

**CLALLAM COUNTY PUBLIC UTILITY DISTRICT #1
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
March 19, 2018**

The regular meeting of the Board of Commissioners of Clallam County Public Utility District #1 was held at the Main Office, 104 Hooker Road in Carlsborg, WA, on the above date commencing at 1:31 PM.

Commissioners Present: Hugh (Ted) E. Simpson, Jr., President
 Will Purser, Vice President
 Hugh Haffner, Secretary

Staff Present: Doug Nass, General Manager
 Teresa Lyn, Executive Assistant
 Bill Decker, Operations Superintendent
 Gary Moore, Operations Manager
 Jamie Spence, HR Manager
 John Purvis, Assistant General Manager
 Nicole Clark, Communications Manager
 Sean Worthington, Customer Service Manager
 Larry Morris, Safety Manager

Others Present: Werner Buehler
 Terry Lee
 Larry Powell
 Randy Breckett
 Paul V. Hansen
 Mike Doherty

On motion of Commissioner Purser seconded by Commissioner Haffner and carried, the Commission approved the minutes of the February 26, 2018 regular meeting.

Public comment was received by Terry Lee regarding a document with figures on it that he had questioned. He had given the document to the Commissioners at a previous meeting, and he asked if the Commissioners had had an opportunity to answer his questions. Commissioner Simpson advised that staff did look at the document and provided answers, a copy of which was handed to Mr. Lee.

Public comment was received by Larry Powell. Mr. Powell was upset because he received a turn-off notice 5-10 days after he received a late bill for \$333.17. He acknowledged that he thought he had paid the original bill online, but upon looking into this, realized that he had not actually confirmed his payment online, thus his payment was not received by the PUD. Mr. Powell stated that he has a problem with the PUD billing process as he feels he should not have received a turn off notice so soon. Additionally, when he came to the PUD to pay half of his bill, he felt he was treated rudely by two of the Customer Service Representatives (CSRs). Customer Service Manager Sean Worthington advised that he discussed the incident with the CSRs. Commissioner Simpson advised that PUD would look into the processing.

Public comment was received by Mike Doherty. Mr. Doherty requested that PUD enter into their records a copy of the Northwest Power and Conservation Council's article about Cowlitz PUD General Manager Steve Kern's belief that the Bonneville Power Association (BPA) will experience financial difficulties within the next 10 years, mostly to the low cost of competing natural gas due to fracking. Mr. Doherty expressed concern that the PUD, to his knowledge, does not yet have a Climate Action Plan, which would provide access to grants that explore alternatives like solar that could help PUD address the future. Mr. Doherty stated that he would like to see a discussion between PUD and the public about alternate power

strategies going into the future, for instance establishing electric vehicle charging stations throughout the northern Olympic Peninsula, which could be part of a climate action plan strategy.

General Manager Doug Nass responded that Cowlitz PUD was not a member of the Public Power Council (PPC) however Clallam County PUD #1 and about 50 other PUDs and municipal utilities are part of the PPC and as such, regularly coordinate to oversee BPA and their rates and budgets. GM Nass also noted that the PUD is already looking into a community solar project to give the community an opportunity to participate. Additionally, GM Nass advised that the PUD has looked into replacing retiring fleet vehicles with electrical vehicles but the need for 4-wheel drive is an issue as current EV models do not offer that option. GM Nass also noted that when building the new Main Office the PUD researched the option of a solar roof but it was cost-prohibitive. As solar costs come down the PUD will continue to look at alternative projects that utilize solar and EVs.

Public comment was received by Randy Breckett, who voiced support for what Mike Doherty said about the need for local energy production (community solar) being very real as we do not have any control of BPA. What we could be doing is setting up solar power substations near cell phone towers and water sources so that in the aftermath of a disaster people could still access utilities.

Upon recommendation of staff, and upon motion of Commissioner Haffner seconded by Commissioner Purser and carried, the Commission approved that Bid# 181001 for the pole inspection, treating, and reporting for 2018 be awarded to Pacific Pole Inspection, LLC., from Kelso, WA, the lowest, responsible bidder. The contract will have an estimated not-to-exceed amount of \$117,300.00 (not including WSST 8.4%) and a completion date of October 1, 2018.

Upon recommendation of staff, and upon motion of Commissioner Purser seconded by Commissioner Haffner and carried, the Commission approved District utilization of NJPA to solicit quotations for one (1) 2018 or newer diesel-powered Ram 5500 4x4 regular cab-chassis tradesman, dual rear wheels, factory engineered for off- and on-road capability to be used as an aerial lift truck for the Substation Department.

Upon recommendation of staff, and upon motion of Commissioner Haffner seconded by Commissioner Purser and carried, the Commission approved the terms of two Memorandum of Agreements (MOA) pertaining to union agreement negotiated positions.

General Manager Doug Nass reported on industry news, including industry concerns about a recent order to increase spills on – and a potential effort to breach or remove – the Snake River dams, actions that would increase electric rates considerably. GM Nass briefly discussed a spreadsheet that outlined the disposition of energy bills during the last legislative session. He also commented on potential alternative actions that BPA is looking at to address operational and reliability issues that have been causing a rise in costs.

Three lists of claim vouchers as certified by the General Manager and Auditing Officer were considered. On motion of Commissioner Purser seconded by Commissioner Haffner and carried, the Commission approved payments of claim vouchers in the amount of \$134,331.46 for March 5, 2018. On motion of Commissioner Haffner seconded by Commissioner Purser and carried, the Commission approved payments of claim vouchers in the amount of \$864,573.92 for March 12, 2018. On motion of Commissioner Purser seconded by Commissioner Haffner and carried, the Commission approved payments of claim vouchers in the amount of \$3,735,842.82 for March 19, 2018.

Commissioner Purser reported that he attended the Cambridge Energy Research Associates (CERA) conference in Houston on behalf of Energy Northwest (EN). Although the focus (being in Houston) was oil, there were several sessions on renewables and electric vehicles. A general consensus of the oil industry seemed to be that if all cars were converted to EV, their industry would not be impacted much, as petroleum products produce most of the chemicals, plastics, and synthetic materials that are in nearly everything we use. Commissioner Purser also noted that EN will be the lead agency in the Washington

state Department of Transportation Electric Vehicle Infrastructure Pilot Project, which will boost access to charging stations for electric vehicles in central and eastern and Washington state.

The meeting convened and recessed at 2:35 PM for a break. The meeting reconvened at 2:45 PM.

General Manager Doug Nass attended the monthly Public Power Council meeting (PPC) as the alternate for Commissioner Will Purser. Afterwards he attended an in-depth presentation on the Carbon Free Power Project which will utilize small modular nuclear reactor technology developed by NuScale as an alternative without adding any greenhouse gas emissions. GM Nass then toured the NuScale Facilities in Corvallis. He found both the presentation and tour quite impressive and recommended both to anyone with an interest.

At 2:59 PM General Manager Doug Nass convened the meeting in Executive Session for a period not to exceed ten minutes to discuss the acquisition of real estate pursuant to RCW 42.30.110(1)(b). Those in attendance were Commissioners Simpson, Purser, and Haffner, as well as General Manager Doug Nass. No action was taken. The Executive session adjourned at 3:05 PM, and the regular meeting reconvened at that time.

There being no further business to come before the Commission, the meeting adjourned at 3:05 PM.