

## **CLALLAM COUNTY PUBLIC UTILITY DISTRICT #1**

Minutes of the Regular Meeting of the Board of Commissioners

Main Office | 104 Hooker Road | Sequim, WA 98382

**August 22, 2022 at 1:30 PM** - This meeting was held remotely via ZOOM

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### **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

Titan Berson, PUD Engineering Intern

Colin Young, Distribution System

Supervisor

Tyler King, Power Analyst

Doug Adams, Transmission and Substation

Tom Martin, WWW Manager

Nicole Hartman, Communications Manager

Jenean Keate, Contracts Coordinator

Mary Doran, Senior Accountant

Mike Hill, Engineering Manager

Sarah Canepa, Financial Analyst II

Chelsey Jung, Payroll Coordinator

Kaylie Hunter, Procurement and Facilities

Supervisor

Shawn Delplain, Broadband Supervisor

### **Others Present as Identified**

Janet Marx

Doug (guest)

Patti Morris

Sanders (no first name provided)

Carol Creasey

The meeting commenced at 1:30 PM.

### **PUBLIC COMMENT**

There was no public comment.

### **AGENDA REVISIONS**

Business Item b's presentation slide has been revised due to additional information required by the Department of Commerce. The newly revised version will be presented today.

### **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 8 regular meeting;
- b. Claim vouchers for August 8 through August 15, 2022 for a total of \$3,522,655.66; and
- c. Payroll vouchers for the period of July 16 through August 15, 2022.

## **BUSINESS ITEMS STARTING AT**

- a. Titan Berson, PUD intern from the Public Power Internship Program through Energy Northwest, presented a PowerPoint on his research project on Sequim solar storage and micro grid options.
- b. Upon recommendation of staff, the Board unanimously approved filing the 2022 Clallam PUD Resource Plan, which is required to be submitted under Washington State Resource Plans per RCW 19.280 (2006 House Bill 1010).
- c. Upon recommendation of staff, and upon motion of Commissioner Paschall, seconded by Commissioner Waddell and carried, the Board passed Resolution No. 2247-22 authorizing the disposal of surplus property consisting of various unrepairable or outdated computer hardware and peripherals valued at a total cost of \$4235.
- d. Upon recommendation of staff, and upon motion of Commissioner Paschall, seconded by Commissioner Waddell and carried, the Board approved Acceptance Memo for Agreement Cost Increase for Bid No. 220805 for the replacement of aging equipment and to bring the Forks substation up to current standards. Longer than anticipated lead times caused construction delays, therefore an extension of the agreement completion date is required as well as approval of increased contract costs to re-mobilize the contractor to finish the work when materials are received. The delay and re-mobilization increases the total contract amount over 10% with an additional \$8,672.40, for a total project cost of to not-to-exceed \$563,777.22. The revised contract completion date is expected to be no later than September 29, 2022.
- e. Water/Wastewater Manager Tom Martin presented for discussion a final draft of a Memo of Understanding (MOU) between the County and PUD regarding Carlsborg water supply. The MOU is a step towards a legally binding interlocal agreement between the District and the County that would contain greater details and provide a solution that meets as many mutual and stakeholder interests as possible.
- f. Commissioners and staff discussed recent BPA Post-2028 contract updates. Topics included: BPA's extraordinarily strong third quarter financial position with revenues exceeding rate case expectations in both power and transmission; BPA's almost \$1.6 billion in reserves; and strong secondary sales of \$600 million leading to a potential revenue distribution between \$500,000 to \$900,000 a month at some point next year.

## **CORRESPONDENCE/COMMUNICATIONS**

General Manager Sean Worthington reported on his recent invitation from U.S. Secretary of Energy Jennifer Granholm to participate in an Olympic Peninsula Community Roundtable at the Pacific Northwest National Laboratory (PNNL) The roundtable focused on the development of community collaborations for addressing the local effects of climate change, decarbonization, and energy resilience in rural areas of Clallam County. Several themes emerged from the roundtable including: the Tribes asked for a seat at the table with legislation to ensure that their people were not adversely affected by the energy transition; the Tribes' interest in potential opportunities that may be provided by PNNL's marine-based generation projects (such as the

conversion of seaweed into jet fuel and using ocean currents from the Strait to spin a generator to produce electricity); funding challenges for grants in rural communities becoming increasingly difficult as they struggle to compete with larger urban organizations who have dedicated staff for grant writing; and transmission constraints coupled with reliability for rural communities, including our Western tribes, to improve lengthy outages during storm season. General Manager Worthington advised that Chairman Green of the Makah Tribe did compliment the PUD for an excellent job at curtailing long outages over the past few years, due to our aggressive vegetation management programs.

General Manager Worthington expressed to PNNL that PUD is committed to providing an advisory role, with the objective of guiding projects to ensure that the outcomes serve our community and to provide system data to support the analysis of projects within our distribution network. This includes PNNL's Marine Energy FY22 proposal to create a framework for building grid resiliency of coastal communities using MRE-based microgrids.

### **COMMISSIONER REPORTS**

Commissioner Waddell attended a Makah Tribal Council meeting and reported that the Tribe was complementary of PUD's improved service, responsiveness, and power line maintenance. Other topics: power resiliency and developing alternate power resources; the technical complexity of doing that in that in the west end and in the weather conditions there; the challenges the Tribe is facing with tsunami concerns, a lack of water, and unreliable power because they're at the very end of the line, and their economic situation in general. He also attended a Western Public Agency Group (WPAG) training on regional markets.

Commissioner Paschall spoke about Dr. Michael McCoy who passed away recently. While at BPA the Dr created a model called Sam's System analysis of the power on all the resources in the Pacific Northwest. During his internship with at BPA, Commissioner Paschall modeled intermittent resources like solar and wind and he was complimentary of Dr. McCoy's vision and intelligence.

Commissioner Purser attended an Energy Northwest (EN) resource adequacy meeting. The main topic was Grant County PUD's decision to partner with X-Energy for their small nuclear reactor technology, which EN had recommended. This advanced nuclear reactor program is being financed by the Department of Energy and Grant is now working on site-selection.

### **STAFF REPORTS**

There were no staff reports.

### **BOARD ACTION ITEMS**

- a. Commissioners are requested to provide any comments to Tom Martin on the proposed draft Carlsborg Water Rights MOU by August 31<sup>st</sup> so he can work any issues out with Steve Gray at the County prior to the September 12<sup>th</sup> joint BOC meeting between the County and PUD.

**COMMENTS FROM THE PUBLIC**

A member of the public thanked General Manager Sean Worthington for his representation at the Olympic Peninsula Community Roundtable.

**ADJOURN**

There being no further business to come before the board, the meeting adjourned at 3:02 PM.