

CLALLAM COUNTY PUBLIC UTILITY DISTRICT #1
Minutes of the Special Meeting of the Board of Commissioners
Carlsborg Main Office | 104 Hooker Road | Sequim, WA 98382
DECEMBER 3, 2018

Commissioners Present:

Hugh (Ted) E. Simpson, Jr., President
Will Purser, Vice President
Dave Anderson, Secretary

Staff Present:

John Purvis, Assistant General Manager
Simon Barnhart, General Counsel
Sean Worthington, Treasurer/Finance Manager
Lori Carter, Controller/Auditing Officer
Steve Schopfer, IT Manager
Tom Martin, Water and Wastewater Superintendent
Nicole Clark, Communications Manager
Travis McClain, WWW Systems Coordinator
Teresa Lyn, Executive Assistant

Others Present:

Sergey Tarasov, FCS Project Manager
Paul Quinn, FCS Senior Analyst
Terry Lee
Jim Waddell
Werner Buehler
Brad Teel
Kristine Reed
Brian Grad
Darlene Schanfald

The meeting commenced at 1:30 PM.

APPROVAL OF MINUTES

Upon recommendation of staff, and upon motion of Commissioner Purser, seconded by Commissioner Anderson and carried, the Commission approved the minutes of the November 5th and 19th special meetings.

PUBLIC COMMENT

Terry Lee presented a written list of questions to the Commissioners for response. Darlene Schanfald, a Sequim resident, would like to see the rates capped and not increased and commented on the salary of a staff member. Brian Grad of Carlsborg said that in the recent election people voted for a change and accordingly asked that the Commissioners to delay approving today's resolutions until the new Commissioner comes on board in 2019.

BUSINESS ITEMS

Finance Manager/Treasurer Sean Worthington introduced Sergei Tarasov, Project Manager of the FCS Group, who presented a comprehensive Cost of Service and Rate Study PowerPoint, which recommended a cost increase designed to produce sufficient revenue to meet the overall financial requirements of the District by collecting a target revenue level for each class of service that is both cost-based and equitable.

Upon recommendation of staff, and upon motion of Commissioner Purser, seconded by Commissioner Anderson and carried, the Commission approved RESOLUTION 2126-18 Establishing Compensation for the General Manager.

Upon recommendation of staff, and upon motion of Commissioner Anderson, seconded by Commissioner Purser and carried, the Commission approved RESOLUTION 2127-18 Approving a General Manager Retention Agreement.

The meeting recessed at 2:27 PM for a break. The meeting resumed at 2:37 PM.

COMMUNICATIONS

Assistant General Manager John Purvis reported that he and General Manager Nass spoke with Kevin Russell of the North Peninsula Building Association (NPBA) regarding the delay Mr. Russell and some others experienced recently in having construction-related estimates processed in a timely manner. AGM Purvis advised that his team implemented changes utilizing existing resources to address the issue, and based on a November 19th follow-up call, believes that both Mr. Russell's and the other parties' projects are now moving along satisfactorily with a two to three week response time. Mr. Russell additionally suggested to AGM Purvis that the District consider having a Commissioner attend a NPBA meeting occasionally in order to touch bases with the construction community.

CLAIM VOUCHER APPROVALS

Two lists of claim vouchers as certified by the Assistant General Manager and the Auditing Officer were considered. Upon recommendation of staff, and upon motion of Commissioner Purser, seconded by Commissioner Anderson and carried, the Commission approved payments of claim vouchers in the amount of \$2,723,179.82 for 11/26/18 and \$399,220.45 for 12/3/18.

COMMISSIONER REPORTS

Commissioner Anderson reported that at the October 8th Coffee with Commissioners event, a resident brought up the issue of hunters hunting on District-owned land off Township Road. When the resident inquired why they were hunting on PUD land, the hunters responded that they thought they could hunt there. Commissioner Anderson advised that we need to communicate to the public that it is not permissible to hunt on District land. Accordingly he coordinated with Safety Manager Larry Morris and WWW Systems Assistant Superintendent Bowen Kendrick to have 'No Trespassing' signage installed on the land. He suggested that the District take a look at similar sites to make sure we have signage in those places as well.

Commissioner Purser participated in a BPA-sponsored teleconference along with the Public Power Council regarding rates. During the call, BPA indicated that they are on track to reduce their costs however Commissioner Purser advised that BPA does not share their metrics very openly.

Commissioner Purser also reminded the Board that NoaNet is asking their members for a loan (for the District, this translates to an amount of approximately \$220K). The request is due to NoaNet's estimated two million shortfall in their 2019 budget, the result of tooling up for a major project that was delayed, which has left them short of cash.

Commissioner Simpson commented that the trending bad debt chart was looking good. Finance Manager/Treasurer Worthington responded this was due both to a catching-up in the delay in collections we experienced while we were implementing a new system, as well as a recent increase in collections.

STAFF REPORTS

Water and Wastewater Systems Coordinator Travis McClain reported on the status of a recent water customer complaint. The Hooker Road customer reported at the November 19th meeting that he has had an increased water bill after a water line was put in near his property in 2013. He believes that air in the line caused water hammer, which in turn made his system leak, increasing his water bill substantially. WWW Coordinator McClain, along with General Manager Nass and additional WWW staff and the customer went through the customer's usage history together. They discovered collectively that the customer's timeline for when things occurred on his side did not match up with PUDs transactions usage history. The customer requested that the District waive consumption for water that went through his pipes. Staff advised the

customer that the District cannot provide such a waiver, as doing so would thus pass the consumption use onto other ratepayers. The meeting concluded with the customer planning to coordinate with collections to work out a payment plan.

EXECUTIVE SESSION

The regular meeting recessed at 3:02 PM for approximately 60 minutes to go into executive session to consider to discuss litigation or potential litigation with legal counsel, pursuant to RCW 42.30.110(1)(i). Those in attendance were Commissioners Simpson, Purser, and Anderson, Assistant General Manager John Purvis, WWW Superintendent Tom Martin, and General Counsel Simon Barnhart. No action was taken. The executive session adjourned at 4:04 PM and the regular meeting reconvened at that time.

ADJOURNMENT

There being no further business to come before the Commission, the meeting adjourned at 4:04 PM.