

# SNOHOMISH COUNTY PUBLIC UTILITY DISTRICT

Regular Meeting

November 3, 2020

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The Regular Meeting, held virtually, was convened by Vice President Rebecca Wolfe at 9:00 a.m. Those attending were Tanya Olson, Secretary; CEO/General Manager John Haarlow; General Counsel Anne Spangler; Assistant General Managers Pam Baley, Guy Payne, Brant Wood, and Jason Zyskowski; Chief Financial Officer Scott Jones; Chief Information Officer Dean Galvez; other District staff; Commission & Executive Services Director Melissa Collins; Assistant Clerk of the Board Allison Morrison; and Deputy Clerk of the Board Lela Wall. President Sidney Logan arrived at 9:26 a.m.

**\* Items Taken Out of Order**

**\*\*Non-Agenda Items**

\*\*Commissioner Wolfe read the following statement:

In accordance with the governor's Proclamation 20-28.11, we are holding meetings remotely.

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

### A. Updates

1. Media. Communications, Marketing & Business Readiness Director Julee Cunningham reported on District related news and events.
2. Community Engagement. Senior Executive Account Manager Shelley Pattison shared the success had by the Residential EV Charger Rewards program, as part of the District's Smart Rewards program.
3. Legislative. There were no questions on the Legislative Report.
4. Other. There were no other topics.

### B. Amendment to the Low Income Weatherization Agreement with Snohomish County

Customer & Energy Services Program Manager Cathy Anderson and Manager Energy Services Jeff Feinberg shared details of the Income Qualified Weatherization program partnership the District has with Snohomish County, and a requested amendment that would extend the current Interlocal Agreement regarding weatherization of low-income residences.

The Next Step was a resolution to be presented for Board approval on November 17, 2020, to authorize the amendment to maintain the original \$500,000 funding maximum; extend the term to 3 years, to December 31, 2021; and expand the measure list, to include heating and water housing measures. Ms. Anderson noted the slide had an incorrect resolution date of November 16, 2020.

### C. Distributed Energy Resources Planning Initiative

Members of the District's cross-functional Distributed Energy Resources (DER) team, led by Customer & Energy Services Program Manager Kelly Strand, provided an overview of the DER program that included the progress made, and insight into the roadmap and objectives, for the program planning and initiatives.

An update on two DER customer facing pilots would be provided at the December 1, 2020, Commission meeting. Senior Manager Power Supply Garrison Marr mentioned how the DER planning was incorporated into the Integrated Resource Plan (IRP) cycle, and that an IRP Phase 3 update on November 17, 2020, would feature more Demand Response options.

### D. Energy Storage Update

Principal Engineers Scott Gibson and Bob Anderson provided an update, for information only, on the background and status of the District's energy storage projects, which included long-term strategies and current uses of energy storage, for the inactive MESA-1A and 1B battery storage projects, the MESA-2 system, and the Arlington Microgrid project (also known as MESA 3).

The meeting recessed at 11:31 a.m. and reconvened at 11:35 a.m.

Mr. Gibson concluded with a pictorial "virtual" tour of the progress on District's Arlington Microgrid and Clean Energy Center, provided additional timeline and project cost information, and spoke about the future of energy storage in the Northwest.

### E. District Cash and Financial Reserves

District Treasurer Jim Herrling provided a Commissioner requested overview of the District's financial reserve categories, with a focus on the Electric System, and how the reserve categories are established.

The meeting recessed at 1:04 p.m.

## **RECONVENE REGULAR MEETING**

The Regular Meeting, held virtually, was reconvened by President Sidney Logan at 1:30 p.m. Those attending were Rebecca Wolfe, Vice President; Tanya Olson, Secretary; CEO/General Manager John Haarlow; General Counsel Anne Spangler; Assistant General Managers Pam Baley, Guy Payne, Brant Wood, and Jason Zyskowski; Chief Information Officer Dean Galvez; Chief Financial Officer Scott Jones; other District staff; members of the public; Commission & Executive Services Director Melissa Collins; Assistant Clerk of the Board Allison Morrison; and Deputy Clerk of the Board Lela Wall.

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

\*\*Commissioner Logan read the following statement:

In accordance with the governor's Proclamation 20-28.11, we are holding meetings remotely.

**2. RECOGNITION/DECLARATIONS****A. Team of the Month for November – Incident Management Team (IMT)**

The Incident Management Team (IMT) was recognized as Team of the Month for November.

**B. Consideration of a Resolution Authorizing the CEO/General Manager to Recognize the Weeks of November 23, 2020, Through December 11, 2020, for the Charitable Giving Campaign**

A motion unanimously passed approving Resolution No. 5981 authorizing the CEO/General Manager to recognize the weeks of November 23, 2020, through December 11, 2020, for the Charitable Giving Campaign.

**3. COMMENTS FROM THE PUBLIC**

James Deal commented on Con Edison customers self-reporting meter reads and stated that smart meters violate the National Electrical Code.

**4. CONSENT AGENDA****A. Approval of the Minutes for the Regular Meeting of October 5, 2020, and the Regular Meeting of October 20, 2020****B. Bid Awards, Professional Services Contracts and Amendments**

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

None

Formal Bid Award Recommendations \$120,000 and Over:

None

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

None

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:

Public Works Contract No. CW2240197 with Brent Woodward, Inc.

