPA Post-2028 contract updates.

- F. Assistant General Manager Purvis reported that per BPA's August financial outlook, projected revenues of \$718 million are above their 120 days of cash on hand threshold of \$600 million. This will trigger the rate case maximum Reserve Distribution Clause (RDC) for 2023. This translates to rate relief for their preference customers, of which PUD is one. BPA's elevated revenues are mostly due to two years of secondary sales of above contract high watermark generation into an elevated market driven mostly by California. General Manager Sean Worthington followed this news up with an announcement that the PUD will cancel its already approved rate increase for 2023. This action is made possible by dedicated adherence to the District's Strategic Plan, strong fiscal management, award-winning internal controls and as well as the implementation of BPA's Reserve Distribution Clause.
- G. General Manager Worthington reported on an invitation to join in on a PNGC Power-initiated discussion group for above high water mark and preference customers of BPA. PNGC Power is a Oregon-based electric generation and transmission (G&T) cooperative owned by 16 Northwest electric distribution cooperative utilities with service territory in 7 western states including Washington. Planned discussions topics are: the contract high watermark system; size and augmentation Tier One system; allocation and investments to net requirements; Tier Two products; non-federal power; integration costs; and election amounts and process. There is no cost to participate and discussion are expected to be virtual. Commissioner Purser and Paschall agreed that the PUD should participate.

CORRESPONDENCE/COMMUNICATIONS

General Manager Worthington advised that the PUD has received several letters of support – from Representatives Chapman, Tharinger, Kilmer, and Senator Van de Wege, the Makah Tribe, the Clallam County Commissioners; and several other County organizations in support of PUD's \$6.8 million dollar federal grant application to build broadband infrastructure from the Port Angeles airport substation to Forks. If awarded this grant, PUD will construct a new fiber backbone approximately 75 aerial fiber miles to extend service to unserved areas from the western side of Port Angeles to west of Joyce, then connect to BPA infrastructure across backcountry, then attach to PUD infrastructure east of Beaver to Forks. This project will directly impact the communities of Forks and Beaver, Washington with potential future expansion to Neah Bay.

COMMISSIONER REPORTS

Commissioner Purser attended an Energy Northwest Executive Board work session. Topics discussed were siting options and licensing for Grant PUD's small nuclear facility.

STAFF REPORTS

No staff reports.

BOARD ACTION ITEMS FOR STAFF

- a. Set up a work session with Carlsborg water stakeholders on the issues of Carlsborg water rights and expansion.

- b. Bring a Resolution before the board to cancel the 2023 planned rate increase based on BPAs excellent financial rate case.
- c. Send an email to Commissioners re: accepting PNGC's invitation to join in on BPA stakeholder group discussions.

COMMENTS FROM THE PUBLIC

There was no public comment.

ADJOURN

There being no further business to come before the board, the meeting adjourned at 3:04 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/>.

September 12, 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 9/21/22
AUDITING OFFICER

[Signature] DATE 9-21-22
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 9/12/2022–9/19/2022

Checks	\$	1,398,113.04
Wire Transfers		1,627,975.01
E-Payment		11,065.67
Prepays		
Total	\$	3,037,153.72

COMMISSIONER

COMMISSIONER

COMMISSIONER

Public Utility District No. 1 of Clallam County
Treasurer's Report August 31, 2022

	7/31/22			Receipts			Disbursements			8/31/22	8/31/21
	Cash	Transfers	Investments	Cash	Transfers	Investments	Cash	Transfers	Investments		
Electric Funds											
Electric Operating Fund	4,792,261.88	6,380,243.38	503,140.46	5,911,465.70	841,812.91		4,922,367.11		19,338,856.69		
Temporary Investments	21,029,384.63	10,757.80					21,040,142.43		6,021,722.48		
Safekeeping Account	13,900.64	0.05		27.00			13,873.69		4,750.27		
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											
2022 Construction Fund - Inv.	4,625,645.18	9,063.86					4,634,709.04				
2022 Construction Fund - Inv.											
Rural Economic Dev. Fund											
CETA Decarbonization Fund	6,940,407.21	13,599.60					6,954,006.81		6,343,315.23		
Debt Service Funds	1,179,716.68		294,929.17				1,474,645.85		1,565,932.35		
Debt Service Reserve Fund	2,016,087.39						2,016,087.39		3,444,672.44		
Totals	44,745,748.85	6,413,664.69	798,069.63	5,911,492.70	841,812.91		45,204,177.56		40,633,360.40		
Water Funds											
Water Operating Fund	586,746.44	1,149.78	537,530.61		524,087.63		601,339.20		1,244,625.45		
Water Capital Fund	5,066,665.03	9,928.43	20,235.34				5,096,828.80		4,739,353.87		
Debt Service Fund - 2019 Loan	24,350.00		3,925.00				28,275.00		27,764.99		
Totals	5,677,761.47	11,078.21	561,690.95		524,087.63		5,726,443.00		6,011,744.31		
Sewer Funds											
Sewer Operating Fund	77,907.52	152.67	9,435.52		3,829.36		83,666.35		69,178.74		
Sewer Capital Fund	145,490.60	285.10	533.80				146,309.50		139,397.52		
Totals	223,398.12	437.77	9,969.32		3,829.36		229,975.85		208,576.26		
Totals	50,646,908.44	6,425,180.67	1,389,729.90	5,911,492.70	1,389,729.90		51,160,596.41		46,853,680.97		

	Interest		
	Current Month	2022	2021
Electric Funds	51,960.06	183,604.62	127,201.30
Water Funds	11,078.21	29,907.50	15,043.78
Sewer Funds	437.77	1,130.36	550.02
Total	63,476.04	214,642.48	142,795.10

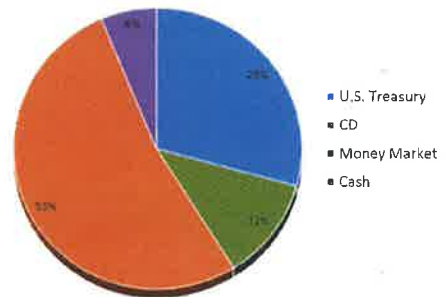
	Cash & Investments	
	8/31/22	8/31/21
FF/Gesa/Sound Accounts	30,103,380.29	40,823,658.22
LGIP	-	-
Working Funds	3,200.00	3,350.00
Safekeeping	13,873.69	4,750.27
Investments	21,040,142.43	6,021,722.48
Total	51,160,596.41	46,853,680.97

Cash & Investments	August 31, 2022
Avg Weighted Yield - Money Market	2.16%
Avg Weighted Yield - Investments	0.70%
Avg Days to Maturity	107

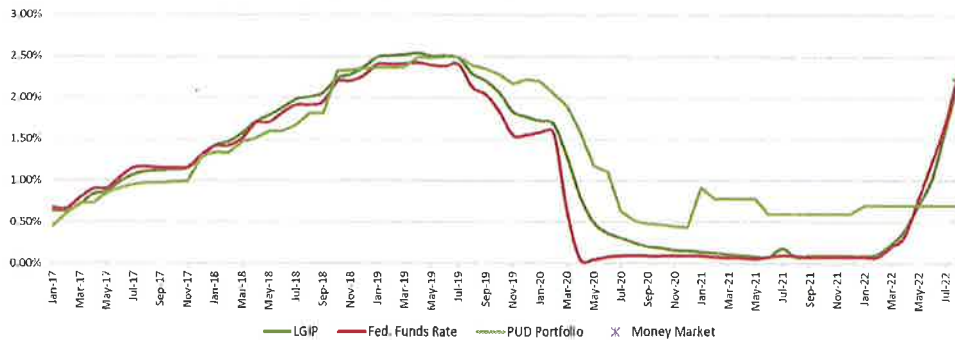
Electric	Investment Instrument	YieldRate	Term	Maturity Date	Balance
Gesa CU	CD	0.70%	12 MO	1/28/2023	3,030,749.17
Gesa CU	CD	0.70%	12 MO	1/21/2023	3,030,434.69
U.S. Treasury	U.S. Treasury	0.70%	289 Days	11/30/2022	14,978,958.57
Subtotal					21,040,142.43
All Systems					
LGIP		N/A			-
FF Money Market		2.23%			23,606,978.05
Sound Money Market		1.62%			3,297,185.48
Cash**		Varied			3,216,292.45
Subtotal					30,120,453.98
Total					\$ 51,160,596.41

