

PRE-AGENDA
FOR THE REGULAR MEETING OF
CLALLAM COUNTY PUBLIC UTILITY DISTRICT #1
BOARD OF COMMISSIONERS
JANUARY 23, 2023 AT 1:30 PM
THIS IS A HYBRID MEETING

Join Zoom Meeting: <https://clallampud-net.zoom.us/j/84721624204?pwd=Q0pCaVRLWXFqeWpONVFYaFM0UFB2UT09>

Meeting ID: 847 2162 4204 | **Passcode:** 718170

One tap mobile: +12532158782,,84721624204#,,,,*718170# US (Tacoma)

Dial by your location: +1 253 215 8782 US (Tacoma)

- **Consent Agenda Items**

The Board will consider approving Consent Agenda items.

- **WPUDA Presentation**

Representatives from WPUDA will present to the Commissioners and Staff on how WPUDA can best support the District.

- **Acceptance Memo of Completion Bid No. 211002**

The Board will consider approving Acceptance Memo of Completion Bid No. 211002 for a Well Stand-by Generator.

Staff requests a motion, second, and vote: to approve Acceptance Memo of Completion Bid No. 211002 with Angeles Electric Inc. for a Holgerson Well Stand-by Generator for a total contract cost of \$139,890.29 including WSST.

- **Acceptance Memo of Completion Bid No. 220308**

The Board will consider approving Acceptance Memo of Completion Bid No. 220308 for Water Main Replacement Construction and Observation Services.

Staff requests a motion, second, and vote: to approve Acceptance Memo of Completion Bid No. 220308 with BHC Consultants, LLC. for Funk and Ballard Alley Road Water Main Replacement Construction and Observation Services for a total contract cost of \$65,800.39 including WSST.

- **Acceptance Memo of Completion Bid No. 220802**

The Board will consider approving Acceptance Memo of Completion Bid No. 220802 for a Water Main Replacement

Staff requests a motion, second, and vote: to approve Acceptance Memo of Completion Bid No. 220802 with Nova Contracting, Inc. for the Funk and Ballard Alley Road Water Main Replacement for a total contract cost of \$501,122.55 including WSST.

- **2023 EDC Contribution Request**

The Board will consider approving Clallam County Economic Development Council's request for a \$25,000 contribution.

- **BPA Post-2028 Contract Discussion**

The Board and Staff will discuss BPA post-2028 contract negotiations.

- **2022 Year End Strategic Plan KPIs**

Staff will update the Board on 2022 Year End Strategic Plan Key Performance Indicators

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 January 9, 2023 regular meeting;
- B. Claim vouchers for January 9 through January 17, 2023 for a total of \$1,132,555.30; and
- C. Payroll vouchers for the period of December 16, 2022 through January 15, 2023.

5. BUSINESS ITEMS

- A. WPUDA Presentation WPUDA Representatives
(Jane Van Dyke, Commissioner Clark Public Utilities/Secretary for the PUD Association;
George Caan, Executive Director; Liz Anderson, Deputy Executive Director; Nicolas Garcia,
Policy Director).
- B. Acceptance Memo of Completion Bid No. 211002 Bowen Kendrick
for a Well Stand-by Generator
- C. Acceptance Memo of Completion Bid No. 220308 Bowen Kendrick
for Water Main Replacement Construction/Observation Services
- D. Acceptance Memo of Completion Bid No. 220802 Bowen Kendrick
for a Water Main Replacement
- E. 2023 EDC Contribution Request Sean Worthington
- F. BPA Post-2028 contract discussion Commissioners, Staff

6. CORRESPONDENCE/COMMUNICATIONS

- A. Request for a Letter of Support from Sheriff's office for Sean Worthington
Emergency Operations Center
- B. Jurassic Parliament Training Sean Worthington
- C. BPA Special Work Session Sean Worthington

7. COMMISSIONER REPORTS

8. STAFF REPORTS

- A. 2022 Year End Strategic Plan Key Performance Indicators Update (KPIs) Staff

9. BOARD ACTIONS FOR STAFF

10. COMMENTS FROM THE PUBLIC

11. 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

January 9, 2023 at 1:30 PM - This was a hybrid meeting

Commissioners Present (in person):

Jim Waddell, President

Ken Hays, Vice President

Rick Paschall, Secretary

Staff Present (in person or via Zoom):

Sean Worthington, General Manager

John Purvis, Superintendent

Lori Carter, Controller/Auditing Officer

Ruth Kuch, Finance Manager/Treasurer

Alan Plasch, Sr. Power Systems Supervisor

Barb Sires, Accounting Specialist

Chelsey Jung, Payroll Coordinator

Colin Young, Distribution Systems

Supervisor

Eric Jacobson, Business Analyst

Greg Thompson, Engineering Technician

Jamie Spence, HR Manager

Kaylie Hunter, Procurement/Facilities

Supervisor

Mary Doran, Sr. Accountant

Mattias Järvegren, Utility Services
Supervisor

Mike Hill, Engineering Manager

Nicole Hartman, Communications Manager

Shauna Anders, Accountant

Shawn Delplain, Broadband Supervisor

Sherri Bernath, Accounting Specialist

Steve Schopfer, IT Manager

Teresa Lyn, Executive Assistant

Terry Lind, Operations Manager

Travis McClain, WWW Supervisor

Tyler King, Power Analyst

Others Present as Identified (in person or via Zoom):

Bruce Emery, DCD

Colleen McAleer, EDC

David Mallon

Geoff James, Port of PA

Geoffrey James, Port of PA

Janet Marx

John Conrath

Kate Woodin, LWVCLA Observer

Kenneth Reandeau

Krestine Reed

Larry Morris

Michelle Johnson

Richard DeBusman

Werner Buehler

The meeting commenced at 1:30 PM.

COMMENTS FROM THE PUBLIC :09

Public comment was heard regarding: an inquiry about the consequences of the District not signing the BPA post-2028 contract; climate change; and battery technology research.

