

SNOHOMISH COUNTY PUBLIC UTILITY DISTRICT

Regular Meeting

May 7, 2019

The Regular Meeting was convened by President Sid Logan at 9:00 a.m. in the Commission Meeting Room. Those attending were Tanya Olson, Vice President; Rebecca Wolfe, Secretary; CEO/General Manager John Haarlow; General Counsel Anne Spangler; Assistant General Managers Glenn McPherson, Guy Payne, and Brant Wood; Chief Information Officer Dean Galvez; other District staff; members of the public; Clerk of the Board Melissa Collins; and Deputy Clerks of the Board Allison Morrison and Lela Wall.

*** Items Taken Out of Order**

****Non-Agenda Items**

1. CEO/GENERAL MANAGER BRIEFING AND STUDY SESSION

A. Updates

1. Media. Communications & Marketing Director Julee Cunningham reported on District related articles and new social media and internal campaigns.
2. Legislative Update. CEO/General Manager John Haarlow mentioned that the State Legislative session update and recap had been provided in the meeting packet.

Commissioner Olson asked about \$8.3 million that went to Pacific Northwest National Laboratory (PNNL) for grid scale storage facilities and said she assumed it was for a pilot that would benefit all of us. CEO/General Manager John Haarlow said staff would follow up and provide the information to the Board.

3. Community Engagement. Local Government and External Affairs Associate Brenda White reported on the District's involvement in the City of Stanwood's Touch a Truck event and shared steps that the District was taking on avian protection.
4. Updates: There were no other updates.

B. Insurance Program Overview & 2019 – 2020 Renewal

Senior Manager Treasury, Risk Management & Supply Jim Herrling provided an overview of the District's insurance policies and provided staff's recommendations for the renewal period of 2019 through 2020. Greg Miller, the District's insurance broker from Marsh USA, was introduced.

Next steps included working with the broker to obtain best coverage and quotes, and to return to the Board on May 21, 2019, for approval of a Resolution authorizing the CEO/General Manager or Treasurer to bind coverage.

C. Low-Income Strategy: Update

The overall approach to the District's programs that service low-income customers, also referred to as income qualified or income constrained customers, was presented by the following members of the cross-functional Low Income Strategy Team (LIST): Manager Customer Service Front Line Manager Jeff Feinberg; Customer & Energy Services Program Manager Cathy Anderson; Senior Customer & Energy Services Program Manager Kevin Watier; and Local Government and External Affairs Associate Brenda White.

A brief history of the programs, with statistics on participants and total discounts, was provided.

The meeting recessed at 10:34 a.m. and reconvened at 10:40 a.m.

Mr. Feinberg mentioned research results, Income Qualified Mission statement, LIST goals, and a timeline, which included a second presentation and recommendations that would be brought to the Board at the end of summer or beginning of fall.

Ms. White concluded by speaking about the opportunities to extend community outreach.

D. Journey to 800

Senior Manager Business Readiness and Training Lisa Hunnewell and Process Improvement Program Manager Taylor Ostrander presented data results from three customer service surveys: the J.D. Power Research 2019 Electric Utility Residential Customer Satisfaction Study, which inspired the presentation title and goal of an 800 survey score; the District's internal Customer Satisfaction survey; and the 2018 District Energy Insights Customer Panel.

In reference to the J.D. Power study, Commissioner Logan inquired about Corporate Citizenship; what went into that, as the numbers did not seem to be higher. Ms. Hunnewell stated she would get back to the Board with that information.

Mr. Haarlow mentioned customer self-serve as the next big step for outage communications, as the District would be able to send notifications to the customer at their preferred method of contact. Mr. Haarlow said that, with all of this data, the team focused on asking how the District could impact the customer experience to improve the process.

E. Commercial & Industrial Rate Redesign

Due to time constraints, this item was moved to the afternoon session.

The meeting recessed at 11:53 a.m.

RECONVENE REGULAR MEETING

The Regular Meeting was reconvened by President Sidney Logan at 1:30 p.m. in the Commission Meeting Room. Those attending were Toni Olson, Vice President; Rebecca Wolfe, Secretary; CEO/General Manager John Haarlow; General Counsel Anne Spangler, Assistant General Managers Glenn McPherson, Guy Payne, and Brant Wood; Chief Information Officer Dean Galvez; other District staff; members of the public; Clerk of the Board Melissa Collins; and Deputy Clerk of the Board Allison Morrison.

*** Items Taken Out of Order******Non-Agenda Items**

Changes to the agenda were made as follows: Add the CEO/General Manager Briefing and Study Session item 1E following Items for Individual Consideration.

2. RECOGNITION/DECLARATIONS

Travis Olson was recognized as Employee of the Month for May.

3. COMMENTS FROM THE PUBLIC

There were no comments from the public.

4. CONSENT AGENDA**A. Bid Awards, Professional Services Contracts and Amendments**

Public Works Contract Award Recommendations Over \$25,000:

Request for Proposal No. Doc1706235020 with Kemp West, Inc.

Formal Bid Award Recommendations \$60,000 and Over:

Request for Quotation No. Doc1700707505 with Wesco Distribution, Inc.

Professional Services Contract Award Recommendations \$200,000 and Over:

Professional Services Contract No. CW2237245 with AON Consulting, Inc.

Miscellaneous Contract Award Recommendations \$200,000 and Over:

None

Cooperative Purchase Recommendations;

Contracts:

None

Amendments:

None

Sole Source Purchase Recommendations:

None

Emergency Declarations, Purchases and Public Works Contracts:

None

Purchases Involving Special Facilities or Market Condition Recommendations:

None

Formal Bid and Contract Amendments:

None

Contract Acceptance Recommendations:

None

B. Bid Award for Oso Substation

C. Consideration of Certification/Ratification and Approval of District Checks and Vouchers

A motion unanimously passed approving Agenda Items 4A – Bid Awards, Professional Services Contracts and Amendments; 4B – Bid Award for Oso Substation; and 4C - Certification/Ratification and Approval of District Checks and Vouchers.