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

Cash & Investment Portfolio



Rate History: LGIP, Fed Funds Rate, & PUD Investment Portfolio



Public Utility District No. 1 of Clallam County
Treasurer's Report August 31, 2022

Cash Receipts

Electric	Collections	6,361,704.63	
	Allocated Interest	18,536.75	
	Subtotal	6,380,243.38	
Temp. Investments	Bond Income	7,167.96	
	CD Interest	3,589.64	
	Subtotal	10,757.60	
Safekeeping	Treasury Bond Interest	-	
	Safekeeping Interest	0.05	
	Subtotal	0.05	
2022 Construction Fund	Allocated Interest	9,063.86	
CETA Decarbonization Fund	Allocated Interest	13,599.60	
Water	Collections	-	
	Allocated Interest	1,149.78	
	Subtotal	1,149.78	
Water Capital Fund	Allocated Interest	9,926.43	
Sewer	Collections	-	
	Allocated Interest	152.67	
	Subtotal	152.67	
Sewer Capital Fund	Allocated Interest	285.10	
	Total	6,425,160.67	

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	153,613.65	
	Intercompany Trfs. - fleet, materials OH, etc. (WS)	5,878.38	
	From Wat/Sew Current Month Voucher & RnV	301,876.52	
	From Working Funds	-	
	From 2022 Construction Fund	-	
	Subtotal	503,140.46	
CETA Decarbonization Fund	From Elec Op	-	
Debt Service Funds	From Electric Op monthly debt service transfers	294,929.17	
Water	From Electric Op for Current Month Receipts	526,355.00	
	Intercompany Trfs. - fleet, materials OH, etc. (ES)	11,175.61	
	From Sewer Op promissory note pymt.	-	
	Subtotal	537,530.61	
Water Capital Fund	From Water Op for charges billed	20,235.34	
	From Water Op Transfer	-	
	Subtotal	20,235.34	
Debt Service Fund - 2019 Loan	From Water Op	3,925.00	
Sewer	From Electric Op for Current Month Receipts	9,435.52	
	Intercompany Trfs. - fleet, materials OH, etc. (EW)	-	
	Subtotal	9,435.52	
Sewer Capital Fund	From Sewer Op for charges billed	533.80	
	Total	1,369,729.90	

Investments Matured/Purchased

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

Cash Disbursements

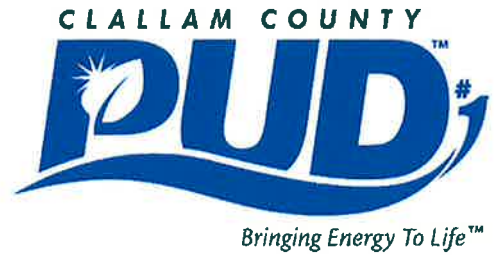
Electric	Checks Iss'd/Fees	5,911,465.70	
	Subtotal	5,911,465.70	
Safekeeping Account	Fees	27.00	
Debt Service Fund - 2010	Principal & Interest	-	
Debt Service Fund - 2014	Principal & Interest	-	
Debt Service Fund - 2016	Principal & Interest	-	
Debt Service Fund - 2018	Principal & Interest	-	
Debt Service Fund - 2022	Principal & Interest	-	
	Subtotal	-	
Water			
Debt Service Fund - 2019 Loan		-	
	Total	5,911,492.70	

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	535,790.52	
	Intercompany Trfs. - fleet, materials OH, etc. (S)	-	
	Intercompany Trfs. - fleet, materials OH, etc. (W)	11,093.22	
	Subtotal	841,812.91	
Working Funds	To Electric Op	-	
2022 Construction Fund	To Electric Op	-	
Water	To Electric Op Current Month Payroll	152,131.03	
	To Electric Op warehouse rent	1,990.00	
	To Electric Oper shared services	39,377.94	
	To Electric Op Current Month Vouchers & RnV	300,730.56	
	To Electric Op GIS Loan Payment	-	
	Intercompany Trfs. - fleet, materials OH, etc. (E)	5,697.76	
	To Water Capital Fund charges billed	20,235.34	
	To Debt Service Fund - 2019 Loan	3,925.00	
	Subtotal	524,087.63	
Sewer	To Electric Op Current Month Payroll	1,482.62	
	To Elec Oper shared services	403.97	
	To Electric Op Current Month Vouchers & RnV	1,145.96	
	Intercompany Trfs. - fleet, materials OH, etc.	180.62	
	To Water Op promissory note pymt	-	
	Intercompany Trfs. - fleet, materials OH, etc. (W)	82.39	
	To Sewer Capital Fund charges billed	533.80	
	Subtotal	3,829.36	
	Total	1,369,729.90	

Investments Matured/Purchased

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



MEMORANDUM

Date: September 26, 2022

To: Sean Worthington, General Manager

From: John Purvis, Assistant General Manager
Doug Adams, Transmission & Substation System Supervisor

Re: RE-BID RECOMMENDATION MEMO
NEAH BAY SUBSTATION TRANSFORMER
BID NUMBER 220806

Staff recommends the District re-solicit formal bids for purchase of one (1) 3-phase, 12MVA power transformer without Load Tap Changer, for the Neah Bay Substation, located at 1200 Backtrack Road, Neah Bay, WA. Proposals for Bid 220806, were over the allowed 15% of engineer's estimate of \$320,000 (not including WSST) per RCW 54.04.080, see bid tabulation attached.

The availability of a refurbished or used transformer was not an available option as previously anticipated and the cost of materials, shipping, and labor to produce a new transformer exceeded the estimated cost.

The transformer is presently 47 years old, and due to the salt air, the top of the transformer has a significant corrosion problem, despite multiple attempts to remove and treat the rust. This is our only substation serving the area of Neah Bay, including the Coast Guard station and Makah Tribe.

We recommend the District re-solicit formal bids to be published on September 28, 2022, in the Daily Journal of Commerce and by such other means as determined by staff to be prudent inviting sealed bids, with an increased Engineer's Estimate of \$480,000.

Accepted by Board of Commissioners at meeting of _____, 20__.

Sean Worthington, General Manager

A RESOLUTION Adopting the District's Travel Policy and
Rescinding Resolution No. 2157-19

WHEREAS, officials and employees of PUD No. 1 of Clallam County (the "District") have the occasion from time to time to travel on official District business; and

WHEREAS, the District's Board of Commissioners (the "Board") recognizes the need for updated guidelines for travel and reimbursement for such travel; and

WHEREAS, the Board intends by this Resolution to adopt a policy for the authorization, control and administration of travel expenses by District officials and employees.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The attached Travel Policy is hereby adopted, effective immediately; and
2. Resolution 2157-19 is hereby rescinded.

PASSED, by the Board of Commissioners of Public Utility District No. 1 of Clallam County, Washington, this 26th day of September, 2022.

President

ATTEST:

Vice President

Secretary



Policy No.	301		
Policy Name	District Travel Policy		
Department	All Departments		
Policy Owner Name/Title	Sean Worthington, General Manager		
Revision Date	9-26-22	Date Adopted	9-26-22
Resolution No.	2246-22	Approval Authority	Board of Commissioners
Policy Directive Required?	Yes, and it is included in this Policy		

DISTRICT TRAVEL POLICY

I. PURPOSE

- A. The purpose of this Policy is to provide clear guidance and procedures that are compliant with state and federal regulations, promote safe travel, and allow for economical travel expenses and reimbursement while maintaining the necessary controls and accountability.
- B. Travel by employees on official business shall be limited to necessary matters consistent with the business requirements of the District and handled in the most prudent and economical manner. All such travel that is properly authorized and within the letter and spirit of these policies shall be properly reimbursed.
- C. It is recognized that travel assignments may cause inconvenience and expense to employees, some of which are reimbursable and some of which are not. However, salaries and wages are considered to compensate for some inconvenience, including the necessity for travel outside of business hours.
- D. Employees will be reimbursed for authorized reasonable and necessary expenses incurred during approved work-related travel as per the accompanying *District Travel Procedures*.