AGENDA REVISIONS 16:35

Removal of invoices from the active miscellaneous accounts receivable in the amount of \$35,874.89 including a 30% collection fee was added to the consent agenda as item E.

APPROVAL OF CONSENT AGENDA 17:06

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

- A. Minutes of the December 12, 2022 regular meeting;
- B. Claim vouchers for December 12 through December 29, 2022 for a total of \$5,960,359.16;
- C. Payroll vouchers for the period of December 1 through December 15, 2022;
- D. Removal of delinquent accounts from January active accounts receivable in the amount of \$4219.43 including a 30% collection fee;
- E. Removal of invoices from active miscellaneous accounts receivable in the amount of \$35,874.89 including a 30% collection fee; and
- F. November Treasurer's Report.

BUSINESS ITEMS STARTING AT 17:31

17:33: Election of Board President: Commissioner Paschall made a motion to elect new Commissioner Hays President of the board. There was no second. Commissioner Hays made a motion to elect Commissioner Waddell President of the board and Commissioner Waddell seconded the motion. Commissioners Hays and Waddell voted yes on the seconded motion thus electing Commissioner Waddell President of the board. Commissioner Paschall opposed.

18:44: Election of Board Vice President: Commissioner Waddell made a motion to elect new Commissioner Hays Vice President of the board. Commissioner Hays seconded the motion. Commissioners Waddell and Hays voted yes on the seconded motion thus electing Commissioner Hays Vice President of the board. Commissioner Paschall opposed.

19:11: Election of Board Secretary: Commissioner Waddell made a motion to elect Commissioner Paschall Secretary of the board. Commissioner Hays seconded the motion. Commissioners Waddell and Hays voted yes on the seconded motion thus electing Commissioner Paschall Secretary of the board. Commissioner Paschall opposed.

25:25: General Manager Sean Worthington requested the Board approve the proposed 2023 Committee and Organization Membership List and assigned delegates and authorize the payment of membership dues as presented. He advised that if the Board wanted to make any revisions that they should do so at this time and then vote to approve the revised changes. Commissioner Hays requested to be assigned as primary delegate to Energy Northwest (EN), the North Olympic Legislative Alliance (NOLA), and the North Peninsula Building Association. The Board voted to make these proposed delegate changes, to approve the revised 2023 Committee and Organization Membership List and to authorize the payment of membership dues.

1:25:22: Colleen McAleer, Director of the Economic Development Council (EDC) presented on the following: EDC's strategic planning work; site selector opportunities that the EDC has been unable to pursue due to lack of power capacity where limited available heavy industrial zoning exists; creation of a map/list of large (>40 acres) available industrial properties with existing infrastructure (power/sewer/water/broadband) that will require change of zoning or expansion of UGA and that will show where existing industrially - zoned properties are located; and EDC's 5-Year Plan that targets high-wage jobs (\$75K+) and supply chain resiliency. She thanked the

District for providing the EDC with an ARC GIS map that shows reserve power capacity and suggested that the PUD's reserve capacity map would be considered when the county and cities complete their Comprehensive Plan updates in 2025.

Bruce Emery, Director of Community Development (DCD) presented on the County's Comprehensive Plan update process and the potential zoning changes that would be required to facilitate the expansion of industry within the County.

Geoff James, Executive Director of the Port of Port Angeles, spoke about the Port's growth plans within the District Urban Growth Areas (UGAs) and resiliency needs of the West end of the County.

1:27:59: Commissioners and staff discussed BPA Post-2028 contract negotiations. General Manager Worthington advised that the District's predicted rate reduction for this year was formally approved by BPA. Commissioner Hays asked if the decision had been discussed as he thought that using one time windfall revenues for permanent expenses was poor policy and he would have rather seen it go towards projects and/or energy efficiency measures rather than to offset future rate escalation. General Manager Worthington advised that the Board approved the decision in November 2022. Commissioner Hays requested that the District hold a public workshop on the BPA post-2028 contract.

CORRESPONDENCE/COMMUNICATIONS 1:32:33

General Manager Worthington shared that the District once again achieved the American Public Power Association (APPA) national Smart Energy Provider designation for prioritizing energy efficiency, distribute generation, and renewable energy and environmental initiatives, while providing affordable and reliable electric service to the community.

He also shared that the District is receiving law enforcement reports regarding the escalation of substation sabotage around the country. The District is working with FBI and local law enforcement and taking multiple preventative measures including increased law enforcement patrolling to head off or mitigate any potential sabotage activity within our County.

COMMISSIONER REPORTS 1:34:54

Commissioner Hays expressed interest in reviewing/discussing WPUDA's weekly utility-related state legislative initiatives summary report and suggested board meeting discussions to make sure the board is in favor of WPUDA's stances. General Manager Worthington advised that utility-related initiatives are developed, discussed, assessed, and/or stances taken at the monthly WPUDA association meetings. Commissioners and staff attend and participate in these meetings.

Commissioner Paschall expressed concern about the environmental impact of massive excavation of raw-earth materials for the manufacture of utility-sized batteries. He also suggested that staff consider creating a presentation around what we could do to harden substation security. Superintendent Purvis advised that for security reasons, it is more suitable for staff to make themselves available to speak individually with Commissioners about any substation security concerns they have.

STAFF REPORTS 1:43:43

No staff reports.

BOARD ACTION ITEMS 1:43:51

- A. Staff is to look into providing an educational work session for the public on the post-2028 BPA contract.
- B. Staff is to update the current Organization Membership List to reflect Commissioner Hays delegation assignments.
- C. Staff is to provide Commissioner Hays with the proposed EDC contract for review and discussion at an upcoming meeting.
- D. Going forward, staff is to provide Commissioners with a list of board action items and the status of each.

PUBLIC COMMENT 1:46:06

Public comment was heard regarding: batteries; people moving here because of rural environment; the need for broadband; concern about people not being able to pay their bills; concern about industrial developments; and a request that the EDC PowerPoint be posted to the District's website.

