

PRE-AGENDA
FOR THE REGULAR MEETING OF
CLALLAM COUNTY PUBLIC UTILITY DISTRICT #1
BOARD OF COMMISSIONERS
FEBRUARY 13, 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.

- **Acceptance Memo: Cost Increase to Agreement No. 200334 for Pre-construction Engineering Services**

The Board will consider approving an Acceptance Memo for a cost increase to Agreement No. 200334 for pre-construction engineering services with Kennedy/Jenks Consultants, Inc.

Staff requests a motion, second, and vote: to approve an Acceptance Memo for a cost increase to Agreement No. 200334 for pre-construction engineering services with Kennedy/Jenks Consultants, Inc. This project is for LUD3 infrastructure upgrades. Due to additional stormwater planning work required by the City of Port Angeles to complete the short subdivision, the original scope of work requires a schedule extension to February 28, 2023 and additional engineering service costs of \$6,095.00, for a total project cost of \$108,500.00.

- **Invitation to Bid No. 230803: Recommendation to Solicit Bids**

The Board will consider authorizing District staff to publish notice(s) inviting sealed proposals from prequalified electrical contractors for a transmission pole replacement project.

Staff requests a motion, second, and vote: to authorize District staff to publish a notice in the Seattle Daily Journal of Commerce and elsewhere as staff deems necessary for Invitation to Bid No. 230803 inviting sealed proposals from prequalified electrical contractors for a transmission pole replacement project. The project will replace wood transmission poles with fiberglass transmission poles that carry distribution, fiber optic cable, and foreign transmission and communications attachments located along Lauridsen Boulevard, from Race Street to Liberty Street in Port Angeles, WA. The engineer's estimate for the project is \$362,669.

- **Special Meeting Follow Up Discussion**

Staff will present to the board a list of follow-up topics resulting from the February 8 special meeting.

- **BPA Response to October Letter Discussion**

Staff will report on BPA's response to the District's October 2022 letter re: west end transmission.

- **BPA Post-2028 Contract Discussion**

Board and staff will discuss BPA post-2028 contract negotiations.

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. **PUBLIC COMMENT #1: AGENDA-SPECIFIC COMMENTS**
3. **AGENDA REVISIONS**
4. **APPROVAL OF CONSENT AGENDA**
 - A. Minutes of the January 23, 2023 regular meeting;
 - B. Minutes of the February 8, 2023 special BPA work session;
 - C. Claim vouchers for January 23 through February 6, 2023 for a total of \$5,491,417.30;
 - D. Payroll vouchers for the period of January 16 through January 31, 2023; and
 - E. Removal of delinquent accounts from February 2023 active accounts receivable in the amount of \$3,683.85 including a 30% collection fee.
5. **BUSINESS ITEMS**
 - A. Acceptance Memo for cost increase to Agreement No. 200334 Bowen Kendrick
 - B. Recommendation to solicit bids for Invitations to Bid No. 230803 Ben Phillips
 - C. Special meeting follow up discussion John Purvis, Sean Worthington, Tyler King
 - D. BPA response to October letter discussion John Purvis, Sean Worthington
 - E. BPA post-2028 contract discussion Commissioners, Staff
6. **CORRESPONDENCE/COMMUNICATIONS**
7. **COMMISSIONER REPORTS**
8. **STAFF REPORTS**
 - A. NOANET pension update Shawn Delplain or Steve Schopfer
9. **BOARD ACTIONS FOR STAFF**
10. **PUBLIC COMMENT #2: NON-AGENDA COMMENTS**
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 23, 2023 at 1:30 PM - This was a hybrid meeting

Commissioners Present

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
Chelsey Jung, Payroll Coordinator
Eric Jacobson, Business Analyst
Jamie Spence, HR Manager
Kaylie Hunter, Procurement/Facilities
Supervisor

Mike Hill, Engineering Manager
Steve Schopfer, IT Manager
Teresa Lyn, Executive Assistant
Travis McClain, WWW Supervisor
Tyler King, Power Analyst

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

Alex Fane
George Caan, WPUA Executive Director
J no name provided
Jane Van Dyke, WPUA Secretary and
John Conrath
Clark Public Utilities Commissioner
Kate Woodin, LWVCLA Observer
Kenneth Reandean
Liz Anderson, WPUA Deputy Executive
Director

Fred Mitchell
Nicolas Garcia, WPUA Policy Director
Patti Morris
Paul V. Hansen
Paul Pickett
Randy no last name provided
Richard DeBusman
Troy Zdzieblowski

The meeting commenced at 1:30 PM.

