

Commissioners Present:

Will Purser, President
Jim Waddell, Vice President
Dave Anderson, Secretary

Staff Present:

Doug Nass, General Manager
John Purvis, Assistant General Manager
Simon Barnhart, General Counsel
Sean Worthington, Treasurer/Finance Manager
Lori Carter, Controller/Auditing Officer
Steve Schopfer, IT Manager
Nicole Clark, Communications Manager
Teresa Lyn, Executive Assistant
Shawn Delplain, Network Engineer

Others Present:

Werner Buehler
Paul Gottlieb
Mike Doherty (part-time)
Richard DeBusman

The meeting commenced at 1:29 PM.

APPROVAL OF MINUTES

Upon recommendation of staff, and upon motion of Commissioner Anderson, seconded by Commissioner Purser and carried, the Commission approved the minutes of the December 10th regular meeting.

PUBLIC COMMENT

Commissioner Purser requested that public comments be limited to three minutes. He also requested that any remaining unanswered questions after that time be submitted in writing to the Board for response by or at the next board meeting.

Mr. Doherty expressed his concern about what he believes is climate change in action, referring to the extensive 2018 Paradise, CA wildfires.

BUSINESS ITEMS

Assistant GM Purvis provided a summary of the succession of events during the two strong storms in December 2018 including related outages, restoration efforts, and incurred damages. AGM Purvis stated that the combination of the storms was the largest disaster that the District has experienced. \$876,000 is the preliminary estimate for damages, which will be submitted in a claim to FEMA for reimbursement. It is anticipated that FEMA will reimburse the District sometime in 2020. AGM Purvis praised District crews for their restoration action, saying they “performed admirably.”

Commissioner Waddell, on behalf of West side customers, inquired if they had access to federal funds for damages incurred during the December storms, for destroyed food and the like. GM Nass advised that customers could submit a claim to the PUD or BPA claim process to make a solicitation for federal funds. GM Nass advised that the District has in place a continual rotating schedule of vegetation management throughout the District, two vegetation management crews and a system in place to mitigate damage risk by

identifying, then trimming or removing problem trees within our right of way areas. Commissioner Waddell inquired about the ability of the District to respond to storm events.

Upon recommendation of staff, and upon motion of Commissioner Anderson seconded by Commissioner Waddell and carried, the Commission approved RESOLUTION 2134-19 Authorizing the Execution and Approval of a Payment Agreement to Provide Financing to Northwest Open Access Network (NoaNet). IT Manager Steve Schopfer explained that the financing is for a bridge loan for the capital expenses that NoaNet has incurred to date and will incur to build out the infrastructure required to provide the backbone for statewide E911 when it is turned up later this year. He advised that the District has invested \$888K in fiber and sells the excess capacity to internet service providers. These providers service 6600 customers, 75 businesses, and 5 schools, which provides the District with an estimated \$400K average revenue per year.

Upon recommendation of staff, and upon motion of Commissioner Anderson seconded by Commissioner Waddell and carried, the Commission approved RESOLUTION 2135-19 Declaring Landis & Gyr (L&G) as a Sole Source Supplier. AGM Purvis advised that the District is preparing to commence the AMI project in 2019 and after having evaluated multiple vendors recommended L&G as the lowest cost and best solution for Clallam PUD. L&G has about 38% of the North American market for AMI metering, offers both power line carrier and RF solutions, uses the same control software system we have been utilizing since the 1980s, and quoted the lowest meter unit costs. AGM Purvis advised that like other vendors, L&G has its own proprietary system which is the basis for the sole source resolution. He also advised that RESOLUTION 2135-19 directs staff to continually monitor if there is still a need retain sole source designation as circumstances and conditions change.

Upon recommendation of staff, and upon motion of Commissioner Anderson seconded by Commissioner Waddell and carried, the Commission approved the removal of delinquent accounts on the list dated January 14, 2019 in the total amount of \$1938.78 from the active accounts receivable, including a collection fee of \$440.67.

CORRESPONDENCE

GM Nass shared correspondence from customers thanking the District for its restoration work during the December storms.

CLAIM VOUCHER APPROVALS

Five lists of claim vouchers as certified by the General Manager and Auditing Officer were considered. Upon recommendation of staff, and upon motion of Commissioner Anderson, seconded by Commissioner Waddell and carried, the Commission approved payment of: claim vouchers in the amount of \$453,553.08 for 12/17/18; claim vouchers in the amount of \$2,173,056.79 for 12/24/18; claim vouchers in the amount of \$284,753.41 for 12/31/18; claim vouchers in the amount of \$306,891.69 for 1/7/19; and claim vouchers in the adjusted amount of \$1,374,352.48 for 1/14/19.

COMMISSIONER REPORTS

Commissioner Purser welcomed incoming Commissioner Jim Waddell to the Board.

Commissioner Purser reported that he attended the Public Power Council (PPC) meeting in Portland. Topics included the election of PPC officers; the TC-20 agreement which will result in a 4.06% PUD rate increase for transmission and power; BPA's plan to join in with EIM and CAISO, (which Commissioner Purser believes in California-centric), and BPA's improvement report, which Commissioner Purser said was qualitative rather than quantitative as no metrics or measures were provided. Plans to increase total dissolved gases from 100% to 120% to prevent salmon from getting the bends were also discussed. BPA indicated that would absorb the estimated \$40 million in costs. Commissioner Waddell commented that we need to watch this closely; as the dissolved gas from spills causes embolisms in adult fish who die and never make it back to the spawning area.

Commissioner Anderson complimented Operations for their work during the recent storms.

STAFF REPORTS

General Manager Doug Nass advised that the District has made redacted versions of its *Emergency Response and Restoration Plan (ERRP)* and *Emergency Guidebook* available to the general public via the PUD website at <https://www.clallampud.net/emergency-planning/>.

GM Nass advised that starting January 25th, board packets (less correspondence and customer confidential information) will be posted on our website.

GM Nass provided the Commissioners with updated lists of 2019 organizational memberships and dues. He advised that the District has to obtain benefits from these organizations in order to justify paying dues, and he noted that several of the organizations that we belong to help us leverage our powers as a small PUD. He requested that the Commissioners and his Direct Reports look over the lists, and advise Executive Assistant Teresa Lyn what delegate position(s) they are interested in. He advised that other than Public Power Council (PPC) and Energy Northwest, (EN), the delegate positions are open.

Pending Board approval to continue membership, GM Nass is holding invoices from APPA (informs on national issues' legislation), NWPPA (provides industry training and informs on utility issues), and NW RiverPartners (promotes hydroelectric).

MOTIONS

Commissioner Dave Anderson moved that the District renew membership with APPA, NWPPA, and NW RiverPartners. Commissioner Waddell seconded and voted yea for APPA and NWPPA but not for NW RiverPartners. Commissioner Anderson and Purser voted to renew membership with APPA, NWPPA, and NW RiverPartners. Motion was passed to renew membership with APPA, NWPPA, and NW RiverPartners.

ADJOURNMENT

There being no further business to come before the Commission, the meeting adjourned at 2:59. PM.