PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
OCTOBER 20, 2014

The regular weekly meeting of the Board of Commissioners of Public Utility District No. 1 of Clallam County was held at the Port Angeles Office, 2431 East Highway 101, on the above date commencing at 1:30 p.m.

Commissioners Present: Hugh Haffner, President; Hugh E. Simpson, Jr., Vice President; Will Purser, Secretary

Staff Present: Doug Nass, General Manager; David Papandrew, Treasurer Controller; Dennis Shaw, General Superintendent; Michael Howe, Communications & Government Relations Manager; Nicole Clark, Executive Assistant; Fred Mitchell, Power Supply & Utility Services Manager; Jamie Spence, HR Manager; Larry Morris, Safety Manager; Mike Kitz, Water & Wastewater Systems Superintendent; Steve Schopfer, IT Manager

Others Present: Brian Kuh; Diane Haffner; Bob Klein; Mike Doherty; Robert Crittenden

On motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved the minutes of the October 6, 2014 regular meeting.

Brian Kuh, President of the Clallam Economic Development Council, thanked the Commissioners for the opportunity to speak and introduced Bill Greenwood, Executive Director Clallam EDC. Mr. Greenwood provided an update on EDC activities. The EDC has been working on streamlining their structure and strategic plan and would like to see the District rejoin as a partner. Mr. Greenwood provided an example of how they evaluate and put together proposals to attract new business as well as retention of existing business. Commissioner Purser asked about improvements in past complaints from businesses who were going out of business who needed help with financing, a business plan, and other aspects that they felt they were not receiving from the EDC at the time. Mr. Greenwood gave examples of how they are now assisting businesses utilizing a volunteer pool of specific skills, such as business plan development, or applying for tax incentives. There are 1.4 funded positions in the EDC and with the amount of work to do he estimates they need 4 people. Lastly the comparable budgets for the past couple of years and 2015 were presented. The EDC plans to go to the key supporters identified to ask for support for the next three years so they can go out and hire first class people to join the EDC. Commissioner Purser asked about the deliverables to the PUD for this level of support. Commissioner Simpson gave examples such as statistical information that the District could use for bonding or other information that would otherwise have to be purchased. General Manager Doug Nass said that now that the EDC has a strategic plan in place, staff can discuss how it might fit together with the District’s goals to be a benefit to the District. Next step will be for staff to take the EDC’s strategic plan and analyze it and ask questions.

Power Supply & Utility Services Manager Fred Mitchell reported on a resolution, the purpose of which is to inform WPUDA and the legislature of an alternate approach to compliance under the Energy Independence Act. It recognizes that for utilities like Clallam PUD, the requirements are going to make it more expensive to customers. The proposed alternative would be that if a utility’s biennial resource planning and conservation target setting processes demonstrate that existing generation resource commitments are sufficient to meet load, after the conservation target is met, then the utility investing 1% of its retail revenue in renewables, RECs, additional “above the line” conservation, distributed generation and/or energy storage will be considered to be in compliance. This supports the EIA in principle, while allowing investment in the local economy rather than purchasing renewable resources that customers cannot use. Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission adopted Resolution 2018-14, supporting amending the Energy Independence Act.
Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved removal of delinquent accounts on the list dated October 1, 2014 in the total amount of $6,673.32 from the active accounts receivable, including a collection fee of $1,283.75.

Robert Crittenden commented that radioactive contamination from Fukushima will arrive in the ocean waters within a month and there is a need to prevent wild salmon spawning since the fish will go upstream, spawn, die and then their carcasses will release the radiation into the water supply. He wanted District staff to be aware of it since the PUD draws water in some places that may be impacted by stream contamination. He also feels the recreational industry and economies of the tribes will be hit hard.

Mike Doherty urged staff to consider solar installation on the District’s new facility. He also encouraged the District to look into installing electric vehicle charging stations, especially as an end goal to make the Olympic Peninsula a destination for electric vehicle tourism. Lastly he brought an article about broadband in rural areas, especially in western Clallam County, and thanked the PUD for their assistance.

Correspondence and communication items were reviewed. Treasurer Controller David Papandrew reported on the bond sale, which sold $14,225,000 in electric revenue bonds at 3.166%. General Manager Doug Nass reported that he attended a pre-construction meeting with the contractor for the new facilities project, which started October 20.

Two lists of claim vouchers as certified by the General Manager and Auditing Officer were considered. On motion of Commissioner Purser seconded by Commissioner Simpson and carried, the Commission approved payment of claim vouchers in the amount of $512,415.70 for October 13, 2014. On motion of Commissioner Simpson seconded by Commissioner Purser and carried, the Commission approved payment of claim vouchers in the amount of $450,225.20 for October 20, 2014.

Commissioner Purser reported on follow-up discussions to the carbon tax position letter that the District issued.

Commissioner Simpson reported that he attended the PABA meeting.

Commissioner Haffner reported that he attended a science presentation at the Sequim high school.

Staff provided a status update on the Strategic Plan as of end of 3rd Quarter. General Manager Doug Nass reminded those present of the Strategic Objectives and then each Manager presented the status of their Key Performance Indicators (KPIs) for each of the objectives for which they are responsible.

Commissioner Simpson asked about having healthcare costs reported on as part of the strategic plan. General Manager Doug Nass reported on recent NWWH conference and WWPU meetings where this has been extensively discussed and he is working with the HR Manager to develop a strategy for the District.

Treasurer Controller David Papandrew presented the Treasurer’s Reports for August and September 2014. Interest for September totaled $4,922.08, and cash and investments totaled $30,852,330.83.

There being no further business to come before the Commission, the meeting adjourned at 4:18 p.m. to meet again on Monday, October 27, 2014, at 1:30 p.m. at the Port Angeles Main Office.