- E. Reimbursement is allowed only when reimbursement has not been, and will not be, received from other sources. If a circumstance arises that is not specifically covered in this Policy, then the most conservative course of action should be taken.
- F. A subsistence rate and a mileage rate are calculated and reviewed at least annually by the District's Finance Department to determine the rate(s) as allowable per the IRS.
- G. Employee travel must be pre-authorized and employees should verify that planned travel is eligible for reimbursement **prior to** making travel arrangements.
- H. Reimbursement for Commissioner travel expenses to attend industry organization meetings, conferences, etc. shall be reimbursed only for those at which the District is an organization member.

II. POLICY DIRECTIVE

- A. This Policy and the accompanying *District Travel Procedures* supersedes all previous policies, guidelines, and memos, regarding District travel.
- B. All employees will adhere to this Policy and the accompanying *District Travel Procedures* and the existing *Travel/Training Authorization Request* and *Expense Claim Voucher*. Unless otherwise specified, 'Employees' includes Commissioners.
- C. This Policy and the accompanying Procedures are adopted by Clallam PUD effective September 26, 2022. The General Manager retains the right to modify, repeal or make exceptions to the Procedures at his/her discretion.

Procedure No.	301A
Procedure Name	District Travel Procedures
Department	All Departments
Procedure Owner Name/Title	Sean Worthington, General Manager
Issue Date	9-26-22
Date Adopted	9-26-22
Approval Authority	General Manager

DISTRICT TRAVEL PROCEDURES

I. RESPONSIBILITIES

- A. The employees' supervisor or manager is responsible for determining, prior to employees submittal of a travel request, that travel-related expenses are reasonable within the circumstances in which they will be incurred.
- B. The auditor is responsible for determining that actual travel-related expense reimbursements are reasonable within the circumstances in which they were incurred.

II. ACCEPTABLE TRAVEL AND TRAINING

- A. Attendance at training events, including but not limited to classes, seminars, workshops, conferences and conventions, shall be deemed to be on a voluntary basis unless otherwise approved by the General Manager.
- B. Employees will agree to conform their work schedule to correspond with the training or event schedule in which they are participating; and
- C. No work hours, including overtime, shall be paid for travel, training, or event attendance hours in excess of District's normal ten-hour workday.

III. OBTAINING TRAINING/TRAVEL APPROVAL

- A. Employees (not including Commissioners) will submit and receive approval of a ***Travel/Training Authorization Request*** no later than two (2) weeks **prior to** any travel or offsite training outside of Clallam or Jefferson County. Exceptions will be reviewed on a case by case basis by the General Manager.

- B. Travel/training is considered “approved” after obtaining the supervisor’s and General Manager’s signatures.
- C. *Travel/Training Authorization Requests* will include a description of the meeting/training date, time, cost, location, and estimated round-trip mileage as well as justification.

IV. MAKING RESERVATIONS AND REGISTRATIONS

- A. Reservations and registrations should be made **after** the General Manager approves the *Travel and Training Authorization Request*.
- B. Employees should obtain early travel approval to ensure adequate time for making reservations and registrations to secure the lowest rates and discounts possible and should be made such that they are refundable and do not incur cancellation fees or require a non-refundable deposit, when cost-effective to do so.
- C. If a registration or reservation must be changed or cancelled, the employee shall make all efforts to do so before change or cancellation charges are applied.
- D. If a registration or reservation is made in violation of these Procedures and is cancelled thus incurring fees or a lost deposit, the General Manager must approve the cancellation and the employee may be held responsible for associated costs.

V. ALLOWABLE MEAL EXPENSES

- A. Allowable reimbursable meal and incidental expenses must align with the U.S General Services Administration (GSA) per diem expenses for the locality traveled to (see <https://www.gsa.gov/travel/plan-book/per-diem-rates>).
- B. Itemized receipts for all meals are required and must consist of all food and drink items. Tip is not to exceed 15%.
- C. Employees’ meal expenses for travel or training **outside of** Clallam or Jefferson County shall be reimbursed at a daily per diem as per the GSA per diem expenses for the locality traveled to (see <https://www.gsa.gov/travel/plan-book/per-diem-rates>), See Section XI for more about per diem reimbursement.

VI. ALLOWABLE LODGING EXPENSES

- A. Allowable lodging reimbursements shall be made for lodging, including taxes and fees for the entire period required to be away because of a travel and/or training assignment.
- B. Whenever possible, lodging reservations should be made at the lowest available rate (e.g., the government rate when available) and cancellable without a penalty if it is cost-effective to do so. Employees may be required to present their District identification at the time of check in to receive the government rate.
- C. If a reservation is to be cancelled, the employee shall make all efforts to do so before cancellation charges are applied.
- D. The District guarantees reservations made in connection with official business and will provide advance payment or deposits on accommodations. Employees may, however, choose to pay such deposits subject to normal reimbursement.
- E. A detailed lodging folio receipt shall be attached to the *Expense Claim Voucher*. Such receipts, when unusually high or of a unique or unusual nature, should include an explanation. If meetings are held in hotel/motel-owned facilities, or if arrangements have been made to reserve a block of rooms for participants, sufficient reason to use such accommodations has been met.
- F. When accompanied by a spouse, the employee shall determine the single rate for lodging and record it on the lodging receipt or obtain a separate receipt. The employee will be reimbursed only for the single rate.

VII. ALLOWABLE AIRFARE AND TRANSPORTATION EXPENSES

- A. Allowable reimbursable transportation expenses include:
 - 1. All necessary official travel on ferries, airplanes, railroads, ships, buses, private automobiles, taxis, and other customary means of conveyance, including a 15% tip for taxi, shuttle, bus, etc.; and/or
 - 2. Parking fees, toll charges, baggage charges and extra fare charges that enable the employee to make required travel connections.
 - 3. Employee bookings and reimbursement for air transportation shall be at coach class. The General Manager must approve exceptions to this in writing.

4. Transportation expenses are reimbursed at actual cost, separately from the per diem reimbursement.
5. Transportation expenses do not require a receipt if less than \$25, though receipts should be submitted whenever possible.
6. Reimbursement will be based on a direct route and will not include stopovers or indirect travel for personal reasons.

VIII. VEHICLES AND MILEAGE REIMBURSEMENT

- A. In the event of multiple employees traveling to the same training or conference and having duplicate or coincidental attendance schedules, whenever feasible:
 1. Employees will carpool in a District-provided vehicle and use a District credit card for fuel and other authorized transportations expenses; or
 2. Employees will carpool in one of the employee's personal vehicles and that employee will submit a completed *Expense Claim Voucher* for reimbursement upon return.
- B. It is at General Manager discretion if meeting logistics are such to warrant more than one District vehicle be provided for any group of multiple travelers. Under no circumstances will multiple personal vehicles be compensated for mileage without pre-approval from the General Manager.
 1. Travel by vehicle rather than by airfare is allowable if it can be shown to be an equally economical method of travel, subject to prior authorization and approval by the General Manager.
 2. The amount that will be reimbursed will not exceed the comparable cost of the same trip (origin to destination and return) as if round trip air coach were used originating from a major airport.
- C. Reimbursement of mileage shall be as follows:
 1. The District's mileage rate is calculated and reviewed at least annually by the Finance Department to determine the rate(s) as allowable per the IRS.
 2. Reimbursement will be based on a direct route and will not include stopovers or indirect travel for personal reasons. Alternate travel routes may be made

taking into consideration reasonable amount of travel time and cost to the District.

3. Mileage should be on the basis of standard highway mileage guides (such as Google Maps or any other online mapping resource). When required by supervision, a copy of the mapping resource will be attached to the reimbursement request. Mileage starting location will be reimbursed for the lesser of the distance from the employee's home or headquarters at which the employee works.
4. For travel between District facilities, refer to the *Standard Vehicle Mileage* located under "Forms" on the District's intranet at <http://www/FormsReports/Forms.php>.
5. Mileage reimbursement shall be requested by completing the mileage section of the *Expense Claim Voucher*.

D. The District's liability insurance extends to an employee and authorized riders while they are operating District and private vehicles on District business.

1. When District employees use rental vehicles on District business **no additional insurance from the rental car company for the duration of the rental should be purchased**, as this is covered under the District's vehicle insurance policy.