ADJOURN

There being no further business to come before the board, the meeting adjourned at 3:24 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/>.

January 9, 2023

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  DATE 1/18/23
AUDITING OFFICER

 DATE 1/18/23
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):

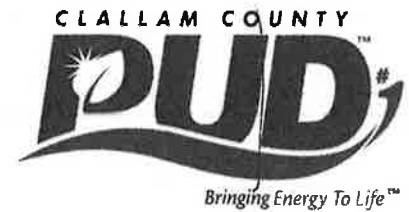
Summary for Voucher Lists Dated 1/9/2023–1/17/2023

Checks	\$	936,997.70
Wire Transfers		169,527.33
E-Payment		26,030.27
Prepays		
Total	\$	1,132,555.30

COMMISSIONER

COMMISSIONER


COMMISSIONER



MEMORANDUM

Date: January 23, 2023

To: Sean Worthington, General Manager

From: John Purvis, General Superintendent 
Bowen Kendrick, Water Wastewater Systems Manager

Re: ACCEPTANCE MEMO OF COMPLETION
HOLGERSON WELL STAND-BY GENERATOR
BID NUMBER 211002


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

The project consisted of all necessary services, labor, permits, and materials required to install and startup a generator system for back-up power to the Holgerson Well facility located in Sequim.

The Contractor started the project on March 31, 2021, and completed the work on July 21, 2022. The total contract cost:

JP:BK:jk

Item	Total
Contract Amount	\$128,917.50
WSST 8.5%	\$9,700.11
WSST 8.6%	\$1,272.68
Total Contract Cost	\$139,890.29



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


Sean Worthington, General Manager



MEMORANDUM

Date: January 11, 2023

To: Sean Worthington, General Manager

From: John Purvis, General Superintendent 
Bowen Kendrick, Water and Wastewater Systems Manager


Re: ACCEPTANCE MEMO OF COMPLETION
FUNK AND BALLARD ALLEY ROAD WATER MAIN CONSTRUCTION OBSERVATION
AND ENGINEERING SERVICES
AGREEMENT NUMBER 220308

All services under the above-referenced agreement with **BHC CONSULTANTS, LLC.**, has been completed. It is recommended this work be accepted as complete.

The project consisted of construction management support and design-engineering services for the construction of water main on the Funk and Ballard Alley water main, located in Clallam County.

The Contractor received notice to proceed on the project on June 8, 2022, and completed the work on November 25, 2022. The total contract cost:

	Item	Total
JP:BK:jk	Contract Not to Exceed Amount	\$73,164.00
	Total Contract Cost	\$65,800.39



Acknowledged and Agree:

Sean Worthington, General Manager

Date: _____

MEMORANDUM

Date: January 23, 2023

To: Sean Worthington, General Manager

From: John Purvis, General Superintendent
Bowen Kendrick, Water Wastewater Systems Manager

Re: ACCEPTANCE MEMO OF COMPLETION
BID OPENING APRIL 13, 2022
FUNK AND BALLARD ALLEY ROAD WATER MAIN REPLACEMENT
BID NUMBER 220802

All work under the above-referenced contract with **NOVA CONTRACTING, INC.**, has been reviewed by the Engineer of Record, BHC Consultants, LLC., and determined to be complete. It is recommended this work be accepted by the District as complete.

The project consisted of water main replacement construction on Funk and Ballard Alley Road, located in Clallam County. The scope of work included outlet pipe replacement of Chantrelle Reservoir, replacement of approximately 1,500 linear feet of water main, fire hydrant, valves, and water service lines from the new water main to the meter, asphalt concrete patching, and surface restoration. The original contract amount was not-to-exceed \$511,530, not including sales tax.

The Contractor started the project on May 2, 2022, and completed the work on September 23, 2022. The total contract cost:

JP:BK:jk

Item	Total
Contract Amount	\$511,530.00
Total Change Order Amount	<\$10,407.45>
WSST (8.5%)	\$17,530.05
WSST (8.6%)	\$25,360.25
Total Contract Cost	\$501,122.55

Accepted by Board of Commissioners at meeting of: _____, 20____.

Sean Worthington, General Manager



MEMO

To: Commissioners Hays, Paschall, and Waddell
From: Sean Worthington, General Manager
Subject: Economic Development Council Dues
Date: January 23, 2023

Commissioners,

Immediately following this memorandum is the EDC fourth quarter Report & Annual recap from Colleen McAleer with the Clallam Economic Development Council (EDC). This completes the contract deliverables for 2022.

During the January 9, 2023 District Board Meeting Ms. McAleer provided the commissioners with a presentation regarding their current efforts and in that presentation, she made a formal request to our board for membership dues of \$25,000 for calendar year 2023.

Currently the PUD has an approved distribution of \$5,000 for calendar year 2023. This agenda item is for the commissioners to deliberate on whether to approve the request from Ms. McAleer for a \$25,000 contribution, some other amount or keep the same at \$5,000.

Thank you,


Sean Worthington

Clallam County EDC Contract Metrics Reporting for Clallam PUD #1



Q1-Q4 2022



Contract Metrics Report Q1-Q4 2022

Business Contacts Initiated; Site Selector Interactions & Recruitment Activities	# of Activities	Notes
Q1 - 2022	5	Comm HVAC Company; General Aviation Conference, 2 proposals to State Site Selector Opportunities
Q2 - 2022	3	Sequim Rec Retail; C5 Summit; Unable to meet any Site Selector Opportunities
Q3 - 2022	4	Follow up on NY C5 Summit with 4 Biz; 1 Retail Inquiry in Sequim
Q4 - 2022	4	Hotel chain interest in ONP; 2 Retail; Mechanical Engineering Firm
Total for Year	16	
Annual Contract Requirement	12	