5. PUBLIC HEARING AND ACTION

A. Consideration of a Resolution Adopting the 2019 Integrated Resource Plan Update

President Logan opened the public hearing.

There being no questions or comments from the public, the public hearing was closed.

A motion unanimously passed approving Resolution No. 5904 adopting the 2019 Integrated Resource Plan Update.

B. Consideration of a Resolution Adopting Two-Year Conservation Targets for 2020-2021 and a Ten-Year Conservation Potential Estimate for the District to Comply with Requirements of the Energy Independence Act

President Logan opened the public hearing.

There being no questions or comments from the public, the public hearing was closed.

A motion unanimously passed approving Resolution No. 5905 adopting two-year conservation targets for 2020-2021 and a ten-year conservation potential estimate for the District to comply with requirements of the Energy Independence Act.

6. ITEMS FOR INDIVIDUAL CONSIDERATION

A. Consideration of a Motion Accepting the 1st Quarter 2019 Financial Conditions and Activities Monitoring Report

Senior Manager Controller & Auditor General Accounting & Financial Systems Julia Anderson and Chief Financial Officer Glenn McPherson provided the 1st Quarter 2019 Financial and Budget Results for the District’s Electric System and Water System.

Discussion ensued about the record-breaking cold February temperatures, which resulted in higher market purchases. Senior Manager Rates, Economics & Energy Risk Management Brian Booth noted that winter energy would be a key challenge going forward, as the District's portfolio becomes greener and greener.

A motion unanimously passed accepting the 1st Quarter 2019 Financial Conditions and Monitoring Report.

***1. CEO/GENERAL MANAGER BRIEFING AND STUDY SESSION**

E. Commercial & Industrial Rate Redesign

Mr. Booth presented the state of the system for the Commercial & Industrial Rates, and included a brief review of the previously presented Residential Rate Redesign information from the April 23, 2019, Commission meeting.

Examples were provided of the misalignment of costs and rates and Mr. Booth noted that the current rates did not fairly apportion costs or promote efficient use of public resources.

The Redesign timeline was Roadmap Development from October 2018 through February 2019; Outreach, Design, Iterations from February 2019 through June 2019; and Communication and Implementation from June 2019 through December 2019. Mr. Booth said that staff's hope was to have a recommendation back to the Board by the end of June or sometime in July, with possible implementation date of the first of the year, or later and noted that realigning the District's current rates and preparing for Automated Metering Infrastructure (AMI) would be parts of the recommendation.

An action plan for customer outreach included meeting personally with key accounts and having customer focus groups, which were scheduled for June 6, 2019.

Next steps were to incorporate the customer feedback, continue customer communication, return with recommendations on realigning rates, and a Time of Use pilot rate schedule.

The Board requested more information to get a better understanding of the rate redesign moving forward. General Counsel Anne Spangler suggested individual meetings be set up for each Commissioner to meet with Mr. Booth.

7. COMMISSION BUSINESS

A. Commission Reports

Commissioner Wolfe mentioned attending the upcoming Northwest Public Power Association (NWPPA) Annual Conference.

B. Discussion of Northwest Public Power Association (NWPPA) 2019 Proposed Resolutions

Local Government & External Affairs Associate Brenda White provided a brief overview, and recommendation for Board support, of the proposed 2019 Northwest Public Power Association (NWPPA) Resolutions that would be voted on at the upcoming NWPPA Annual Conference.

The Board discussed the engagement and voting process for the NWPPA Resolutions, to which Commissioner Wolfe expressed an interest in learning more about the individual resolutions and had further questions about the her role in this voting process. Commissioners Olson and Logan stated they reviewed, and supported the Resolutions.

8. GOVERNANCE PLANNING**A. Governance Planning Calendar**

There were no changes to the Governance Planning Calendar.

Commissioner Logan noted that the May 21, 2019, morning session had been cancelled.

EXECUTIVE SESSION

The Regular Meeting recessed at 3:16 p.m., and reconvened into Executive Session at 3:23 p.m. to discuss the legal risks of a current practice or proposed action, under the terms set forth in the Open Public Meetings Act. It was anticipated the Executive Session would last approximately 30 minutes, with no public announcements. Those in attendance were Commissioners Sidney Logan, Tanya Olson, and Rebecca Wolfe; CEO/General Manager John Haarlow; General Counsel Anne Spangler; other District staff; and Clerk of the Board Melissa Collins. The Commission immediately adjourned the Regular Meeting upon conclusion of the Executive Session.

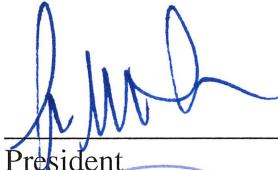
ADJOURNMENT

There being no further business or discussion to come before the Board, the Regular Meeting of May 7, 2019, adjourned at 3:51 p.m. An audio file of the meeting is on file in the Commission Office and available for review.

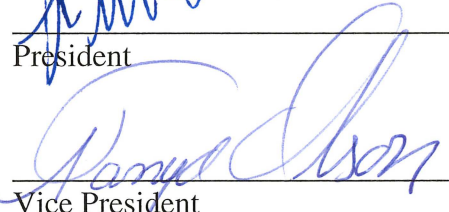
Approved this 21st day of May 2019.

(absent)

Secretary



President



Vice President