PUBLIC COMMENT :28

The Board received comment from two commenters.

AGENDA REVISIONS 5:43

None

APPROVAL OF CONSENT AGENDA 5:52

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 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.

BUSINESS ITEMS STARTING AT 6:59

Jane Van Dyke, Commissioner Clark Public Utilities and Secretary for the PUD Association, George Caan, Executive Director, Liz Anderson, Deputy Executive Director, and Nicolas Garcia, Policy Director from WPUDA presented to Board and staff on how WPUDA can best support the District. The presentation may be viewed online at <https://clallampud.net/commission-meetings/>.

51:07: Upon recommendation of staff, and upon motion of Commissioner Hays, seconded by Commissioner Paschall and carried, the Board approved 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.

52:49: Upon recommendation of staff, and upon motion of Commissioner Hays, seconded by Commissioner Waddell and carried (with Commissioner Paschall abstaining), the Board approved 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.

55:10: Upon recommendation of staff, and upon motion of Commissioner Hays, seconded by Commissioner Waddell and carried, (with Commissioner Paschall abstaining), the Board approved Acceptance Memo of Completion Bid No. 220802 with Nova Contracting, Inc. for the for Funk and Ballard Alley Road Water Main Replacement for a total contract cost of \$501,122.55 including WSST.

56.29: Upon recommendation of staff, and upon motion of Commissioner Hays, seconded by Commissioner Waddell and carried, the Board approved Clallam County Economic Development Council's request for a \$25,000 contribution. Commissioner Paschall opposed. **Note:** a letter from a ratepayer was received regarding this issue which the Board determined did not need to be read aloud.

1:01: Commissioners and staff discussed a variety of topics related to the BPA Post-2028 contract negotiation including provider of choice and new interconnection generation.

CORRESPONDENCE/COMMUNICATIONS 1:12

General Manager Worthington reported on the Clallam Sheriff Office's request for a letter of support for 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. Commissioners Waddell and Hays voted to sign the support letter. Commissioner Paschall abstained.

General Manager Worthington advised the Commissioners regarding the following upcoming meetings:

- A special public BPA work session on February 8 with presentations from staff and Ryan Neale of Western Public Agency Group (WPAG) an association of WA and OR public utilities involved with BPA rate proceedings, litigation and policy review issues. All Clallam city municipalities, tribal organizations, County Commissioners, as well as the EDC, DCD, and NODC have been invited.
- A presentation by Commissioner Waddell on the lower Snake River dams on February 21 (pending commissioner availability); and
- An online workshop developed specifically for our commissioners by Ann McFarlane, a Professional Registered Parliamentarian.

COMMISSIONER REPORTS 1:15

Commissioner Waddell attended WPUDA meetings remotely and confirmed his intention to host a special meeting on February 21.

Commissioner Hays attended Energy Northwest meetings in person. He attended WPUDA's new commissioner training and WPUDA's telecom committee meeting. He attended a legislative reception and dinner. He listened to the WPUDA energy committee meeting.

STAFF REPORTS 1:20

Staff updated the Board on 2022 year end Strategic Plan Key Performance Indicators.

BOARD ACTION ITEMS 2:11

- A. Staff is to send a reminder to the Commissioners to assess their availability for a February 21 presentation by Commissioner Waddell.

PUBLIC COMMENT 2:12

The Board received comments from two commentors.