E. Employees driving District or private vehicles while traveling on District business shall observe safe and courteous driving practices, obey traffic laws and regulations, and recognize that doing so (or not) reflects on the District.

IX. VEHICLE DAMAGE OR ACCIDENT WHILE TRAVELING

- A. If an employee's vehicle is damaged while on District-approved business travel, the employee may submit a claim through the District's claim process. The District's *Claim Policy* or insurance will apply in accordance with the Policy conditions and legal limits.
- B. Vehicle accidents must be reported to the proper law enforcement agency by the operator of a District-owned, privately-owned, or rental vehicle being used on official

District business, within twenty-four (24) hours after the accident, or sooner if required by law.

- C. All vehicle accidents, however minor, must be reported in writing as required by the District using the forms provided by the District.
- D. An accident involving personal injury must be reported by telephone to the supervisor or safety manager and followed up with a written report to the General Manager and the District's General Counsel. Reporting guidelines must be followed according to the *Accident Investigation Policy*.
- E. District vehicles shall contain *Accident Report Forms*, appropriate information and instructions in the vehicle glove compartments. Statements regarding a traffic accident should be made only to law enforcement officers. No commitments with regard to responsibility for an accident should be made at the time of the accident.

X. NON-ALLOWABLE EXPENSES

- A. Lodging arrangements other than as required for reasonable accommodations and schedules will be presumed to be for the personal benefit of, and will be payable by, the employee.
- B. Personal travel that occurs during business travel shall be clearly described both the *Travel/Training Authorization Request* and clearly described on the *Expense Claim Voucher*.
- C. Employees are responsible for all expenses incurred in connection with personal travel of a spouse.
- D. If an employee takes personal time off while on District travel, reimbursement for travel expenses and accommodations shall be made only for costs associated with the official business portion of the trip. This shall include, for example, a delayed return trip fare at a cost no greater than the return portion of a round trip fare used in the time necessary to complete the official business of the trip.
- E. No additional reimbursement shall be made for miscellaneous personal expenses such as:
 - 1. Laundry, maid tips, bellhop services, entertainment expenses, in-room movie rental and/or other items of a similar nature; or

2. Costs of personal travel insurance, medical services and hospital services.

XI. PER DIEM MEAL AND INCIDENTAL REIMBURSEMENT

- A. To obtain reimbursement (per diem or actual) for meals, mileage, and other authorized travel expenses, an accurate and complete *Expense Claim Voucher* must be submitted to the appropriate department head within sixty (60) days of the earliest expense item shown.
- B. Per diem reimbursements will be made upon completion of travel.
- C. District employees traveling on official District business **outside** the local area (defined as Clallam or Jefferson County) may receive a daily per diem reimbursement for meals, snacks and other incidentals, per the GSA per diem rates for the locality traveled to (see <https://www.gsa.gov/travel/plan-book/per-diem-rates>).
 1. If your travel is same day, and does not overlap a meal period, you will be compensated the per diem rate for incidental expenses;
 2. If your travel is same day, overlaps one meal period, you will be compensated at the per diem rate for that meal period plus the incidental expense;
 3. If your travel is same day, overlaps multiple meal periods you will be compensated the per diem rate for the first day of travel;
 4. For multi day travel you will be compensated the per diem rates per the GSA.
 5. Occasionally, an organization sponsoring an event (conference, training, or meeting) will bill the District separately for the cost of a specific meal for District attendees. In those instances, if the employee is to receive a per diem reimbursement for meal expenses related to that event, that employee, rather than the District, should pay the cost of the specific meal directly to the billing organization, as the per diem reimbursement is intended to cover that cost.
 6. Taxation of per diem reimbursement will apply if the amount exceeds the limits set by the IRS. Employees requesting per diem reimbursement that is deemed taxable will experience an increase in their payroll taxes.
 7. Early event registration and hotel and air travel reservation payments or deposits may result in the need for more than one *Expense Claim Voucher* being submitted for the same trip.

8. The General Manager may approve other exceptions for employees when the requirement of this provision is not met and circumstances warrant special consideration.

XII. USE OF DISTRICT CHARGE CARD FOR TRAVEL EXPENSES

- A. As an alternative to per diem reimbursement for meals, snacks and other incidentals, and subject to the District's *Charge Card Policy* and *Charge Card Program Guidelines*, an employee may use a District charge card for those expenses that otherwise would be eligible for per diem reimbursement as set forth above.
- B. The employee may charge no more per day for meals, snacks and other incidentals than the amount the employee would be entitled to receive as per diem reimbursement.
- C. Any charge in excess of the permitted daily per diem reimbursement amount shall be deemed to be a disallowed charge that must be repaid by the employee in accordance with the District's *Charge Card Policy* and *Charge Card Program Guidelines* PROVIDED that the District charge card may be used for lodging, transportation and other permissible non-per-diem expenses as set forth in these Procedures.

XIII. ENFORCEMENT

- A. These Procedures and the accompanying *District Travel Policy* supersedes all previous policies, guidelines, and memos, regarding District travel.
- B. All employees will adhere to these Procedures, the Policy, and the existing *Travel/Training Authorization Request* and *Expense Claim Voucher*.
- C. When utilizing a District charge card for travel or training, Employees will adhere to the *District's Charge Card Policy* and *Charge Card Program Guidelines*.
- D. The General Manager retains the right to modify, repeal or make exceptions to these Procedures at his/her discretion.

A RESOLUTION Decreasing the Current Electric System Rate
and Amending Resolution 2206-21

WHEREAS, Through dedicated adherence to the District's Strategic Plan, strong fiscal management, award-winning internal controls and implementation of BPA's Reserve Distribution Clause, the District is amending Resolution 2206-21 to reflect a change in rates as a result of an improved financial position;

RESOLVED, That the District's Electric Rate Schedule shall be revised as set forth in the attached rate schedule, resulting in a 1.00% decrease for all kWh rate classes and a 0.00% change to the Basic Customer Charge or Demand charge effective April 1, 2023.

2. The General Manager may suspend the current Transformer Capacity Charge during the duration of the BPA 2023 Reserve Distribution Clause which ends on September 30, 2023 and refund year to date previously collected Transformer Capacity Charges.

PASSED by the Board of Commissioners of Public Utility District No. 1 of Clallam County, Washington, this 26th day of September, 2022.

President

ATTEST:

Vice President

Secretary

2023 Electric Rate Schedules

Electric Rates Effective April 1, 2023

Basic Customer Charge

Class	2022	% Inc	2023
Residential/Farm			
Single Phase	\$40.50	0.00%	\$40.50
Three Phase	\$80.98	0.00%	\$80.98
Small General Service			
Single Phase	\$46.48	0.00%	\$46.48
Three Phase	\$92.97	0.00%	\$92.97
Medium General Service			
	\$73.25	0.00%	\$73.25
Large General Service			
	\$202.52	0.00%	\$202.52
Industrial			
	\$303.40	0.00%	\$303.40
Seasonal Irrigation			
Single Phase	\$27.52	0.00%	\$27.52
Three Phase	\$55.04	0.00%	\$55.04
Area Lighting			
	\$12.28	0.00%	\$12.28
Highway Lighting			
Single Phase	\$43.41	0.00%	\$43.41
Three Phase	\$81.92	0.00%	\$81.92

Energy Charge (\$/kWh)

Class	2022	% Inc	2023
Residential/Farm			
Single Phase	\$0.0778	-1.00%	\$0.0770
Three Phase	\$0.0778	-1.00%	\$0.0770
Small General Service			
Single Phase	\$0.0758	-1.00%	\$0.0750
Three Phase	\$0.0758	-1.00%	\$0.0750
Medium General Service			
	\$0.0648	-1.00%	\$0.0642
Large General Service			
	\$0.0525	-1.00%	\$0.0520
Industrial			
	\$0.0502	-1.00%	\$0.0497
Seasonal Irrigation			
Single Phase	\$0.0716	-1.00%	\$0.0709
Three Phase	\$0.0716	-1.00%	\$0.0709
Area Lighting			
	n/a		n/a
Highway Lighting			
Single Phase	\$0.0739	-1.00%	\$0.0732
Three Phase	\$0.0739	-1.00%	\$0.0732

