

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  
**April 8, 2019**

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**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  
Tom Martin, Water and Wastewater Superintendent  
Nicole Clark, Communications Manager  
Teresa Lyn, Executive Assistant

**Others Present**

Werner Buehler  
Richard DeBusman  
Jim Schuenemann

The meeting commenced at 1:30 PM.

**APPROVAL OF MINUTES**

Upon recommendation of staff, and upon motion of Commissioner Anderson, seconded by Commissioner Waddell and carried, the Commission approved the minutes of the March 25<sup>th</sup> meeting.

**PUBLIC COMMENT**

There was no public comment.

**BUSINESS ITEMS**

- a. Upon recommendation of staff, and upon motion of Commissioner Anderson seconded by Commissioner Waddell and carried, the Commission considered and adopted RESOLUTION 2143-19 Authorizing the Issuance and Sale of a Water System Revenue Bond in the Principal Amount of \$570,000 to Finance the Replacement of a Reservoir Cover to the Gales Addition Water Reservoir, the Replacement of a Wastewater Lift Station, and Other Capital Improvements and Fixing the Terms and Conditions of the Bond.

- b. Upon recommendation of staff, and upon motion of Commissioner Waddell seconded by Commissioner Anderson and carried, the Commission considered and approved a Recommendation Memo authorizing the award and purchase of a DitchWitch JT25 horizontal directional drill from Charles Machine Works, Inc. in the amount of \$315,997.26 (not including WSST), reference Sourcewell Contract No. 021418-CMW.
- c. Upon recommendation of staff, and upon motion of Commissioner Anderson seconded by Commissioner carried, the Commission considered and approved prequalification of contractor Titan Electrical, Inc. on the Electrical Workers Roster for the upcoming calendar year for the recommended amount of \$300,000.
- d. Upon recommendation of staff, and upon motion of Commissioner Waddell seconded by Commissioner Anderson and carried, the Commission considered and adopted RESOLUTION 2144-19 Establishing a District Policy on Interconnection of Electric Generating Facilities with a Maximum Generating Capacity of Less Than or Equal To 20 Megawatts. Per Assistant GM Purvis, solar installers will be notified via an email this week of this change.
- e. Upon recommendation of staff, and upon motion of Commissioner Waddell seconded by Commissioner Anderson and carried, the Commission considered and adopted RESOLUTION 2145-19 Dissolving the Electric Utility Rural Economic Development Revolving Fund and Rescinding Resolution Nos. 1607-99, 1618-00, 1641-01, and 1643-01.
- f. Upon recommendation of staff, and upon motion of Commissioner Anderson seconded by Commissioner Waddell and carried, the Commission approved removal of delinquent accounts on the list dated April 8, 2019 in the total amount of \$9,377.73 from the active accounts receivable, including a 30% collection fee of \$2,160.89.
- g. Upon recommendation of staff, and upon motion of Commissioner Anderson seconded by Commissioner Waddell and carried, the Commission approved the removal of delinquent invoices from the active miscellaneous accounts receivable in the amount of \$9,783.79 which are to be sent to Evergreen Financial Services for further collections at a 30% collection fee of \$2,935.14, bringing the total of removals to \$12,718.93.
- h. Upon recommendation of staff, and upon motion of Commissioner Anderson seconded by Commissioner Waddell and carried, the Commission approved the 2019-2023 Collective Bargaining Agreement with IBEW Local 997.

#### **CORRESPONDENCE AND COMMUNICATION**

No correspondence or communication was presented.

#### **CLAIM VOUCHER APPROVALS**

Claim vouchers as certified by the General Manager and Auditing Officer were considered. Upon recommendation of staff, and upon motion of Commissioner Waddell seconded by Commissioner Anderson and carried, the Commission approved payment of claim vouchers for the period of weeks 4/1/19 and 4/8/19 for the combined total amount of \$354,467.88.