ADJOURN 2:14

There being no further business to come before the Board, the meeting adjourned at 3:44 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 23, 2023

CLALLAM COUNTY PUBLIC UTILITY DISTRICT #1

Minutes of the Special BPA Work Session

Main Office | 104 Hooker Road | Sequim, WA 98382

February 8, 2023 at 1:00 PM - This was a hybrid meeting

Commissioners Present

Jim Waddell, President

Ken Hays, Vice President

Rick Paschall, Secretary via Zoom

Staff Present

Sean Worthington, General Manager

John Purvis, Superintendent

Tyler King, Power Analyst

Teresa Lyn, Executive Assistant

Mike Hill, Engineering Manager

Lori Carter, Controller/Auditing Officer

Ruth Kuch, Finance Manager/Treasurer

Nicole Hartman, Communications Manager

Sarah Canepa, Financial Analyst II

Julie Metzger, Power Systems Project
Coordinator

Xanthius Christensen, Engineer II

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

Tim Fletcher, Mayor of Forks

Ryan Neale, Western Public Agencies Group (WPAG)

Ron Richards

Rod Fleck, Forks City Planner

Randy Johnson, Clallam County Commissioner

Randy Brackett

Pippa Eastlake

Paul V. Hansen

Paul Picket

Mike Healy, Interim Public Works Director, City of Port Angeles

Karen Affeld, Executive Director, North Olympic Development Council

Jim Schueneman

Jim McEntire

Janet Marx

Gregg King, Power Resource Manager, City of Port Angeles

Glenn Ellis, Makah Tribe Councilman

Fred Mitchell

Dawn Gomez, Hoh Tribe Chairwoman

Connie Beauvais, Manager of Crescent Water

Colleen McAleer, Executive Director, Clallam County Economic Development Council

Bud Denney, Makah Tribe, Community Planning and Economic Development

Bruce Emery, Director, Clallam County Community Development

Brian Grad

Brandon Janisse, Councilman, City of Sequim

The meeting commenced at 1:00 PM.

BUSINESS ITEMS STARTING AT :19

Superintendent John Purvis presented on local power opportunities and challenges. Superintendent John Purvis and Power Analyst Tyler King then presented on Provider of Choice background, terminology, the District's current Regional Dialogue contract with BPA, and timelines with where we're at with negotiations for the upcoming Provider of Choice Contract in tandem with WPAG.

Ryan Neale of Western Public Agencies Group (WPAG) presented on Provider of Choice current status.

Note: presentations are available for viewing at <https://clallampud.net/commission-meetings/>.

PUBLIC COMMENT

Public comment was heard throughout from several commenters. Specific comments can be heard via the video recording at <https://clallampud.net/commission-meetings/>.

ADJOURN 3:01

There being no further business to come before the board, the meeting adjourned at 4:01 PM.

ATTEST:

President

Vice President

Secretary

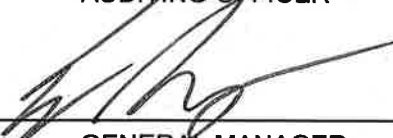
A detailed transcript of this meeting via audio recording is available to the public on the Commission Meetings page of the PUD website here: <https://clallampud.net/commission-meetings/>.

February 8, 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 2/6/23
AUDITING OFFICER

 DATE 2/7/23
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 1/23/2023–2/6/2023

Checks	\$	1,851,197.84
Wire Transfers		3,588,366.71
E-Payment		51,852.75
Prepays		
Total	\$	5,491,417.30

COMMISSIONER

COMMISSIONER

COMMISSIONER

PUD#1 OF CLALLAM COUNTY, WASHINGTON

FEBRUARY 2023
DELINQUENT ACCOUNTS TO BE REMOVED
FROM ACTIVE ACCOUNTS RECEIVABLE

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

02/01/23	Clallam Bay – Evergreen	\$	509.16
02/01/23	Forks – Evergreen	\$	917.92
02/01/23	Port Angeles – Evergreen	\$	719.26
02/01/23	Sequim – Evergreen	\$	633.09
02/01/23	All Area-Direct W/O Bankruptcy	\$	-
02/01/23	All Area-Direct W/O Deceased	\$	66.08
02/01/23	All Area-Direct W/O Small Balance	\$	4.51
	SUBTOTAL	\$	<u>2,850.02</u>
02/01/23	30% Collection Fee	\$	833.83
	TOTAL	\$	<u><u>3,683.85</u></u>
	Previous Debt Collected in January 2023	\$	3,218.26
	Previous Debt Collected Year To Date 2023	\$	3,218.26

Dated this _____ day of _____, 20____.