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

D. Consideration of a Resolution Approving Amendment No. 1 to the Collective Bargaining Agreement Between Public Utility District No. 1 of Snohomish County and the International Brotherhood of Electrical Workers, Local No. 77, for the Period of April 1, 2020, Through March 31, 2024

A motion unanimously passed approving Agenda Items 4A – Approval of the Regular Meeting of October 5, 2020, and the Regular Meeting of October 20, 2020; 4B – Bid Awards, Professional Services Contracts and Amendments; 4C – Certification/Ratification and Approval of District Checks and Vouchers; and 4D – Resolution No. 5982 approving Amendment No. 1 to the Collective Bargaining Agreement between Public Utility District No. 1 of Snohomish County and the International Brotherhood of Electrical Workers, Local No. 77, for the period of April 1, 2020, through March 31, 2024.

## 5. PUBLIC HEARING

A. Continue Public Hearing on the 2021 Budget

President Logan opened the public hearing.

Budget & Financial Planning Manager Sarah Bond provided a presentation that focused on the Water System proposed budget and the Electric System operating revenues, including retail and wholesale energy sales.

The 2021 Budget remaining hearing schedule was as follows:

November 17, 2020

Electric System Operating Expenditures

Generation System Proposed Budget

Electric System Capital Expenditures

Electric System Operating Reserves and 5-Year Financial Forecast

December 1, 2020

Present and discuss any suggested modifications to the 2021 Proposed Budget

December 15, 2020

Consider Adoption of the 2021 Budget

There were no public comments.

A motion unanimously passed continuing the public hearing on the 2021 Budget to Tuesday, November 17, 2020, at 1:30 p.m., at 2320 California Street in Everett or at a publicly noticed video conference, if appropriate.

## **6. PUBLIC HEARING AND ACTION**

- A. Consideration of a Resolution Establishing District Rates and Charges for Water Utility Service to the City of Snohomish and Revising Table B-9 of the Water Utility's Customer Service Policies and Procedures

President Logan opened the public hearing. There being no questions for comments from the public, the public hearing was closed.

A motion unanimously passed approving Resolution No. 5983 establishing District rates and charges for water utility service to the City of Snohomish and revising Table B-9 of the Water Utility's Customer Service Policies and Procedures.

- B. Consideration of a Resolution Declaring Certain Property Interests Over a Portion of Certain District Property (Tax Parcel No. 31052200400200) with an Address of 17601 59<sup>th</sup> Ave NE, Arlington, Washington, and in Sewer Lines and Water Lines on Said Property, to be Surplus and Authorizing the Transfer of Ownership of the Utility Lines, the Dedication of Right-of-Way and Granting of Utility Easements in Favor of the City of Arlington

President Logan opened the public hearing. There being no questions for comments from the public, the public hearing was closed.

A motion unanimously passed approving Resolution No. 5984 declaring certain property interests over a portion of certain District property (Tax Parcel No. 31052200400200) with an address of 17601 59<sup>th</sup> Ave NE, Arlington, Washington, and in sewer lines and water lines on said property, to be surplus and authorizing the transfer of ownership of the utility lines, the dedication of Right-of-Way and granting of utility easements in favor of the City of Arlington.

## **7. ITEMS FOR INDIVIDUAL CONSIDERATION**

- A. Consideration of a Motion Accepting the 3<sup>rd</sup> Quarter 2020 Financial Conditions and Activities Monitoring Report

Senior Manager Controller & Auditor Julia Anderson provided the 3<sup>rd</sup> Quarter 2020 Financial and Budget Results for the District's Electric System and Water System.

A motion unanimously passed accepting the 3<sup>rd</sup> Quarter 2020 Financial Conditions and Activities Monitoring Report.

- B. Consideration of a Resolution Authorizing the CEO/General Manager to Execute a New Wholesale Water Agreement with the City of Granite Falls

A motion unanimously passed approving Resolution No. 5985 authorizing the CEO/General Manager to execute a new Wholesale Water Agreement with the City of Granite Falls.

- C. Introduction of a Resolution Authorizing the CEO/General Manager to Execute a New Wholesale Water Agreement with the City of Snohomish

A motion unanimously passed approving Resolution No. 5986 authorizing the CEO/General Manager to execute a new Wholesale Water Agreement with the City of Snohomish.

## **8. CEO/GENERAL MANAGER REPORT**

CEO/General Manager John Haarlow reported on District related topics and accomplishments.

## **9. COMMISSION BUSINESS**

- A. Commission Reports

The Commissioners reported on Commission related activities and Board related topics.

Commissioner Logan reported that he will be the Vice President for the Participants Review Board for Energy Northwest (ENW).

- B. Commissioner Event Calendar

There were no changes to the Commissioner Event Calendar.

## **10. GOVERNANCE PLANNING**

- A. Governance Planning Calendar

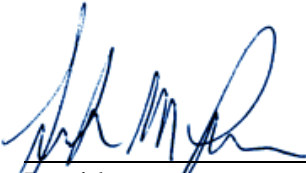
There were no changes to the Governance Planning Calendar.

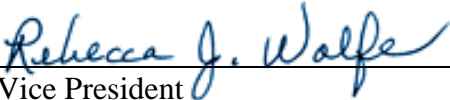
**ADJOURNMENT**

There being no further business or discussion to come before the Board, the Regular Meeting of November 3, 2020, adjourned at 2:50 p.m. An audio file of the meeting is on file in the Commission Office and available for review.

Approved this 17<sup>th</sup> day of November, 2020.

  
Secretary

  
President

  
Vice President