### **COMMISSIONER REPORTS**

Commissioner Waddell reported that he attended the March PPC meeting. BPA's Administrator Elliot Mainzer attended and presented on the financial reserves accounting issues facing BPA. Commissioner Waddell commented that meeting attendees were struggling with how to hold BPA accountable, particularly for asset management. He expressed concern about Utilities' reliance on outside agencies like BPA for power information.

Commissioner Purser reported that he attended PPC, as well as Western Area Power Administration's (WAPA) Wholesale Market Power Participant's Forum. He relayed that WAPA has a very different model from BPA and that the following day BPA's Elliot Mainzer was quizzed about WAPA's process. He expressed concern about the impact of BPA's accounting issues would have on Energy Imbalance Market (EIM) customers, as BPA tries to have cash reserves of 60 days on both transmission and power sides. He reported that BPA will do an internal assessment and then bring auditor Baker-Tilley in under contract to audit BPA's internal assessment. He expects that the assessment information should be published in September 2019 before we sign with BPA in October. He mentioned that Energy Northwest requires BPA to come in annually and discuss their capital spending plans.

### **STAFF REPORTS**

- a. On behalf of staff, Legal Counsel Simon Barnhart requested the board to consider implementing a 'Consent Agenda,' which is a board meeting practice commonly utilized by other public utility districts to approve in one action routine business items such as minutes, vouchers or warrants, payroll, write-offs, and contractor pre-qualifications. Utilizing a consent agenda frees up meeting time and enables the Board to concentrate on more complex non-routine business matters. Mr. Barnhart advised that implementation of a consent agenda would not require a Resolution. He volunteered to submit a template for review and approval to the board at the next meeting.
- b. Communications Manager Nicole Clark reported on the North Peninsula Building Association (NPBA) Home Show, of which PUD is a sponsor. The decision to permanently reschedule it to April was dropped due to last weekend's show not being well-attended. PUD staff at the show received several inquiries about the upcoming community solar project, rooftop solar, and ductless heat pumps. PUD giveaways of re-useable grocery bags were popular, possibly due to the recent ban on plastic bags in Port Angeles. Ms. Clark advised that PUD would have a booth at the Clallam County fair, and she advised that the Hotline newsletter – featuring safety this quarter – comes out next week. She requested the Commissioners to

notify her if there was any issue or topic that they would like to get messaging out on. Content for the next quarter's newsletter is due by May.

- c. GM Doug Nass attended the Expo show Saturday. He advised that the next action in the District's Emergency Response and Restoration project is to purchase emergency supplies. To that end we have purchased a 40' container. Shelving and lighting have been installed and the container is ready to be stocked with supplies. The container will reside at the Central Warehouse Facility. Next we plan to purchase two 20' containers for the Forks and PA locations. Once these are in place we will commence stocking all three containers with 30 days-worth of emergency supplies, including food, water, cots, and emergency medical kits. Our procurement manager advised that we stock all containers at the same time in order to obtain quantity price breaks on the purchases, planned for over the next three years. GM Nass also advised that we will start working on applying for APPA's RP3 designation, which recognizes public power utilities that demonstrate leading practices in reliability, safety, work force development and system improvement.

#### **BOARD ACTION ITEMS FOR STAFF**

The Board requested follow up on the following issues:

- a. A consent agenda example;
- b. A broader background on solar - where we've been, what worked and what did not; and
- c. A broader background on water issues – possibly at a public meeting as a workshop.
- d. Commissioner Waddell made an inquiry about Columbia River monies for mitigation; specifically; has BPA's \$1 billion dollars of debt for fish mitigation been booked yet this year or is it still with the Army Corps of Engineers? Commissioner Waddell requested this information from Bo Downen, PPC's Director of Environmental and Regional Affairs and will follow up with him.

#### **ADJOURNMENT**

There being no further business to come before the Commission, the meeting adjourned at 2:55 PM.