President

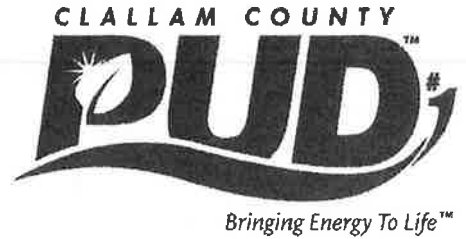
Secretary

Vice-President

SW:kw

Attachments



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



MEMORANDUM

Date: February 13, 2023

To: Sean Worthington, General Manager

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

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

This contract is for engineering services on LUD 3 Infrastructure Pre-Construction, contracted at \$65,998.00. Due to additional pre-construction tasks associated with property subdivision and development for the relocation of the lower LUD 3 Pump Station, a change order was previously done and approved by the General Manager to extend the agreement time and add to the scope of work for an additional \$36,407.00, with a total project cost not-to-exceed \$102,405.00.

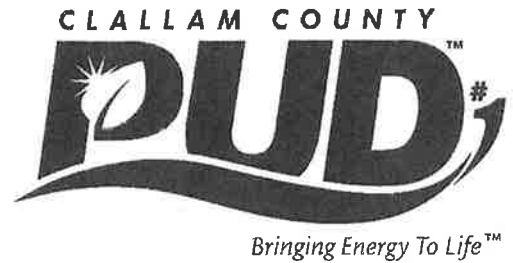
Due to additional stormwater planning work required by the City of Port Angeles to complete the short subdivision, the original scope of work requires schedule extension and additional engineering service costs of \$6,095.00, for a total project cost of \$108,500.00 and further extends the completion date from January 31, 2022, to February 28, 2023.

It is recommended to accept the additional agreement cost of not-to-exceed amount of \$108,500.00 and extend the agreement deadline to February 28, 2023.

JP/BK/jk

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


Sean Worthington, General Manager



MEMORANDUM

Date: February 13, 2023

To: Sean Worthington, General Manager

From: John Purvis, General Superintendent 
Doug Adams, Transmission & Substation Systems Supervisor
Ben Phillips, Project Manager

Re: RECOMMENDATION TO SOLICIT BIDS FOR TRANSMISSION POLE
REPLACEMENT ALONG LAURIDSEN BOULEVARD FROM
RACE STREET TO LIBERTY STREET
INVITATION TO BID 230803

Staff recommends the District authorize the solicitation for formal bids from prequalified electrical licensed contractors for the replacement of wood transmission poles with fiberglass transmission poles that carry distribution, fiber optic cable, and foreign transmission and communications attachments located along Lauridsen Boulevard, from Race Street to Liberty Street (BPA 115KV), Port Angeles, WA. The replacement work is to coincide with a scheduled maintenance outage at McKinley Paper Company. The planned outage is scheduled June 12, 2023, between 12:00 p.m. to June 15, 11:00 a.m., 2023. A portion of the project requires the McKinley Paper Company transmission line to be de-energized in order to transfer both District and McKinley owned transmission lines to the new poles while de-energized. Details are more fully set forth in the Invitation to Bid attached hereto. The Engineer's Estimate for the project is \$362,669.

Staff requests a motion, second, and vote to authorize District staff to publish a notice in the Seattle Daily Journal of Commerce and by such other means as determined by staff to be prudent, inviting sealed proposals from prequalified electrical contractors for the work.

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

Sean Worthington, General Manager



**INVITATION TO SUBMIT BID
Bid Number 230803**

Prequalified contractors are invited to submit a bid for Clallam County PUD No. 1, transmission pole replacement with distribution and fiber located along Lauridsen Boulevard, from Race Street to Liberty Street (BPA), Port Angeles, WA. A preliminary Project Plan and Schedule is requested to be submitted with the bid. The Engineer's estimate for the work under this contract is \$362,669.