Demand Charge (\$/kW)

Class	2022	% Inc	2023
Residential/Farm			
Single Phase	n/a		n/a
Three Phase	n/a		n/a
Small General Service			
Single Phase	n/a		n/a
Three Phase	n/a		n/a
Medium General Service			
	\$3.64	0.00%	\$3.64
Large General Service			
	\$5.65	0.00%	\$5.65
Industrial			
	\$7.02	0.00%	\$7.02
Seasonal Irrigation			
Single Phase	n/a		n/a
Three Phase	n/a		n/a
Area Lighting			
	n/a		n/a
Highway Lighting			
Single Phase	n/a		n/a
Three Phase	n/a		n/a

A RESOLUTION Establishing Titles and Monthly Salary
Ranges for Staff Employees and Rescinding Resolution 2235-22

WHEREAS, RCW 54.16.100 requires that the General Manager recommend to the Commission compensation for employees; and

WHEREAS, RCW 54.12.090 authorizes the Commission to create positions and fix salaries; and

WHEREAS, The Commission approves the annual budget, which includes staff allocation and funding to meet the strategic and operation requirements of the District; and

WHEREAS, the General Manager has reviewed the organization of the District, the current cost-of-living indices, and the positions and salary ranges required to efficiently manage and achieve the goals of the District; and

WHEREAS, due to the recent addition of a significant amount of previously outsourced maintenance work being brought in-house for cost-savings purposes, the District will have a need for a Facilities Maintenance Supervisor now, therefore, be it

WHEREAS, Attracting and retaining great people is a high level objective of the approved and adopted District Strategic Plan and enables the District to compete in the competitive marketplace for Energy Sector employees; and

WHEREAS, The Commission authorized the General Manager to administer merit pay increases, employee promotions, demotions, transfers, equity and market adjustments, and other administrative actions that conform to the limitations set within *the Titles and Monthly Salary Ranges for Staff Employees* limitations; now, therefore, be it

RESOLVED, That this RESOLUTION in its entirety becomes effective on September 26, 2022;

2. That the General Manager is hereby authorized, on behalf of the District, to administer merit pay increases, based on performance and behavior results for employees of the District, not represented under the Collective Bargaining Agreement and excluding the General Manager.

3. That the Commission authorizes the General Manager to administer merit pay increases, employee promotions, demotions, transfers, equity and market adjustments, and other administrative actions that conform to the limitations set within the attached *Titles and Monthly Salary Ranges for Staff Employees* as approved by the Commission.

4. That the General Manager shall include within the annual budget sufficient funds to support merit pay requirements for the year.

5. That the General Manager shall receive Commission approval for all modifications to the *Titles and Monthly Salary Ranges for Staff Employees*.

6. That the new title of Records Coordinator is added to range 18; the new title Water and Wastewater Supervisor is added to range 21; the new title Network Technician is added to range 17; and the title Records Supervisor is removed from range 19 in the Titles and Monthly Salary Ranges for Staff Employees.

7. That Resolution 2235-22 is rescinded.

PASSED, by the Board of Commissioners of Public Utility District No. 1 of Clallam County, Washington, this 26th day of September 2022.

President

ATTEST:

Vice President

Secretary

PUD #1 of Clallam County
Titles and Monthly Salary Ranges for Staff Employees
Effective: ~~March 14, 2022~~ Resolution No.: ~~2235-22~~

Salary Grade	Job Title	Minimum	Market Target	Maximum
11	Office Assistant	\$2,363	\$2,953	\$3,839
12	Student Intern I Records Technician	\$2,599	\$3,249	\$4,223
13	Administrative Support	\$2,858	\$3,573	\$4,645
14		\$3,144	\$3,929	\$5,109
15	Student Intern II	\$3,459	\$4,323	\$5,620
16	Administrative Assistant Records Specialist	\$3,805	\$4,756	\$6,182
17	Operations Administrative Coordinator Human Resources & Safety Administrative Coordinator Desktop Technician Network Technician Engineer Student Intern Accounting Specialist I	\$4,186	\$5,232	\$6,802
18	Accounting Specialist II Records Coordinator	\$4,604	\$5,756	\$7,482
19	Executive Assistant Benefits Analyst Records Supervisor Utility Services Advisor I Water and Wastewater Systems Coordinator Customer Service Coordinator Finance Coordinator Contracts Coordinator Payroll Coordinator	\$5,061	\$6,327	\$8,226
20	Engineer I Power Analyst I Accountant Compliance Analyst Financial Analyst I	\$5,570	\$6,964	\$9,053
21	Engineer II Senior Accountant Systems Administrator Utility Services Supervisor Business Systems Analyst	\$6,126	\$7,658	\$9,956

	Network Administrator			
	WWW Supervisor			
22	Materials Superintendent	\$6,741	\$8,426	\$10,954
	Network Engineer			
	GIS/SCADA Administrator			
	Power Analyst II			
	Financial Analyst II			
	Customer Service Supervisor			
23	Assistant Operations Superintendent	\$7,414	\$9,267	\$12,047
	WWW Superintendent			
	Sr. Civil Engineer			
	Communications & Government Relations Manager			
	Engineer III			
	Facilities Maintenance Supervisor			
24	Procurement & Facilities Supervisor	\$8,156	\$10,195	\$13,253
	Safety Manager			
	Sr. Electrical Engineer			
	Broadband Supervisor			
25	Information Technology Manager	\$8,970	\$11,213	\$14,577
	WWW Systems Manager			
	Power Supply Manager			
	Operations Superintendent			
	Human Resources Manager			
	Transmission & Substation Systems Supervisor			
	Distribution System Supervisor			
	Controller/Auditing Officer			
	Finance Manager / Treasurer			
26	Engineering Manager	\$9,868	\$12,335	\$16,036
	Operations Manager			
27	General Superintendent	\$10,856	\$13,570	\$17,641
28	Assistant General Manager	\$11,942	\$14,927	\$19,405
29	General Counsel	\$13,136	\$16,419	\$21,345

PUD #1 of Clallam County
Titles and Monthly Salary Ranges for Staff Employees
Effective: September 26, 2022 Resolution No.: 2252-22

Salary Grade	Job Title	Minimum	Market Target	Maximum
11	Office Assistant	\$2,363	\$2,953	\$3,839
12	Student Intern I Records Technician	\$2,599	\$3,249	\$4,223
13	Administrative Support	\$2,858	\$3,573	\$4,645
14		\$3,144	\$3,929	\$5,109
15	Student Intern II	\$3,459	\$4,323	\$5,620
16	Administrative Assistant Records Specialist	\$3,805	\$4,756	\$6,182
17	Operations Administrative Coordinator Human Resources & Safety Administrative Coordinator Desktop Technician Network Technician Engineer Student Intern Accounting Specialist I	\$4,186	\$5,232	\$6,802
18	Accounting Specialist II Records Coordinator	\$4,604	\$5,756	\$7,482
19	Executive Assistant Benefits Analyst Utility Services Advisor I Water and Wastewater Systems Coordinator Customer Service Coordinator Finance Coordinator Contracts Coordinator Payroll Coordinator	\$5,061	\$6,327	\$8,226
20	Engineer I Power Analyst I Accountant Compliance Analyst Financial Analyst I	\$5,570	\$6,964	\$9,053
21	Engineer II Senior Accountant Systems Administrator Utility Services Supervisor Business Systems Analyst	\$6,126	\$7,658	\$9,956

	Network Administrator			
	WWW Supervisor			
22	Materials Superintendent	\$6,741	\$8,426	\$10,954
	Network Engineer			
	GIS/SCADA Administrator			
	Power Analyst II			
	Financial Analyst II			
	Customer Service Supervisor			
23	Assistant Operations Superintendent	\$7,414	\$9,267	\$12,047
	WWW Superintendent			
	Sr. Civil Engineer			
	Communications & Government Relations Manager			
	Engineer III			
24	Procurement & Facilities Supervisor	\$8,156	\$10,195	\$13,253
	Safety Manager			
	Sr. Electrical Engineer			
	Broadband Supervisor			
25	Information Technology Manager	\$8,970	\$11,213	\$14,577
	WWW Systems Manager			
	Power Supply Manager			
	Operations Superintendent			
	Human Resources Manager			
	Transmission & Substation Systems Supervisor			
	Distribution System Supervisor			
	Controller/Auditing Officer			
	Finance Manager / Treasurer			
26	Engineering Manager	\$9,868	\$12,335	\$16,036
	Operations Manager			
27	General Superintendent	\$10,856	\$13,570	\$17,641
28	Assistant General Manager	\$11,942	\$14,927	\$19,405
29	General Counsel	\$13,136	\$16,419	\$21,345