Recruitment & Marketing – Countywide

	# of Businesses Supported	Notes
Q1 - 2022	49	Support primarily initiated by Lifeboat3 inquiries and applications
Q2 - 2022	16	Childcare Providers (4), Kiva Referrals (2), Maritime, Manufacturer (2), Bio-Tech, HVAC, Excavation (2), Dental, Nonprofit
Q3 - 2022	7	Childcare Expansion, Builder Exp, Bookkeeper Biz
Q4 - 2022	62	Support primarily initiated by BOOST! inquiries and applications
Total for Year	134	
Annual Contract Requirement	72	

Business Retention & Expansion - Countywide

	# of Startups Supported	Notes
Q1 - 2022	23	ELF (Childcare) Grants (19); Lifeboat3 (4)
Q2 - 2022	5	Kiva referrals (2), Hair Salon, Contractors, Distillery in Beaver
Q3 - 2022	6	Textile Manufacturer, Restaurants (2); Consultants (2), Yoga Studio (1)
Q4 - 2022	11	Bookkeepers (8), Consultant, Civil Engineer (1), Social Media Marketer (1)
Total for Year	28	
Annual Contract Requirement	36	

Startup Assistance - Countywide

Training Events Led by Clallam EDC	# of Events led	Notes
Q1 - 2022	7	Procurement Series (6); Selling Your Business & Lease v. Buy Analysis
Q2 - 2022	5	New Statutes on Nonprofit, ERAP Training, Exemption for WA Cares Fund, Selling Your Biz, Restaurant Customer Service.
Q3 - 2022	4	CERB Training for Local Gov, Unconscious Bias, Rural Issues at WEDA, OWDC Roles
Q4 - 2022	5	First Fed CF Opportunities & Process, 1031 Exchanges, Veteran Services in Clallam, Climate Commitment Act & Low Carbon Fuel Standard
Total for Year	21	
Annual Contract Requirement	12	

Training Events Led/Initiated by EDC - Countywide

	Notes
NOLA	NOLA Steering Cmte Developed 3 Priorities for 2023 Session
Publish White Paper	State Policies that Negatively Affect Rural Communities
PTAC Federal Grant Application	Awarded \$145K annually from ongoing DoD contract & started up program to support Clallam/Jefferson Business
Child Care Expansion	Created 80 New Slots with 5 Providers – Distributed \$25K; awarded Follow on Grant for \$20K
Diversity, Equity & Inclusion	Intentional Outreach & Program Goals established & met
Housing Solution Committee	Published Report # of Sales below \$430K since 1-1-2021 that are owner occupied
5-year Countywide Economic Plan	Established Prosperity Target Wages; Identified Inaccurate ESD In-Demand Occupations & Proved Inaccuracies; Completed 129-pg Plan – Now improving graphics
Underserved Business Grant – BOOST!	Awarded \$1.3M to provide services to Clallam, Jefferson & Grays Harbor Underserved Businesses (Bookkeeping, Legal & Marketing Support)

Initiative Work Areas



County / City Economic Data

**Taxable Retail Sales
Comparison Q2 2021 v. Q2 2022**



Most Recent DOR Data Comparison of Q2 – 2021 vs Q2 2022 Taxable Retail Sales

Overall:	+3.29
Unincorp County:	+2.0%
Sequim:	-3.1%
PA:	+11.3%
Sequim:	+5.6%

What is driving the Q2 2021
Vs. Q2 2022 Year over Year
reduction in Sales in
Sequim?

- Reduction in Retail Trade
& Construction primarily
- Food services &
Accommodations
Remained Flat

Sequim	Q2 2021		Q2 2022		
Industry	Taxable Retail Sales	Taxable Retail Sales	Absolute Change	% Change	
Retail Trade	\$81,492,125	\$77,964,862	(\$3,527,263)	-4.3%	
Agriculture, Forestry, Fishing	\$130,296	\$23,373	(\$106,923)	-82.1%	
Construction	\$13,586,400	\$10,586,547	(\$2,999,853)	-22.1%	
Manufacturing	\$976,002	\$853,731	(\$122,271)	-12.5%	
Wholesale Trade	\$3,607,752	\$5,253,169	\$1,645,417	45.6%	
Transportation & Warehousing	\$318,528	\$353,130	\$34,602	10.9%	
Information	\$2,519,886	\$3,109,951	\$590,065	23.4%	
Finance, Insurance	\$1,064,054	\$1,008,276	(\$55,778)	-5.2%	
Real Estate, Rental/Leasing	\$629,897	\$661,442	\$31,545	5.0%	
Professional, Scientific & Technical Services	\$1,547,821	\$1,601,591	\$53,770	3.5%	
Management, Education & Health Services	\$4,135,323	\$4,153,251	\$17,928	0.4%	
Arts, Entertainment & Recreation	\$115,703	\$158,038	\$42,335	36.6%	
Accommodations & Food Services	\$15,595,015	\$15,714,344	\$119,329	0.8%	
Other Services	\$2,931,410	\$3,240,791	\$309,381	10.6%	
Public Administration	\$2,297	\$4,495	\$2,198	95.7%	
Grand Total	\$128,652,509	\$124,686,991	(\$3,965,518)	-3.1%	

What is driving the Q2 2021 Vs. Q2 2022 Year over Year reduction in Sales in Port Angeles?