All bidders must be prequalified in accordance with Washington State Regulations (RCW 54.04.085) and have a Washington State electrical contract license prior to receiving bid proposals. Work on this project is not exempt from electrical contractor licensing under RCW 19.28.091. The bid packets and contract documents including plans and specifications may be viewed and downloaded from our website at no cost: <https://www.clallampud.net/contractorsprojects>.

Sealed bids will be received by Clallam County PUD No. 1 until 2:30 p.m. Pacific Time on Wednesday, March 1, 2023. Bids may be submitted via USPS and sent to Clallam County PUD No. 1, Attn: Contracts Coordinator, P.O. Box 1000, Carlsborg, Washington 98324. If submitting a sealed bid via express delivery (i.e. FedEx, UPS), please deliver the sealed bid to the Clallam County PUD No. 1, Attn: Contracts Coordinator, 100 Hooker Road Sequim, WA 98382. Bids must be in a sealed bid envelope with the name and address of the Bidder and bid number on the sealed envelope and then placed inside the delivery envelope to be mailed. Proposals must be filled out in ink or typewritten. No alterations or interlineations will be permitted, unless made before submission, initialed, and dated. At 3:00 p.m. Pacific Time, a public bid opening will take place in the Carlsborg Dungeness Meeting Room, located at 110 Idea Place, Sequim, WA.

There will be a voluntary Pre-Bid Conference for this project. The Pre-Bid Conference will be held on Tuesday, February 21, 2023, beginning at 9:00 a.m. in the Carlsborg Dungeness Conference Room in the Engineering office located at the 110 Idea Place, Sequim, WA 98382. Please contact Ben Phillips, Project Manager, Clallam County PUD No. 1, at 360-565-3267, or by email at bphillips@clallampud.net to advise the District of your attendance or if you have questions.

Each bid must be accompanied by a Bid Bond, Certified Check, or Cashier's Check in an amount equal to five percent (5%) of the Bid.

PUBLIC UTILITY DISTRICT NO. 1
OF CLALLAM COUNTY

Rick Paschall, Secretary

From: Brookshire, Sherry S (BPA) - T-DITT-2 <ssbrookshire@bpa.gov> on behalf of Shaheen, Richard L (BPA) - T-DITT-2 <rlshaheen@bpa.gov>
Sent: Tuesday, February 7, 2023 5:09 PM
Cc: Hairston, Jason L (BPA) - CGR-7; Hannigan IV, Benjamin R (BPA) - A-7; Jackson, Melanie M (TFE)(BPA) - TSE-TPP-2; Perry, Marcus I (BPA) - PSW-6; Cook, Jeffrey W (BPA) - TP-DITT-2; Cathcart, Michelle M (BPA) - TO-DITT-2; Lahti, John A (BPA) - TF-DITT-2; Perkins, Matthew W (BPA) - LT-7; Caldwell, Chad N (BPA) - TPCF-OLYMPIA; Sheppard, Charles A (BPA) - TFBV-DOB-1; Klumpp, Elizabeth C (BPA) - AIR-WSGL; Kutil, Sarah M (BPA) - LT-7; Johnson, G Douglas (BPA) - DK-7; Green, Laura E (TFE)(BPA) - TSE-TPP-2; Sykora, Monica J (BPA) - TFO-OLYMPIA
Subject: EXTERNAL: BPA Response Letter: Clallam PUD letter to BPA CEO J Hairston re: west Clallam County poor reliability

CAUTION: Do not click links or attachments unless you recognize the sender and know the content is safe.

To Clallam Team and Board – Will Purser, Rick Paschall, Jim Waddell:

Thank you for your Oct. 25, 2022 correspondence regarding the need for reliable service to the communities served by Clallam County PUD and the availability of federal grants to improve the quality of service for the vulnerable communities west of Port Angeles. BPA shares the interest in maintaining a reliable system and looks forward to continuing to work with Clallam PUD to find opportunities to help limit disruptions in service. Although BPA is ineligible for the Federal grants you describe, BPA stands ready to contribute data and technical assistance should Clallam PUD wish to apply on its own.