RESOLUTION 2250-22

A RESOLUTION Executing a Memorandum of Understanding Between Clallam County PUD No. 1 and Clallam County Regarding Carlsborg Water Supply

WHEREAS, District and County staff have worked together to develop a Memorandum of Understanding (MOU) outlining the interests of the District, the County, and interests shared by the two parties pertaining to water supply in the Carlsborg region; and

WHEREAS, on March 19, 2013, the District and County entered into an Interlocal Agreement containing requirements for the County to procure additional water rights to supply water for full buildout of the Carlsborg UGA that is outside of the existing retail service area; and

WHEREAS, the MOU Regarding Carlsborg Water Supply is a statement of individual and/or mutual interests and goals only and does not alter the 2013 Interlocal Agreement; and

WHEREAS, the MOU Regarding Carlsborg Water Supply is an important collaborative step towards developing solutions to regional water supply issues that may be included in a future Interlocal Agreement between the District and the County; and

WHEREAS, the Clallam County Commissioners signed the attached MOU Regarding Carlsborg Water Supply at their meeting on September 20th, 2022;

Now, therefore, be it RESOLVED,

The attached Memorandum of Understanding Between Clallam County PUD No. 1 and Clallam County Regarding Carlsborg Water Supply is approved by the Board and will be executed on this day.

PASSED, by the Board of Commissioners of Public Utility District No. 1 of Clallam County,
Washington, this 26th day of September, 2022.

President

ATTEST:

Vice President

Secretary

Resolution 2250-22

309-22-001

ze
9/20/22

Clallam County and Clallam County Public Utility District #1 Memorandum of Understanding Regarding Carlsborg Water Supply

This Memorandum of Understanding ("MOU") is entered by Clallam County ("County") and Public Utility District No. 1 of Clallam County ("District"), each a "Party" and together the "Parties" to this MOU.

RECITALS

WHEREAS, the County adopted (Resolution 47, 2005) the Elwha-Dungeness Watershed (WRIA 18) Plan which was also approved by the other initiating governments—City of Port Angeles, Elwha Klallam Tribe, Jamestown S' Klallam Tribe, and Agnew Irrigation District (largest water purveyor) to guide the management of water resources.

WHEREAS, the 2005 Elwha-Dungeness Watershed Management Plan encourages new water demand to be served by existing Group A Public Water Systems such as the District's Carlsborg Water System.

WHEREAS, the District's mission is to provide reliable, efficient, safe and low cost utility services in a financially and environmentally responsible manner.

WHEREAS, the District owns and operates a Group A water system that was founded and developed to serve local utility districts ("LUD") initiated in the vicinity of Carlsborg, and the District holds three water rights that together authorize withdrawal and use of 468.5 acre feet from three wells and that are currently dedicated to serving the District's existing customers and commitments in its approved retail service area adopted in the District's Water System Plan.

WHEREAS, the District's primary existing Carlsborg production well (LUD #10 Well) is exhibiting rising nitrate contamination levels that are expected to reach the maximum contaminant level allowed within the next four to six years (2026-2028).

WHEREAS, the County formerly designated the Carlsborg Urban Growth Area (UGA) in 2000 under its comprehensive plan pursuant to the Washington State Growth Management Act (GMA), RCW 36.70A, to encourage new development in an area already characterized by urban growth where public facilities and services such as water supply are and can be provided in an efficient manner.

WHEREAS, the GMA supports the provision of adequate public facilities within the Carlsborg UGA such as public water service from a Group A public water system because such services are usually necessary to support urban densities (WAC 365-196-320).

WHEREAS, there are areas of the Carlsborg UGA where Group A public water system service is currently not available from the District or other existing providers.

WHEREAS, the County's Comprehensive Plan supports the District to be the public water purveyor within the Carlsborg UGA and also for the District's water system to be extended throughout the UGA as expeditiously as possible (CCC 31.03.350 (1d) (4)).

WHEREAS, the District's Water System Plan establishes both a "service area" and "retail service area" boundary for the Carlsborg Water System a map of which is attached as Exhibit A.

WHEREAS, the Carlsborg Water System "retail service area" includes the current District LUDs in the Carlsborg area, including parts of the Carlsborg UGA, where the District currently provides water service and has a duty to provide new service connections as set forth in RCW 43.20.260.

WHEREAS, the Carlsborg Water System "service area" (Exhibit A) outside of the "retail service area" is where future water service is planned by the District and includes areas within the Carlsborg UGA currently not within the District's retail service area and also not served by other Group A public water system providers.

WHEREAS, in order to serve the residential and commercial growth that the County has planned to accommodate in the Carlsborg UGA, the District's Carlsborg water system requires additional water right authorizations, new infrastructure including new water production wells, land to site new wells, water storage and pumping facilities, water treatment facilities, and water conveyance and distribution pipes and facilities.

WHEREAS, in 2006, the District filed water right permit application no. G2-30364 (the "2006 Water Right Application") requesting 215 acre feet per year annual quantity and 510 gallons per minute for instantaneous quantity for the anticipated development in the Carlsborg UGA related to County plans to provide sewer service in the UGA.

WHEREAS, effective January 2, 2013, the Department of Ecology ("Ecology") adopted the Water Resources Management Program for the Dungeness Portion of the Elwha-Dungeness Water Resource Inventory Area (WRIA) 18 ("Dungeness Instream Water Rule"), Chapter 173-518 WAC, that establishes instream flows and closures for identified streams, establishes a water exchange to offer mitigation "credits" for sale, and requires mitigation of all new water uses that would deplete any regulated stream.

WHEREAS, on March 19, 2013, the District and the County entered into the Interlocal Agreement for the Carlsborg Wastewater System that provides in Section 4.5 for "in the event the County proceeds with the Sequim Alternative" (i.e., send wastewater to Sequim for treatment) "and water-use mitigation costs to future water customers in the UGA are thereby adversely affected, the County will purchase or otherwise procure for the District additional water rights to supply water for full buildout of the Carlsborg UGA that is outside of the

District's current local utility district water service areas within the UGA, in a quantity sufficient to offset any adverse effects."

WHEREAS, in January 2015, Ecology approved the Carlsborg Sewer Facilities Plan (Clallam County, December 2014) for the "Sequim Alternative," and subsequently the County constructed the sewer system to convey Carlsborg UGA wastewater to the City of Sequim for treatment.

WHEREAS, the County contracted with a consulting firm to provide technical and project assistance to support the District's efforts to obtain Ecology's approval of the District's 2006 water right application, including drilling a new well (the "Carlsborg Very Deep Well") and development of a mitigation plan for new water uses as required under the Dungeness Instream Water Rule.

WHEREAS, Ecology has provided comments to the Parties on the 2006 Water Right Application, including that: (a) when the existing water right permit (G2-27681) was issued, the District's stated its intent to serve growth both inside and outside the Carlsborg UGA over an approximate 15 square-mile regional service area; and (b) the need to address long-term regional water supply coordination plans for the Carlsborg water system together with a plan and schedule for implementation that demonstrates how the District will develop and use the requested additional water supplies within the next 20 years, in addition to water previously allocated under Water Right No. G2-27681, to achieve regional and watershed planning goals.

WHEREAS, Ecology also commented that more than 80% of the District's water right allocations to date remain undeveloped.

WHEREAS, the 2005 Elwha-Dungeness Watershed Management Plan has a desired condition and outcome to be water supply strategies that assure public water service will be available to meet buildout potential in the timeframes required, and a recommendation that recognizing projected buildout and new growth within and beyond current service areas, Group A systems should make application to Ecology for water rights needed to serve that growth with water use efficiency, take steps to extend service areas to serve that growth where feasible and cost-effective, and initiate capital facility planning to support these steps.