- ▶ Substantial Increase in Construction & Wholesale Trade (Stabicraft), and Mgmt, Educ & Health Services
- ▶ Accommodations & Food Services Increased 7.5%

Port Angeles Industry	Q2 2021		Q2 2022	
	Taxable Retail Sales	Taxable Retail Sales	Absolute Change	% Change
Retail Trade	\$57,011,589	\$57,210,494	\$198,905	0.3%
Agriculture, Forestry, Fishing	\$107,018	\$194,590	\$87,572	81.8%
Utilities	\$52,026	\$9,976	(\$42,050)	-80.8%
Construction	\$11,472,711	\$18,358,659	\$6,885,948	60.0%
Manufacturing	\$3,868,536	\$3,819,504	(\$49,032)	-1.3%
Wholesale Trade	\$8,670,293	\$10,667,499	\$1,997,206	23.0%
Transportation & Warehousing	\$931,575	\$1,381,701	\$450,126	48.3%
Information	\$4,797,593	\$5,703,756	\$906,163	18.9%
Finance, Insurance	\$1,158,185	\$955,475	(\$202,710)	-17.5%
Real Estate, Rental/leasing	\$1,753,606	\$2,013,170	\$259,564	14.8%
Professional, Scientific & Technical Services	\$3,042,864	\$3,231,059	\$188,195	6.2%
Management, Education & Health Services	\$7,058,609	\$8,399,743	\$1,341,134	19.0%
Arts, Entertainment & Recreation	\$701,524	\$772,947	\$71,423	10.2%
Accommodations & Food Services	\$20,375,946	\$21,901,234	\$1,525,288	7.5%
Other Services	\$3,546,686	\$3,981,472	\$434,786	12.3%
Public Administration	\$13,208	\$14,006	\$798	6.0%
Grand Total	\$124,561,969	\$138,615,285	\$14,053,316	11.3%

Most Recent Report Clallam County 2022

Labor market indicators - Clallam County

	Current and previous month		Over-the-month		Over-the-year	
	Sep 2022	Oct 2022	Sep 2022	Oct 2022	Sep 2022	Oct 2022
Labor force	29,823	29,945	-84	122	62	192
Employed	28,461	28,504	163	43	395	322
Unemployed	1,362	1,441	-247	79	-333	-130
Initial claims	113	124	17	11	-93	-92
Unemployment rate	4.6%	4.8%	-0.8%	0.2%	-1.1%	-0.5%

Source: Employment Security Department/LMEA, U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics. Not Seasonally Adjusted



Local Housing Issues Front & Center of Economic Improvement



Washington Center for Real Estate Research / UW

Q3 2022 Housing Affordability Index

Clallam was 3rd
least affordable
County in WA

County	SAAR	% Change by qtr	% Change by year	Building Permits	% Change by year	Median Resale Price (\$)	% Change by year	HAI	First- time HAI
Adams	160	0.0	0.0	15	-37.5	\$318,700	38.6	89.3	63.6
Asotin	130	0.0	0.0	14	250.0	\$284,500	21.1	85.0	60.6
Benton	3,720	-4.1	-22.7	239	-46.3	\$444,800	13.2	87.4	62.2
Chelan	1,060	2.9	0.0	82	-19.6	\$582,600	7.6	53.1	37.9 #2
Clallam	1,070	-1.8	-6.1	72	242.9	\$469,600	10.3	54.7	38.9 #3
Clark	8,020	-4.4	-5.6	1,009	-42.0	\$553,200	12.6	63.9	45.5
Columbia	110	10.0	10.0	15	1400.0	\$259,700	5.5	123.7	88.2
Cowlitz	1,560	1.3	-1.3	231	216.4	\$389,900	4.7	92.6	66.0
Douglas	630	-1.6	-1.6	51	292.3	\$485,000	6.5	66.9	47.7
Ferry	130	0.0	8.3	12	200.0	\$232,900	5.9	110.4	78.7
Franklin	1,250	-3.8	-22.4	128	-21.0	\$444,800	13.2	94.5	67.3
Garfield	30	50.0	0.0	0	-100.0	\$284,500	21.1	102.0	72.7
Grant	1,330	-1.5	-3.6	176	114.6	\$363,000	11.0	71.4	50.9
Grays Harbor	2,410	0.4	1.3	101	180.6	\$357,200	9.2	68.9	49.1
Island	1,940	-5.4	-6.7	111	382.6	\$371,700	3.8	68.6	48.9
Jefferson	640	1.6	-5.9	76	-28.3	\$615,600	-0.4	58.7	41.8 #6
King	29,010	-6.8	-11.6	3,831	-21.3	\$893,800	4.3	56.5	40.3 #4
Kitsap	5,330	-1.7	0.0	429	-56.7	\$541,600	5.6	64.3	45.8
Kittitas	1,330	-2.9	-3.6	122	-18.7	\$565,300	20.0	62.1	44.2
Klickitat	310	-3.1	-8.8	38	1166.7	\$416,700	-3.3	62.7	44.7
Lewis	1,520	-3.2	-4.4	116	54.7	\$396,500	3.8	61.5	43.8
Lincoln	160	-5.9	-5.9	22	340.0	\$312,500	21.0	95.0	67.7
Mason	1,470	-0.7	-4.5	56	154.5	\$419,000	7.2	75.2	53.5
Okanogan	580	-3.3	1.8	79	338.9	\$357,100	10.9	77.8	55.5
Pacific	600	-3.2	-9.1	35	16.7	\$321,100	-2.2	88.4	63.0
Pend Oreille	300	0.0	-9.1	17	240.0	\$311,000	-1.9	100.0	71.2
Pierce	16,130	-4.6	-5.7	929	-44.0	\$554,900	7.2	71.8	51.1
San Juan	290	-14.7	-34.1	30	-28.6	\$950,000	7.0	40.8	29.1 #1
Stagit	2,160	0.0	-8.9	130	49.4	\$545,200	6.7	81.9	58.4
Skamania	330	-2.9	6.5	27	35.0	\$388,500	-9.9	85.7	61.1
Snobomish	12,450	-3.6	-6.5	1,118	-1.1	\$742,300	8.3	64.6	46.0
Spokane	7,700	-2.3	-9.7	1,357	36.5	\$436,600	5.5	67.7	48.2
Stevens	890	0.0	-9.2	85	1114.3	\$311,000	-1.9	74.1	52.7
Thurston	5,930	-2.8	-0.5	243	-23.1	\$493,000	4.3	80.1	57.0
Wahkiakum	90	-10.0	-10.0	0	-100.0	\$398,300	5.9	77.5	55.2
Walla Walla	740	-3.9	4.2	49	63.3	\$416,200	9.0	71.7	51.0
Whatcom	3,480	-1.7	-4.7	227	-39.9	\$597,700	6.4	56.7	40.4 #5
Whitman	470	0.0	-7.8	63	-8.7	\$403,600	11.6	68.0	48.4
Yakima	2,450	1.7	8.9	184	15.7	\$359,200	6.4	77.4	55.1
Statewide	117,930	-3.8	-7.4	11,519	-17.1	\$629,100	8.7	63.7	45.4

