

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
July 8, 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
Tyler King, Power Analyst
Nicole Clark, Communications Manager
Teresa Lyn, Executive Assistant

Others Present

Werner Buehler
Terry Lee
Krestine Reed
Richard DeBusman
Paul Hansen
Barbara Mitchell

The meeting commenced at 1:30 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 24th, 2019 regular meeting;
- b. Claim vouchers from June 24, 2019 and July 1, 2019 for a total of \$2,746,263.19;
- c. Write off of delinquent accounts from the July 2019 active accounts receivable in the total amount of \$11,956.39; and
- d. Payroll voucher for the period of June 1st through June 15th, 2019.

PUBLIC COMMENT

Terry Lee inquired about reason for the need of proposed Resolution 2153-19. His inquiry was subsequently answered later in the meeting during Commissioner review of the Resolution.

Richard DeBusman stated that he was personally promoting participation in PUD's Community Solar Project. He requested that the PUD look into the possibility of streamlining the participation agreement process. This request was addressed later in the meeting by an update from Communications Manager Nicole Clark.

BUSINESS ITEMS

- a. Upon recommendation of staff, and upon motion of Commissioner Waddell, seconded by Commissioner Anderson and carried, the Commission passed Resolution 2153-19, authorizing the investment of PUD #1 Clallam County monies in the local government investment pool.

- b. Upon recommendation of staff, and upon motion of Commissioner Waddell, seconded by Commissioner Anderson and carried, the Commission passed Resolution 2154-19, declaring an emergency and approving the waiver of competitive bidding requirements to enable the emergency purchase and installation of a suitable replacement for the failed Circuit Switcher 1895 before the storm season occurs.

Assistant GM John Purser presented a comprehensive PowerPoint entitled ***Reducing the District's Carbon Footprint***. The presentation highlighted: Clallam's current source percentages of fuel and how they compare to the state and nation; the Districts estimated CO2 output per year in comparison to the state and the nations'; PUD's ongoing and upcoming initiatives to reduce its carbon footprint and mitigate climate change, including: innovative energy conservation; support of renewable distributed generation; AMI; building and leveraging an integrated smart grid to lower cost and minimize utility controllable carbon emissions; and the creation of electric charging stations to support WSDOT's Highway 101 EV highway corridor project.

At the conclusion of the presentation, Assistant GM Purvis requested the Commissioners to provide any suggestions for the presentation to him three days prior to help staff finalize the presentation. GM Nass stated that the presentation showed that the District has worked to reduce its carbon footprint for many years by promoting and implementing District and community wide-conservation efforts. Commissioner Purser reminded those present that the District has had a strong conservation program since the early 80's, well before the mandate of I-937.

The meeting recessed at 2:45 PM for a short break. The meeting reconvened at 2:52 PM.

COMMISSIONER REPORTS

Commissioner Waddell reported that as a result of attending several Port Angeles Business Association (PABA) meetings, he has a better understanding of the economic struggles of local businesses. He stated that those struggles reinforced to him the importance of what PUD does to conserve energy in order to keep rates low. He noted that he will meet with Clallam County's District 3 Commissioner Bill Peach to discuss Neah Bay energy issues.

Commissioner Anderson reported that Clallam County put out a well drilling contract bid for the Carlsborg Water Project on July 8th. The bid offer contains a time schedule component.

Commissioner Purser reported that he attended the monthly Energy Northwest (EN) meeting, which focused primarily on the Columbia Generating Station (CGS)'s recent refueling outage, which is required periodically for maintenance and upgrade. Other topics were: CGS's achieving its annual safety and security performance objectives; a presentation on the projected costs to decommission the station and how that would be paid for; and BPA's recent request to Congress to raise their borrowing limit from Treasury. Commissioner Purser relayed that EN is looking into the legal implications of taking a stand in support of the Snake River dams. He advised that seventeen PUDs have passed resolutions in support of them to date.

Commissioner Waddell said that BPA is a marketing company that markets hydroelectric and they are losing money and burning through a lot of cash. He is concerned about their cash reserve situation.

STAFF REPORT

Power Analyst Tyler King presented on: Clallam County's current fuel mix percentages; BPA's 2015 through 2018 fuel mix percentages; how unspecified power sources are allocated to the Northwest Power Pool net system mix (of which we have about 2%); and 2019's HB1428, which will enable retired Renewable Energy Credits (RECs) from one renewable energy resource to be applied to an unspecified energy resource to order to make it specifiable as renewable energy.

Communications Manager Nicole Clark provided a status overview of the District's Community Solar Project, which included a number of promotional activities: a two page spread in the July PUD Hotline Newsletter, which goes to every customer; in order to help simplify the sign up procedure, the District will have designated CSRs to take calls for and walk through with interested rate-payers the participation agreement over the phone; an August 2nd Open House event, which will include the solar energy design firm Power Trip Energy and which will be promoted via social media; a time-lapse photo presentation of the project to demonstrate its progress; and CSRs at the event to facilitate the sign up of interested ratepayers to the participation agreement. In response to inquiries about making the participation agreement available for online signup, Ms. Clark explained that legally and for security reasons, the District must insure that the individual signing the agreement is the actual account holder and that currently there is no way to verify that online.

BOARD ACTION ITEMS FOR STAFF

Commissioner Waddell requested follow-up on:

- a. Do the CO2 equivalents in tons referred to in the ***Reducing the District's Carbon Footprint*** presentation include methane;
- b. More discussion on how to backup wind and solar power generation;
- c. Additional discussion on choice in regards to Clallam County's current fuel mix percentages;
and
- d. Upload of the District's finalized presentation on Carbon Footprint Reduction to the website.

ADJOURNMENT

There being no further business to come before the Commission, the meeting adjourned at 3:40 PM.