Over the last several years, BPA has had numerous conversations and exchanges with Clallam to find opportunities to partner on improvements in coordination between our two utilities. Through these conversations, BPA and Clallam both gained a better understanding of each other's challenges. BPA teams also worked on patrol coordination and increased communication of proactive vegetation clearing. I would like to acknowledge the good working relationship and cooperation between BPA and Clallam PUD to coordinate planned outages to complete needed maintenance. This type of coordination reflects a shared commitment to maintaining a reliable system.

Regarding unplanned outages, BPA and Clallam PUD are aligned in the desire to minimize the number of unplanned outages in the area. As you are aware, the biggest contributors to unplanned outages are unforeseen natural events (such as falling trees and landslides) and human activities (such as illegal tree cutting). In 2020 and 2021, BPA cleared approximately 1100 danger trees (trees with the potential damage lines if they fall), outside of BPA's right-of-way, near the Port Angeles-Sappho No.1 115 kV line to help reduce the potential for unplanned outages due to falling trees in this area.

In addition, BPA performs annual inspections of its equipment, and the health of the lines and facilities in this area is good and maintenance is up to date. Despite these efforts, unplanned outages still occur. When they do occur, factors beyond BPA's control, such as the rugged terrain and severe weather that are common in Clallam PUD's service territory, can extend the amount of time it takes to safely restore service. BPA plans for system improvements and upgrades based on consideration of a number of key factors such as the health of the facilities in the area, load growth, and economic analysis of potential projects.

I completely understand the Board role's obligation to take action and find long-term solutions for the customers Clallam PUD serves. It's our goal to continue in partnership to find mutually beneficial and effective solutions to sustain as reliable service as possible. As your letter mentions, there are a number of Federal grants currently available to utilities for projects/investments in the utility sector. As a Federal entity, BPA is not eligible for these grants but to the

extent we can provide data or information that might be useful on this front, we will. The recent NOP Energy Futures conference that Clallam PUD helped to spearhead highlighted some of the resources and partnerships that are available.

Your letter suggests specific measures to help improve reliability in this area. Each of these is addressed below.

1. *Significantly expanding the right of way for the Silverado-Sappho section of Port Angeles-Sappho No 1 115kV line, potentially including the section between Port Angeles and Silverado*

Initial estimates indicate the cost of widening the right-of-way from 100' to 300' would be approximately \$10 million or more. While this estimate includes both land and timber costs, there would potentially also be environmental or other costs, and would require coordination with USFS and WA DNR. While there are substantial costs and challenges with this proposed expansion of the right of way, BPA is open to continued discussion. Further discussion would also need to include the potential for cost sharing on any joint efforts.

2. *Construction of a parallel line with automated switching such that loss of one line does not result an extended outage for west Clallam.*

BPA has spent considerable time over the past several years based on direct feedback from and conversations with Clallam, deliberating the best approach to ensure reliable service. BPA feels that its more recent investments in vegetation clearing and communication with customers have made great strides. BPA does have a priority to make sure your planning needs are comparable with other similarly situated customers – including considering its transmission expansion in terms of benefit for the entire system. Initial analysis of a project this large indicates this would be cost prohibitive. We do ensure reliability requirements are met in terms of maintenance, vegetation clearing, operations, etc. If we were to reinforce, the line to Silverado is approximately 18 miles so typical estimates today look like a cost of about \$10-20 million, not including land, environmental, and probable expansion costs at Silverado substation. With another 24 miles to Sappho, it would at least double the costs.

3. *Upgrade the 83 MVA transformer that serves as the intertie between the Port Angeles 69 and 115 kV buses.*

We can understand how this would seem like an option, however, a project of this type would not address the reliability for the Port Angeles-Sappho No 1 115kV line in a meaningful way. The Transformer at Sappho 115 kV to 69 kV is actually a 96MVA transformer summer normal rating. In 10-year planning cases we are seeing about 20% loading on that transformer. We do not see this creating a bottleneck on the system at this time.

We value the collaboration and partnership with Clallam PUD and would like to continue the dialogue on potential solutions. Even small efforts can have a collective benefit to your area. We encourage Clallam to continue to seek solutions at the utility level including collaboration with your neighbors and to pursue available grant opportunities that support electricity resiliency. To the extent we can partner with you, options can be discussed. We look forward to continued dialogue including executive-level discussions if you think that would be beneficial.