Housing Affordability Index

- ▶ Housing Affordability: Two measures of housing affordability are presented. Each should be interpreted as the degree to which a median income family or typical first-time buyer household could afford to purchase the assumed home. In all cases it is assumed the lender would be willing to fund the loan so long as the principal and interest payments do not exceed 25 percent of gross income.
- ▶ Index values above 100 indicate housing is affordable to the specified income group.
- ▶ It is assumed 30% of income can be used for principal and interest payments. The monthly amount does not include property taxes, homeowners' insurance or utilities



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WASHINGTON



Home Ownership In Clallam County

Housing Affordability Index

	All Buyers	First Time
Home Price	Median	85% of Median
Down Payment	20%	10%
Mortgage Term	30 Years	30 Years
Income	Median Household	70% of Median Household
Mortgage Insurance	No	Yes (add .25% to mortgage rate)
Mortgage Rate	Average of Freddie Mac 30-year fixed Mortgage Interest rates	

How the Housing Affordability Index is calculated

Annual Gross Income Needed to Buy A House					
	Household Annual Income	Household Hourly Wage	Supports Monthly Mortgage	Supports Max Loan	House Price
Median Household Income	<u>\$60,100</u>	\$29.32	\$1,252	\$198,080	\$247,600
Median Priced Home	\$104,448	\$48.30	\$2,176	\$344,320	<u>\$430,400</u>
Starter Home (85%)	\$88,800	\$42.69	\$1,850	\$292,700	<u>\$365,840</u>
Target Wage 1	\$70,000	\$33.65	\$1,458	\$230,700	\$288,300
Target Wage 2	\$80,000	\$38.46	\$1,667	\$263,700	\$329,600
Target Wage 3	\$90,000	\$43.27	\$1,875	\$296,600	\$370,800

Assumptions: 30-year fixed term mortgage; 6.5 % annual rate; 20 percent down payment.

January 23, 2023



Ron Cameron, Undersheriff
Clallam County Sheriff's Office
223 E 4th Street, Suite 12
Port Angeles, WA 98362

Dear Undersheriff Cameron,

Public Utility District No. 1 of Clallam County (CCPUD1) fully supports the Joint Public Safety Facility being planned, developed and constructed by Clallam County for their Emergency Management section and Emergency Operations Center, and the City of Port Angeles who operates the local 911 Center known as PENCOM. We understand that these programs will be housed together to serve the cities of Sequim, Port Angeles, and Forks as well as the four tribes and tribal governments (Jamestown S'Klallam, Elwha, Makah, and Quileute) and the large, unincorporated area of Clallam County.

According to new hazard analysis, the Clallam County Emergency Operations Center currently located in the basement of the courthouse is severely outdated and vulnerable to a Cascadia Subduction Zone event and associated tsunami. As a 9.0 earthquake is expected in this area, Emergency Operations will be vital to the survivability of this region adjacent to the Pacific Ocean and the Strait of Juan de Fuca. A modernized facility would benefit this almost 2000 square mile area that includes four tribes, homes to migrant families, a state prison, Olympic National Park, and three municipalities by establishing communications and survival support to diverse communities.

In addition, PENCOM's current location is small and its functionality is limited. The inclusion of a 21st century communications center which already serves most of our first responder services will help ensure the ability to link our areas together so that lifesaving assistance can be coordinated for effective response in any type of emergency or disaster.

Public Utility District No. 1 of Clallam County relies on both Clallam County Emergency Management and PENCOM. These programs are essential in responding to all emergencies, whether a windstorm, pandemic or earthquake or more localized emergency response. Having a modern complex that can maximize efficiency and resiliency will undoubtedly save many lives.

Public Utility District No. 1 of Clallam County is in full support of this effort to help contribute to a safer region for all.

Sincerely,

President

Vice President

Secretary

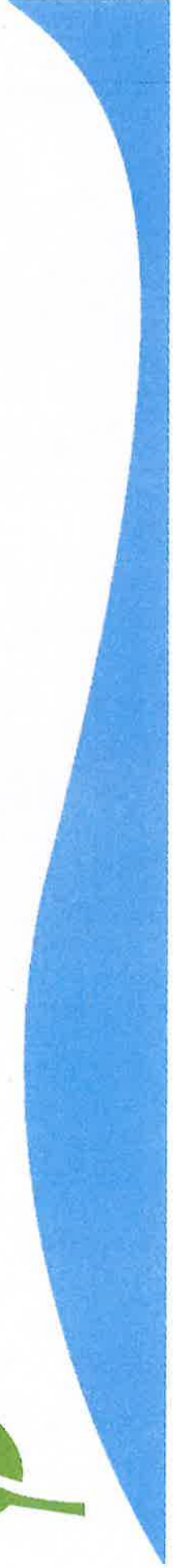


2022

Key Performance Indicators (KPIs) Update

Presentation to Board of Commissioners

January 23, 2023



Direct Report Lead:

John Purvis, General Superintendent



2022 KPIs (Electric)

- Ensure Reliable Supply
- Practice Environmental Responsibility
- Manage Resource Portfolio



Ensure Reliable Supply

2022 KPI



Electric (rolling annual)