WHEREAS, the Parties acknowledge that 2006 Water Right Application cannot yield sufficient water resources for full buildout of the Carlsborg UGA, that uncertainty exists regarding the outcome of the 2006 Water Right Application and the quantity that may be approved, and that continuing cooperative efforts by the Parties will be necessary.

WHEREAS, state approval of the District's 2006 Water Right Application together with existing water rights will support over 80% of the estimated full buildout of the Carlsborg UGA providing sufficient water rights to serve the projected UGA growth 20-years and beyond.

WHEREAS, state approval to increase the 2006 Water Right Application from 215 acre per year to 261 acre feet per year combined with existing water right will support full buildout (100%) of the Carlsborg UGA.

WHEREAS, in their comments, Ecology has expressed interest in preventing the proliferation of individual wells and small water systems where public water service is feasible.

WHEREAS, providing water service to the entire 15-square mile service area originally envisioned under the 1992 water right (G2-72681) is not feasible due to a number of considerations such as distance and high costs to extend water supply infrastructure over a large rural area; low density, rural development pattern that is characteristic of the majority of the area; and insufficient water rights to serve existing and future development in such a large area.

WHEREAS, the 15-square mile regional service area under the District's existing 1992 water right has also experienced significant changes in land use and water management including County establishment of the Carlsborg UGA in 2000, County lowering of rural densities outside the UGA, adoption of the Dungeness Instream Water Rule in 2013, establishment of the Dungeness Water Exchange in 2013 to implement the Rule, and District adoption/updates to its Water System Plan (last update 2017).

WHEREAS, to address Ecology comments regarding the proliferation of individual wells and small water systems where public water service is available, the District has identified a proposed expanded Carlsborg Water Service Area (Map Exhibit B) in the region around the Carlsborg UGA and existing LUDs that includes areas where the District has received landowner requests for water service and is adjacent to or in reasonable proximity of current or planned water supply infrastructure where extension of such water service may be feasible.

WHEREAS, expanding the District's retail service area to the remainder of the Carlsborg UGA not served by an existing Group A Public Water System and other areas within the original 15-square mile regional service area will help to reduce the proliferation of individual wells and further perfect the District's existing water rights.

WHEREAS, the District and County believe that shifting production from the shallower, Carlsborg LUD #10 Well (Aquifer 2) to the Carlsborg Very Deep Well (also known as the Van Lan Well, which is screened in Aquifer 4) will reduce impacts to surface waters from groundwater withdrawals and generate the potential for mitigation under the Dungeness Instream Rule that can support the District's expansion of the retail service area in the Carlsborg Region, including into the remainder of the Carlsborg UGA not served by an existing Group A Public Water System and to the rural lands immediately outside (within about 0.5 miles) of the existing service areas, to the extent of the amount of mitigation that Ecology approves.

WHEREAS, in an effort to address rising nitrate levels in water sources from the existing Carlsborg LUD #10 well, the District has developed a proposed project—the Carlsborg Blending Treatment Facility System Facility Project (the "Project")—to blend water from the Carlsborg

Very Deep Well drilled by the County in 2019 with water drawn from the LUD #10 Well, thereby reducing the level of nitrate contaminants to a safe level and improving the overall water quality provided to the District's Carlsborg Water System.

WHEREAS, the District and the County wish to facilitate the District's ability to extend its retail service area through the installation of a new well site, transmission lines, storage/blending facilities, pump stations and related infrastructure to connect the Carlsborg Very Deep Well water supply to the existing Carlsborg Water System.

WHEREAS, the legal pre-requisites for the District to extend its retail service area, and if necessary, revise its 2017 Service Area Expansion Policy include, but are not limited to, the District submitting a draft Water System Plan Amendment to the Department of Health ("DOH"), DOH reviewing and commenting on the draft, the District defining the SEPA process and schedule, Ecology preparing a report of examination ("ROE") on the 2006 water right application and mitigation plan, Ecology posting a draft ROE for public review, Ecology issuing the final ROE and approval of the mitigation plan, the District selecting a project alternative and adopting the Final Water System Plan, and DOH approving the Water System Plan.

WHEREAS, the Dungeness Water Exchange is the water supplier for rural areas in WRIA 18 that are not possible to be served in a timely and reasonable manner by the District, and the Parties agree that the District cannot serve all such rural areas and should plan to identify a Carlsborg regional service area.

WHEREAS, the County and District seek to work cooperatively to achieve shared goals and objectives related to the growth expected in the Carlsborg Region and efforts to plan for and serve that growing population.

WHEREAS, the County and District also seek to work cooperatively to help each other achieve shared and individual goals and interests related to providing public water service and reducing the proliferation of individual wells and small water systems in the Carlsborg UGA and also the expanded rural area identified by the District outside of the UGA and current LUDs.

WHEREAS, to facilitate that cooperative effort, the County and District benefit from documenting their individual and collective interests, objectives and goals in this MOU so that it can serve as the basis for a future Interlocal Agreement that identifies and further specifies roles and responsibilities regarding efforts to provide service of safe drinking water to the existing and future residents in the Carlsborg Region.

NOW, THEREFORE, in consideration of the mutual undertakings and interests contained herein, inclusive of the recitals above, and of the benefits to be realized by each party and in order to realize the benefits to the general public from agreement between the parties, it is agreed by and among the County and District as follows:

INTERESTS

1. Shared Goals. The District and the County share the following goals with respect to land use and water system planning to accommodate the needs of existing development and projected growth in the Carlsborg Region:

- Provide safe drinking water to the customers of the existing and future Carlsborg Water System.
- Expand the District's retail service area to the remainder of the Carlsborg Region that is not currently served by an existing Group A Public Water System.
- Provide predictability of water service to developers within the entire UGA.
- Appropriate and develop sufficient water for full buildout of the Carlsborg UGA, to be supplied by a Group A water system to support affordable housing, economic development, and other development in the existing UGA.
- Prevent permanent reductions in Dungeness River flows or small streams due to new appropriations of water.
- Reduce proliferation of private exempt wells in the Carlsborg Region and preserve the resources of the Dungeness Water Exchange for rural areas.
- Install water transmission lines and other related infrastructure needed to bring water from the Carlsborg Very Deep Well to the Carlsborg UGA.
- Have in place a Blending Treatment System, which uses clean water from the new Carlsborg Very Deep Well to abate nitrate contamination of drinking water supplies from the LUD 10 Well, by 2026.

2. District Interests. The County recognizes the following District interests related to its operations and planning within the Carlsborg Region and agrees to explore ways to protect or advance them through a subsequent Interlocal Agreement:

- Provide safe drinking water to Carlsborg Water System customers.
- Preserve and maintain water availability for the historical LUD areas of the District's existing service area.
- Preserve the existing 2013 Interlocal Agreement with Clallam County.
- Limit expansion of District's existing retail service area throughout the Carlsborg Region to the available amount of Ecology-approved mitigation.
- Plan for expanding the District's retail service area to meet water needs for the full

buildout of the Carlsborg Region, including but not limited to:

- the District's existing Local Utility Districts of the Carlsborg Water System,
 - the District's proposed consolidation of the Van-Lan Water System,
 - the County's existing Carlsborg Urban Growth Area,
 - the Sequim Valley Airport,
 - a regional area extending approximately 0.5 miles from the ends of the existing Carlsborg Water System distribution system (see Exhibit B) to reduce proliferation of individual wells and small water systems in areas where many landowners have expressed interest or requested District water service.
- Generate additional revenue from new customers to pay for the operation, maintenance and future needed improvements to the Carlsborg Water System.
 - Meet the requirements of the 2013 Dungeness River Water Management and Instream flow Rule.
 - Receive grant funding to offset costs of the Blending Treatment System.

3. County Interests. The District recognizes the following County interests related to its planning for growth within the Carlsborg UGA and agrees to explore ways to protect or advance them through a subsequent Interlocal Agreement:

- Expand retail water service in 2022 to the entire Carlsborg UGA not currently served by a Group A Public Water System.
- Continue to support the District in procuring additional water rights for the District for full buildout of the Carlsborg UGA including obtaining approval of the related Mitigation Plan.
- Support the District's Water System Plan Updates that prioritizes water availability and water supply infrastructure improvement in the Carlsborg UGA.
- Develop opportunities for affordable housing and promote opportunities for higher density residential development and new business growth within the Carlsborg UGA as envisioned under the County's comprehensive plan that are currently limited by lack of access to public water supply in a timely manner.
- Promote water use in the Carlsborg UGA that protects instream flows in the Dungeness Valley.
- Meet requirements of GMA to ensure adequate and reliable public water supplies for the Carlsborg UGA.
- Minimize cost of procuring a water right for the full buildout of the Carlsborg UGA.