Sincerely,

Richard Shaheen, P.E.

Senior Vice President | Transmission (T)

BONNEVILLE POWER ADMINISTRATION

rshaheen@bpa.gov | P 360-418-2122 | C 360-448-3351

From: Teresa Lyn x244 <tlyn@clallampud.net>

Sent: Tuesday, October 25, 2022 3:22 PM

To: Hairston, John L (BPA) - A-7 <jlhairston@bpa.gov>

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Subject: [EXTERNAL] Clallam PUD letter to BPA CEO JHairston re: west Clallam County poor reliability

Dear Administrator Hairston:

We write to urge Bonneville Power Administration (BPA) to consider remedies for the poor reliability associated with a BPA transmission segment that serves western Clallam County and more than 5,600 preference customers. Western Clallam's average household income is about 65% of the state median, and includes a large number of disadvantaged or vulnerable populations, including the Hoh, Makah, Quileute Tribes.

Over the last five years, the Silverado-Sappho section of Port Angeles-Sappho No. 1 115kV line experienced 12 unplanned outages totaling 137 hours, an average of almost eleven hours per event. During the same five-year period, the line also saw five planned outages totaling 32 hours. On an annual basis, customers in western Clallam County are without BPA power an average of 34 hours, resulting in detrimental health and economic consequences. We believe this transmission segment is the poorest performing transmission line owned and operated by BPA that also serves a large number of preference customers.

In short, the quality of service is unacceptable.

Our local utility fully understands the challenges our remote, heavily forested, and storm-prone region presents to transmission; we deal with the same challenges. Over the last 15 years, our utility has made significant improvements to our west Clallam electric system, however these improvements only highlight that BPA outages now account for more than 80% of the outage time experienced by customers. We recognize that BPA has made recent efforts to improve reliability of the line, including extensive ROW maintenance and tree removal, however with the single line and

generally narrow BPA rights of way, a long-term dramatic improvement in electric reliability is unlikely.

On October 7th, western Clallam County experienced a planned outage of 6.5 hours followed by an unplanned outage of the line for an additional 5.5 hours. These outages have generated significant customer ire and demands for our utility to "do something" about the outages that are becoming intolerable to our west Clallam customers. As an elected board, we consider it our obligation to take action and find a long-term solution to what is almost certainly the poorest service reliability in the BPA transmission system.

In light of resiliency and reliability funding becoming available through Federal grants, it is our hope that BPA is eligible for such funding, and if not, that our utility might seek such funding with BPA support to improve the BPA transmission line. Clallam PUD staff have recently made an inquiry through our BPA Transmission Account Executive regarding three potential projects that are related and should significantly improve reliability of the Silverado-Sappho section of Port Angeles-Sappho No. 1 115kV line, as well as North Olympic Peninsula reliability more generally. Our Transmission Account Executive has taken action and advises us that subject matter experts are being tasked to respond to our inquiry. As Clallam PUD's governing board, we want to ensure the suggested projects are given due consideration at the most senior level. These projects are:

1. Significantly expanding the right of way for the Silverado-Sappho section of Port Angeles-Sappho No 1 115kV line, potentially including the section between Port Angeles and Silverado;
2. Construction of a parallel line with automated switching such that loss of one line does not result an extended outage for west Clallam; and
3. Upgrade the 83 MVA transformer that serves as the intertie between the Port Angeles 69 and 115 kV buses. Without an upgrade there is not full redundancy for almost 45,000 customers on the North Olympic Peninsula in the event of a loss of one of the two 230 kV lines that serves the region.

It is understood the cost for these improvements are substantial, however it also appears that recent infrastructure funding is intended exactly for this purpose. If BPA takes the initiative to acquire grants and implement the projects, our utility, our customers and many others will fully support and contribute to the effort. If BPA is ineligible for such funding, we ask that BPA fully support and cooperate in an effort by our utility to acquire such funding. In the event grants are not available, BPA should utilize the current large reserves that are available, and if necessary, utilize funds