- **Green** = SAIDI < 185
- **Yellow** = SAIDI = 185-250
- **Red** = SAIDI > 250

- **2022 Result = 204 minutes**

- **Excludes:**

- 11/3-11/8 FEMA major storm event
- BPA SAIDI = 279 minutes



Ensure Reliable Supply

2022 KPI



Telecom: System Availability

- **Green** = >99.999%
- **Yellow** = 99.995 - 99.999%
- **Red** = <99.995%

- **2022 Result = 99.997%**
- **11/4/22 Admin Server HVAC failure resulted in 15 minute systems outage**



Ensure Reliable Supply

2022 KPI *continued...*



Electric (3 year cycle)

- **Green** = > 90% on RP3 score
- **Yellow** = > 80% on RP3 score
- **Red** = < 80% on RP3 score

- **2020-22 Result = 100% RP3 score**
 - **2023-25 RP3 results scheduled**
- February 2023**



Practice Environmental Responsibility

2022 KPI



Electric (quarterly)

- **Green** = No violations
- **Yellow** = Investigation of violation
- **Red** = Any violation

- 1st Quarter = No investigations nor violations
- 2nd Quarter = No investigations nor violations
- 3rd Quarter = No investigations nor violations
- 4th Quarter = No investigations nor violations



Manage Our Resource Portfolio

2022 KPI



Electric

- **Green** = < \$43 per MWh conservation & Tier 2 resources
- **Yellow** = \$43 to \$46 per MWh conservation & Tier 2 resources
- **Red** = > \$46 MWh conservation & Tier 2 resources

- 2022 Results:

- Conservation cost = \$14.95 / MWh
- Tier 2 cost = \$34.03 / MWh
- RECs = \$17.00 / MWh for 15% of supply



Direct Report Lead:

John Purvis, General Superintendent

Lori Carter, Controller/Auditing Officer



Bringing Energy To Life™

2022 KPIs

- Manage Risk Internal
- Manage Risk External



Manage Risk - Internal

2022 KPI



Claim Events Paid or Compromised

- **Green** = < 7
- **Yellow** = 7-10
- **Red** = > 10

- 2022 Result = 5 claims paid in 2022
totaling \$5,621.30



Manage Risk, Internal & External

2022 KPI

AEGIS (periodic)

- **Green** = All AEGIS topics evaluated as “Satisfactory”
- **Yellow** = No more than 1 AEGIS topic evaluated as “Needs Improvement”
- **Red** = Two or more AEGIS topics evaluated as “Needs Improvement”

- 2022 Result = All topics evaluated satisfactory



Manage Risk, Internal & External 2022 KPI *continued...*



Active Strategic Projects

- **Green** = “On Track” with over 90% of active Strategic Projects
- **Yellow** = “On Track” with 75% to 90% of active Strategic Projects
- **Red** = “On Track” with less than 75% of active Strategic Projects



- 2022 Result = 91 of 106 projects on track or completed, 86%

Direct Report Lead:

Bowen Kendrick

Water & Wastewater Manager



2022 Strategic Objectives

- Ensure Reliable Supply
- Practice Environmental Responsibility
- Manage Resource Portfolio



Ensure Reliable Supply

2022 KPI



Major Emergency Events

- **Green** = 0 -1 per quarter
- **Yellow** = 2 - 3 per quarter
- **Red** = >3 per quarter

- **1st Quarter:**

- 1/6/22 Old Olympic Hwy Water main break
(Significant Emergency Fairview)

- **2nd Quarter: none**

- **3rd Quarter: none**

- **4th Quarter: none**



Practice Environmental Responsibility

2022 KPI



Water Violations

- **Green** = no violations
- **Yellow** = Investigation of violation
- **Red** = Any violation

- **1st Quarter: No violations or investigations**
- **2nd Quarter: No violations or investigations**
- **3rd Quarter: LRC monitoring violation**
- **4th Quarter: No violations or investigations**



Manage Resource Portfolio

2022 KPI



Water System Loss Rates

Rolling 12 month loss rates are within DOH standards.

- **Green** = All water systems below 10% loss rate
- **Yellow** = All water systems between 10% - 15% loss rate
- **Red** = All water systems greater than 15% loss rate

Loss Rates: 12 months (2022 reporting period, 2021 data)

Water System	Loss Rate %
Clallam Bay/Sekiu	18.0%
PA Composite	22.9%
Carlsborg	10.8%
Evergreen	9.4%
Island View	7.0%
Panoramic Heights	8.5%

Loss Rates: 3-year Avg. (DOH Reporting Standard)

Water System	Loss Rate %
Clallam Bay/Sekiu	20.0%
PA Composite	16.0%
Carlsborg	13.1%
Evergreen	11.1%
Island View	14.8%
Panoramic Heights	9.0%



Manage Resource Portfolio

2022 KPI *continued...*



Ratio of Water Right Supply to Full Buildout Demand

- **Green** = >100
- **Yellow** = 80-100%
- **Red** = <80%



ERU's			
Water System	Full Buildout	Water Rights	%
Carlsborg (existing LUD)	4,105	2391	58%
Clallam Bay/Sekiu	3,935	3,105	79%
Evergreen	3,152	2,188	69%
Island View	46	446	970%
Fairview	6,182	3,652	59%
Gales/Monroe/Mt. Angeles	4,359	4,769	109%
Panoramic Heights	20	46	230%

Direct Report Leads:
Ruth Kuch, Finance Mgr./Treasurer
Lori Carter, Controller/Auditing Officer

2022 KPIs

- Provide Stable Rates
- Be Financially Responsible



Provide Stable Rates

2022 KPI



Year	Rate Increase
2017	3.8%
2018	4.8%
2019	3.8%
2020	3.5%
2021	3.5%
2022	3.5%
Avg. of prior 5 years	4.0%
KPI = < avg. + 2%	6.0%



Provide Stable Rates

2022 KPI continued...

Electric (modified cash basis)

- **Green** = 5% of budget
- **Yellow** = 5% to 8% of budget
- **Red** = >8% of budget



Notes:

- 1) Power retail sales and power procurement weather adjusted.
- 2) Excludes bond defeasance / bond issue related bond proceeds and fund transfers.