4. Mutual Interests. The District and the County share the following mutual interests and seek to advance or protect them through action steps:

- Provide safe drinking water to the Carlsborg Region by installing a blending treatment system to reduce the level of nitrate contaminants to a safe level.
- Plan for serving water needs for the full buildout of the Carlsborg Region while meeting the requirements of the 2013 Dungeness River Water Management and Instream flow Rule.
- Develop opportunities for affordable housing and new business growth in a timely manner.
- Plan for serving water needs of the Sequim Valley Airport, an essential public facility, to address emergency use and other water needs.
- Meet requirements of GMA to ensure adequate and reliable water supplies for growth in the Carlsborg Region.
- Continue joint meetings with Ecology to obtain written approval of the District's 2006 water right application and related Mitigation Plan.
- Satisfy Ecology's requirements for addressing public interest associated with original intent and regional projected use of the District's 1992 water right and with achieving regional and watershed planning goals.
- Develop partnerships, support, and address concerns of key stakeholders such as the Jamestown S'Klallam Tribe, Dungeness Water Exchange, Dungeness River Management Team, Carlsborg UGA landowners and developers, Washington Department of Fish and Wildlife of the District's 2006 water right application.
- Continue consensus to obtain Ecology approval of the proposed mitigation plan prepared by Robinson Noble for the Parties that applies new scientific data acquired from drilling of the Carlsborg Very Deep Well that demonstrates the potential to reduce significantly the impacts on surface water flows by shifting production from the existing, much shallower LUD 10 Well (located in Aquifer 2) to the Carlsborg Very Deep Well (located in Aquifer 4).
- Integrate the operation of the blending treatment system into the water right mitigation plan such that continued perfection of the existing LUD 10 Well water right and shifting of production to the Carlsborg Very Deep Well would allow new water uses to be served by the Carlsborg Very Deep Well without impairment of senior water rights and instream flows.
- Reduce the impact of transference of the cost of the blending treatment system (e.g. surcharge or assessment) to Carlsborg UGA landowners and to increase incentives for development.

- Complete the legal pre-requisites that are necessary for the District to expand its retail water service area to include the entire UGA and expand its service area to include the entire Carlsborg Region.
- Upon Ecology approval of the Mitigation Plan and DOH approval of the District's Water System Plan amendment, update County and District Policies that may be needed to further address regional water supply coordination needs.

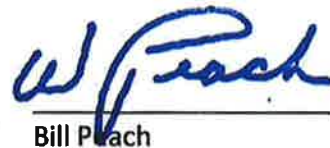
5. Interlocal Agreement. The County and District will seek to negotiate in good faith an interlocal agreement that seeks to meet and advance their individual and mutual goals and protect and advance their mutual and individual interests.

6. Statement of goals and interests only. The foregoing is a statement of various individual and/or mutual interests and goals to further discussions and negotiations. Nothing in this document is to be construed as a statement of facts asserted by one party, to be relied upon by the other party. Nothing in this document is to be construed as "consent", "assent" or an agreement of any type that is binding or enforceable in any way including reliance.

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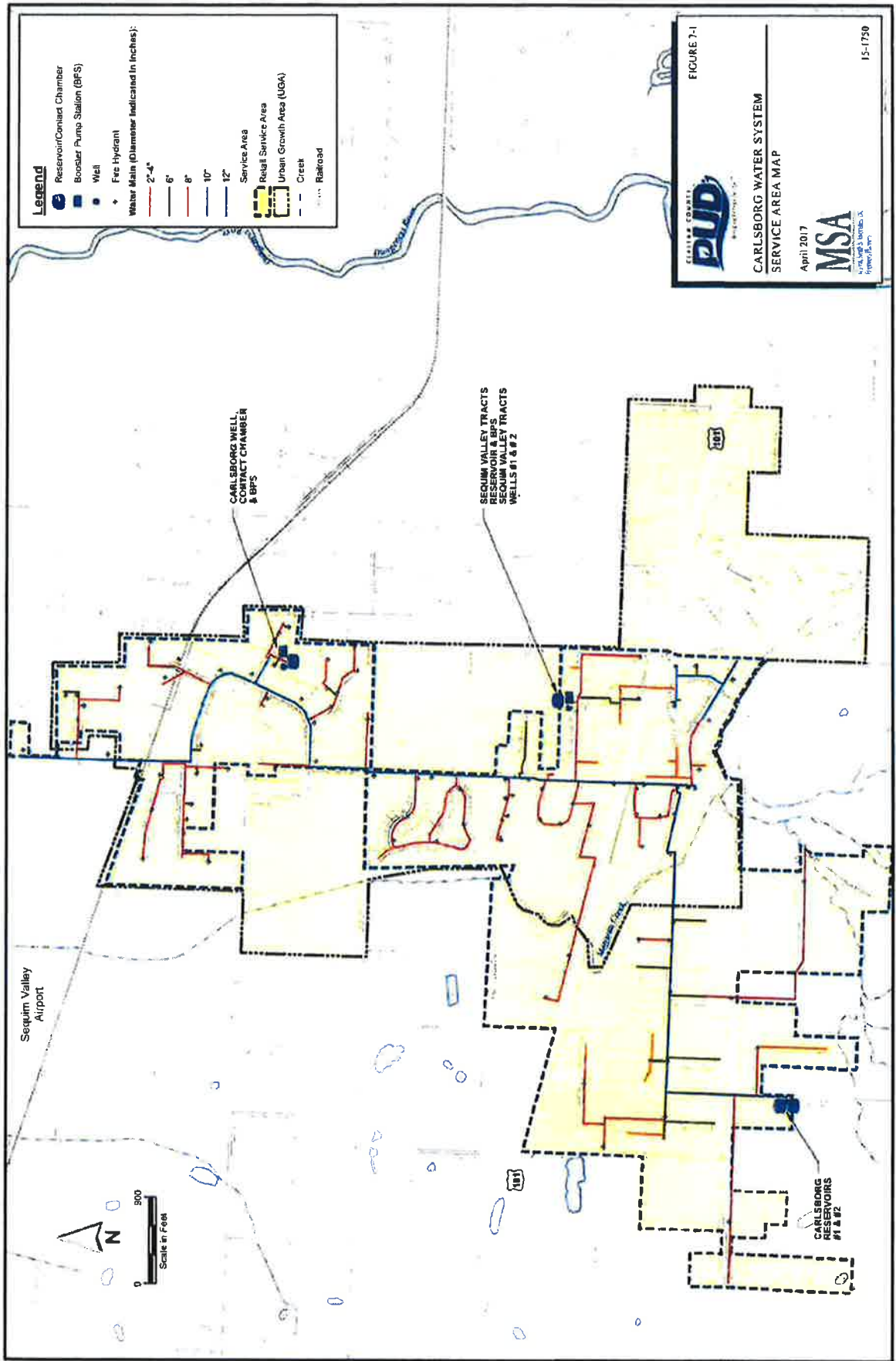
CLALLAM COUNTY PUBLIC UTILITY DISTRICT #1

Will Purser, President

Rich Paschall

Jim Waddell

EXHIBIT A





Van Lan

Old Olympic Hwy

Heathmoor

Carlsborg

Carlsborg UGA

Highway 101

Legend

- Existing Retail Service Area (2018)
- Service Area (Outside UGA)
- Service Area (Inside UGA)
- Carlsborg UGA



CLALLAM COUNTY
PUD
Energy | Energy | Energy

EXHIBIT B
MOU REGARDING
CARLSBORG WATER SUPPLY

**PROPOSED CARLSBORG WATER SYSTEM
SERVICE AREA MAP**

JUNE 2022

WA State Parks GIS, Esri Canada, Esri, HERE, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, Bureau of Land Management, EPA, NPS, US Census Bureau, USDA