

CLALLAM COUNTY PUBLIC UTILITY DISTRICT #1
Minutes of the Regular Meeting of the Board of Commissioners
Carlsborg Main Office | 104 Hooker Road | Sequim, WA 98382
June 24, 2019

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, Finance Manager/Treasurer
Lori Carter, Controller/Auditing Officer
Brad Teel, Sr. Power Systems Project Coordinator
Terry Lind, Operations Superintendent
Larry Morris, Safety Manager
Nicole Clark, Communications Manager
Teresa Lyn, Executive Assistant

Others Present

Werner Buehler
Terry Lee
Krestine Reed
Janet Marx
Dan Toepfer

Note: Written responses to the questions presented by Terry Lee at the June 10, 2019 meeting were provided to Mr. Lee at the beginning of today's meeting and were subsequently filed in Records.

The meeting commenced at 1:29 PM.

CONSENT AGENDA

Upon recommendation of staff, and upon motion of Commissioner Anderson, seconded by Commissioner Waddell and carried, the Commission approved the following:

- a. Minutes of the June 10th, 2019 regular meeting;
- b. Minutes of the June 17th, 2019 AM and PM special meetings;
- c. Claim vouchers from June 10th, 2019 and June 17th, 2019 for a total of \$688,115.08; and
- d. Payroll voucher for the period of May 16th, 2019 through May 31st, 2019.

PUBLIC COMMENT

Janet Marx is interested in purchasing shares in community solar project and would like to know if the process can be made more convenient.

Krestine Reed read an article regarding BPA's planned purchase of an advanced-design hydroelectric turbine, built to improve fish passage at federal dams in the Columbia River Basin.

BUSINESS ITEMS

- a. Upon recommendation of staff, and upon motion of Commissioner Anderson, seconded by Commissioner Waddell and carried, the Commission approved the Recommendation of Award Memo for RFQ Number 191003 for trenching project on SR101 near Elwha Bridge to Nordland Construction NW, Inc. The contract will have a not-to-exceed amount of \$260,000.00 (not including WSST) and is to be complete by September 15, 2019.

- b. Upon recommendation of staff, and upon motion of Commissioner Waddell, seconded by Commissioner Anderson and carried, the Commission passed Resolution 2152-19, authorizing the disposal of surplus property including one (1) 2000 bucket truck with 195,000 miles, one (1) hauling/brushing tractor that is not being used and is expensive to operate, and two (2) GMC Sonoma 4x4 trucks (2003 and 2004) which were meter reader trucks and thus are no longer needed.

COMMISSIONER REPORTS

Commissioner Waddell reported that he spoke at a recent Port Angeles Rotary Club meeting regarding PUD operations, BPA, dams, salmon, the upcoming projected rate increase, what constitutes rates, and PUD's efforts to keep rates under control.

Commissioner Purser reported that he attended Northwest Public Power Association's (NWPPA) annual meeting, which was held at SMUD (Sacramento Municipal Utility District). The meeting started with a demonstration of a variety of electric vehicles (EVs). There were several presentations on EV battery storage, which is the secret sauce to solar and wind but we are not there yet. Commissioner Purser noted that only CA is 14% solar and must use natural gas to back up their solar. Commissioner Purser also noted that there is an environmental impact of creating solar batteries as they are built in China with coal-generated power. Most interesting was a presentation on the 2018 Paradise, CA wildfire, which highlighted the need for 1st responders to have access to a radio system so they can communicate with each other and responding agencies. Several business resolutions were passed including those related to reliability standards, support of hydro, support of local decision-making, and support of small nuclear facilities. Climate change principles were also approved.

Commissioner Purser reported on the monthly Public Power Council (PPC) meeting. A panel of three BPA participants spoke about the benefits of joining the Energy Imbalance Market (EIM). Commissioner Purser suggested that the panel discussion would have been more balanced had there been an opposing view represented, especially in light of the fact that CAISO is California-centric. His concern is that CA will attempt to harness and control the power resources of nearby states like they did with water.

Commissioner Purser also attended the annual American Public Power Association (APPA) conference, which he advised is a great opportunity to speak to other PUDs throughout the country to determine how they are handling the same problems and issues that we experience. For instance, he discovered that in talking with other PUDs, AMI is not a big concern other areas. Also of interest at the conference was a presentation about a Navajo community of 1500 homes that were wired for and hooked up to public power for the first time, and a presentation on cybersecurity, specifically as

it relates to privacy issues with Facebook and smart phones. Commissioner Purser advised that Sue Kelly, president and CEO of APPA is retiring end of year. She gave a passionate speech about climate change. Another presenter highlighted the misalignment between responding to the threat of climate change and the responsibility to provide reliable and affordable power to ratepayers. He suggested that stranded costs (those costs associated with retiring coal and other existing infrastructure investments) would be a big impact to the system, and that a diverse base of infrastructure types was needed. Commissioner Purser pointed out that in the Midwest during the during polar vortex times of sub-zero temperatures, 90% of power is actually generated by coal, natural gas, and nuclear. He also noted that the potential for geothermal is 50 times more what we are seeing today.

STAFF REPORT

GM Doug Nass reported on the status of the District's response to the League of Women's Voters' request for after-hours access to public meeting rooms. Staff is still outlining some options. Commissioner Purser expressed concern about the risk involved in allowing after-hours access and suggested that if an option is chosen, that we proceed on a trial basis.

The meeting recessed at 2:23 PM for a short break. The meeting reconvened at 2:30 PM.

Safety Manager Larry Morris presented on the responsibilities, programs, and operations of the safety department.

BOARD ACTION ITEMS FOR STAFF

Staff was requested to follow up on:

- a. Provide backup verification for the fuel mix numbers that BPA is putting out; and
- b. Consider identifying and partnering up with a PUD east of the Cascades that will commit to providing resources to the District in the event of a Level 4 emergency.

EXECUTIVE SESSION

The regular meeting recessed at 2:53 PM for no longer than 20 minutes to go into executive session to discuss potential litigation with the District's legal counsel. Those in attendance were Commissioners Purser, Waddell and Anderson, General Manager Doug Nass, Assistant General Manager John Purvis, Legal Counsel Simon Barnhart, Treasurer Sean Worthington, and Safety Manager Larry Morris. The executive session adjourned at 3:20 PM, and the regular meeting reconvened at that time.

ADJOURNMENT

There being no further business to come before the Commission, the meeting adjourned at 3:20 PM.