	YTD Actual (millions)	YTD Budget (millions)	Variance as % of Budget
Revenues			
\$	69.1	\$ 64.6	6.84%
Expenses			
\$	66.3	\$ 66.3	-0.06%

Provide Stable Rates

2022 KPI *continued...*

Water (modified cash basis)

- **Green** = 5% of budget
- **Yellow** = 5% to 8% of budget
- **Red** = >8% of budget



YTD Actual (millions)	YTD Budget (millions)	Variance as % of Budget
Revenues		
\$ 6.7	\$ 6.5	3.12%
Expenses		
\$ 6.1	\$ 6.9	-11.18%

Provide Stable Rates

2022 KPI *continued...*



Electric and Water

- **Green** = Capital +/- 15% of Depreciation
- **Yellow** = Capital +/- 20% of Depreciation
- **Red** = Capital > +/- 20% of Depreciation

- **2022 Results:**

- **Actual Electric: +6.82%**
 - Capital \$9.80M | Depreciation \$9.17M



- **Actual Water: +156.86%**
 - Capital \$2.44M | Depreciation \$0.95M

Be Financially Responsible

2022 KPI



	Electric	Water
Debt Service Coverage Ratio ➤ Green = >2.0x ➤ Yellow = 1.25x-2x ➤ Red = <1.25x	7.8	3.9
Debt to Asset Ratio ➤ Green = <40% ➤ Yellow = 40-50% ➤ Red = >50%	18.24%	17.32%
Cash Reserves (DCOH) ➤ Green = 150-180 days ➤ Yellow = 120-150 days, 180-210 days ➤ Red = <120 days or >210 days	175	183



Direct Report Lead:

Nicole Hartman

Communications/Govt. Relations Manager



2022 KPIs

- Influence Regulatory Issues
- Enhance Customer Partnerships



Influence Regulatory Issues

2022 KPI



Representation at affiliated regulatory organizations and committees

- **Green** = 85%
- **Yellow** = 60-85%
- **Red** = <60%

• **2022 Result: ~ 90%**

Relevant Monthly Print or Digital

- **Green** = 100%
- **Yellow** = 75-99%
- **Red** = <75%

• **2022 Result: 100%**



Enhance Customer Partnerships 2022 KPI



Website Users vs. Last 30 Days

- **Green** = > 5,000
- **Yellow** = 3,500-5,000
- **Red** = < 3,500

• 2022 Result = 10,488

Facebook Page Engagement

- **Green** = >20% likes-to-customers ratio
- **Yellow** = 10-20% likes-to-customers ratio
- **Red** = < 10% likes-to-customers ratio



• 2022 Result = 24.5%

Enhance Customer Partnerships

2022 KPI *continued...*



Bringing Energy To Life™

Community Outreach/Events

- **Green** = > 75%
- **Yellow** = 50-75%
- **Red** = < 50%

- 2022 Result – Events canceled again due to pandemic



Direct Report Lead:

George Drake
Safety Manager



2022 KPIs

- Loss Time Injuries
- Recordable Injuries
- Educate Public on Electrical Safety
- Recognize Departments One Year Accident Free
- Field Employees Safety Audits



Loss Time Injuries (LTI) Reported per Quarter

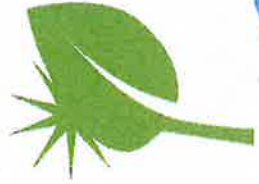
- **Green** = < 1
- **Yellow** = 2-3
- **Red** = 4 or more

- 1st Quarter: 0**
- **2nd Quarter: 1**
- **3rd Quarter: 1**
- **4th Quarter: 0**



Recordable Injuries Reported per Quarter

- **Green** = < 1
 - **Yellow** = 2-3
 - **Red** = 4 or more
- **1st Quarter: 1**
 - **2nd Quarter: 0**
 - **3rd Quarter: 0**
 - **4th Quarter: 0**



Build On Our Safety Culture

2022 KPI *continued...*

Educate Public on Electrical Safety (when requested)

- **Green** = 100%
- **Yellow** = 90%
- **Red** = 80%

- Coming out of Covid mid year we had one request for Public safety training which we provided



Recognition of Departments That Were One Year Accident Free

- **Green** = 100%
- **Yellow** = 90%
- **Red** = 80%

**Recognized all departments that
were injury and accident free in 2022**



Complete Average of Three Field Employees Safety Audits per Quarter

- **Green** = 3 completed
- **Yellow** = 1-2 completed
- **Red** = 0 completed

- **2022: Completed 3+ audits per quarter**





Direct Report Lead:
Jamie Spence
Human Resources Manager

2022 Fourth Quarter KPI

- **Attract and Retain Great People**



Attract and Retain Great People KPIs

Performance Appraisals

- **Green** = 100% turned in on or before due date
- **Yellow** = 100% turned in within first pay period
- **Red** = Any appraisal more than 30 days past due

Q1 - Red
Q2- Green
Q3- Green
Q4- Yellow



Attract and Retain Great People KPIs

Turnover Rate

- Green = Turnover rate is <5%
- Yellow = Turnover rate is 5% to 10%
- Red = Turnover rate is > 10%

Retirements: Q1: 0%, Q2: 0.68%, Q3: 0.44%, Q4: 0.65%

Terminations: Q1: 0.71%, Q2: 0.71%, Q3: 0.23%, Q4 0.44%



Attract and Retain Great People KPIs

Training Attendance

- **Green** = > 95% employees attended
- **Yellow** = > 85% employees attended
- **Red** = < 85% employees attended

Q1 – N/A

Q2 – N/A

Q3 – Green

Q4 – N/A



Attract and Retain Great People KPIs



RP3 Score

- Green = > 90% on RP3 Score
- Yellow = > 80% on RP3 Score
- Red = < 80% on RP3 Score



