

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
APRIL 16, 2007

The regular weekly meeting of the Board of Commissioners of Public Utility District No. 1 of Clallam County was held at the Port Angeles Office, 2431 East Highway 101, on the above date commencing at 1:30 p.m.

Commissioners present were: Hugh Haffner, President; Hugh E. Simpson, Jr., Vice President; and W.E. Purser, Secretary.

Staff present were: Doug Nass, General Manager; Ken Foster, Auditor; Joshua Bunch, Treasurer Controller; Mike Kitz, Water and Wastewater Systems Superintendent; Tom Martin, Water and Wastewater Systems Assistant Superintendent; Dennis Shaw, Support Services Manager; Larry Morris, Operations Facilities Superintendent; Oren McCann, Mechanic; Fred Mitchell, Telecommunications & Power Resources Manager; Ruth Kuch, Deputy Treasurer; and Carol Biss, Executive Assistant.

Others present were: Ron Browning, Brian Gawley, Cindy Kelly, Teri Martin, Lloyd Pedersen, and Steve Tharinger.

On motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved the minutes of the April 9, 2007 regular weekly meeting as submitted.

Oren McCann, Mechanic, received an Excellence in Performance award in recognition the work he did designing and constructing two trailers in a short period of time during storm season last year to allow crews to access difficult terrain. The trailers can be pulled by all-terrain vehicles and will enable the crews to reach District facilities in areas that have limited access.

Operations Facilities Superintendent Morris presented a cost analysis of the District's tree trimming program. He reviewed the cost of a contractor performing the work as compared to the estimated cost of having a District crew of journeyman tree trimmers. Mr. Morris said that the tree trimming work is increasing, while at the same time, customer growth in the District's service area does not leave enough time for existing line crews to work on tree trimming. The contractor the District uses for tree trimming has not been able to provide a second crew. Having an in-house tree trimming crew would also provide flexibility for the District during storm season. General Manager Nass will discuss this matter with representatives of IBEW Local 997 and bring it back for the Commissioners' consideration at a future meeting.

Water and Wastewater Systems Assistant Superintendent Martin reported on how he calculated the quantity of water requested in the District's August 2006 new groundwater right application for the Carlsborg area. He reviewed the demand for customers in the Carlsborg Urban Growth Area, the Carlsborg LUD, and the estimated demand for the LUD inside the UGA and the LUD outside the UGA. He based his calculation on 400 gallons per day per residential unit, which is the amount the Department of Ecology is using for an exempt well for a Carlsborg residence. He reviewed estimated demand for the UGA and LUD total, which was 795 acre feet per year. The total existing water rights for that same area is 583.4 acre feet per year. The difference of 211.6 acre-feet per year is what the District requested when it applied to the Department of Ecology for an additional water right. Mr. Martin noted that the District has also been asked to provide fire flow to areas in the UGA outside of the Carlsborg LUD. Mr. Martin said the District has applied for additional water rights and continues to look for other ways to acquire water rights.

Mr. Ron Browning said he preferred receiving water from the Fairview Water System rather than the Gales Addition Water System, which is the system serving his residence.

Clallam County Commissioner Steve Tharinger asked for clarification on why the District used 400 rather than 225 gallons per day per residence when it applied to the Department of Ecology for an additional water right in Carlsborg. Mr. Martin said that 225 gallons per day for indoor use was assuming additional water available from the irrigation district for outdoor use, and not everyone is able to obtain water for outdoor use from the irrigation district. Mr. Tharinger encouraged the District to pursue additional water rights from ground water sources.

The Commissioners reviewed a letter sent to the editor of the Sequim Gazette regarding the Carlsborg Sewer Feasibility Study. Commissioner Purser submitted the letter, which will be published in the April 18 edition, in response to a guest opinion column that was published the previous week.

A list of claim vouchers as certified by the General Manager and District Auditor was considered. On motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission approved payment of claim vouchers in the amount of \$2,893,231.98 for April 16, 2007. District Auditor Foster reported that the vouchers included 16 rebates for conservation programs totaling \$3,745.60.

Commissioner Purser reported on a meeting at the County with the Department of Ecology (DOE) regarding Water Resource Inventory Area 19 (WRIA 19). He also reported on a Sequim-Dungeness Chamber of Commerce meeting where former Sequim mayor Bill Thomas made a presentation about ways to hire, motivate, and retain employees. Commissioner Purser also reported on a Sequim-Dungeness Chamber of Commerce Board meeting. Two of the District programs that were discussed at that meeting were the surge protection program and the green power program.

Commissioner Simpson reported on the WRIA 19 meeting at the County. He noted that the water supply is plentiful in the winter in that area, but there are shortages in the summer months. Water storage was one of the options discussed for adequate water supply in WRIA 19.

Commissioner Haffner reported on the WRIA 19 meeting. He said he thought DOE understood the implications of more water in the winter and less in the summer. He asked staff to check on plans for growth in the West End.

Mr. Lloyd Pedersen said there should be a County requirement for water availability as part of the building permit process.

Following up on a question from a previous meeting about various fees for the water systems, Water and Wastewater Systems Superintendent Kitz provided information from the Washington State Office of Drinking Water. Fees collected by ODW for annual operating permits and certifications of water systems are used to provide revenue to support administration of the state drinking water program. He said the District spends approximately \$9,000 a year in fees for its water systems.

Treasurer Controller Bunch presented the Treasurer's Report for the month of March 2007. Interest for the month totaled \$118,276.78; cash totaled \$2,508,635.04, and the total amount invested was \$21,350,056.14. He reviewed the Electric and Water Systems fund balances, provided a description of each fund, and described its purpose. He commended Deputy Treasurer Ruth Kuch for the work she did in researching this report.

The regular meeting recessed at 3:28 p.m. to go into executive session for personnel matters. The executive session adjourned at 4:10 p.m., and the regular meeting reconvened at that time.

On motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission agreed to provide reimbursement of business expenses at the IRS standard mileage rate for the General Manager. They will consider a resolution to modify Resolution 1826-06 at a future meeting.

There being no further business to come before the Commission, the meeting adjourned at 4:12 p.m. to meet again, Monday, April 23, 2007, at 1:30 p.m. in the Port Angeles office.