

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
AUGUST 28, 2006

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 E. Simpson, Jr., President; W.E. Purser, Vice President; and Hugh Haffner, Secretary.

Staff present were: Michael McInnes, Interim General Manager; Joshua Bunch, Treasurer Controller; Ken Foster, District Auditor; Tom Martin, Water and Wastewater Systems Assistant Superintendent; Larry Morris, Operations Facilities Superintendent; Fred Mitchell, Telecommunications and Power Resources Manager; Janet Sundby, Customer Services Supervisor; Scott Buck, Part-time Meter Reader Class II; Tim Arndt, Meter Reader Class III; and Carol Biss, Executive Assistant.

Others present were: Scherri Brown, Brian Gawley, Carolyn Garrison, Teri Martin, and Kirk Pedersen.

On motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved the minutes of the August 21, 2006 regular weekly meeting as submitted. On motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission approved the minutes of the August 23, 2006 special meeting as submitted.

Customer Services Supervisor Sundby introduced two new employees to the Commission: Scott Buck, Part-time Meter Reader Class II, and Tim Arndt, Meter Reader Class III.

Mr. Kirk Pedersen and Ms. Scherri Brown were present to discuss an incident, which they said involved District employees using District vehicles and equipment on off hours to set a pole on property near their property in Clallam Bay. They expressed concerns about safety issues, the location of a utility pole, and the response they received from the District employees. Staff will investigate the matter and contact Mr. Pedersen and Ms. Brown in response to their concerns.

Ms. Carolyn Garrison was present to discuss her concerns about meter reading at her property and noted that she had not received a response from the District since she last attended a board meeting to talk about this issue. Interim General Manager McInnes said that a report on this matter was scheduled for the executive session near the end of today's meeting. After further discussion, Ms. Garrison was told that she would receive a response by the end of the week.

Mr. McInnes reviewed a request from Clallam County Sheriff Joe Martin to lease space at the District's barn building in Carlsborg. Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission authorized the Interim General Manager to work with the Sheriff's Office to continue to investigate an appropriate agreement for lease of space in the District's barn building in Carlsborg, contingent on the lease terms including flexibility for the District's own needs and not being in conflict with the District's long-term use plans.

Mr. McInnes discussed an amendment to the agreement with Guardian Security Systems to provide services for the District's barn building at 83 Idea Place in Carlsborg. Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission authorized the Interim General Manager to sign an agreement with Guardian Security Systems for system purchase and security services at the District's barn building in Carlsborg.

Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission accepted as complete Contract Number 060804 with General Pacific, Inc. for overhead conductor in the amount of \$106,711.03, including Washington State sales tax.

Mr. McInnes reviewed a request from Clallam Transit Systems to install a bus turnout on Calawah Way in Forks in front of a District substation. Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission authorized the Interim General Manager to sign an Agreement and Easement for Public Transit Bus Pull-out with the City of Forks and Clallam Transit Systems.

Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission authorized the Interim General Manager to sign a contract with Washington State Military Department for a grant of \$90,788 to be used for a portable generator and related electrical interface connects for pump stations.

Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission authorized the Interim General Manager to sign an agreement with Cedar Ridge Associates, L.L.C. for installation of an underground electrical and communication distribution system in connection with the Cedar Ridge development and Keeler Road improvements.

Commissioner Haffner asked staff to check if a private contractor might have an interest in installing communication conduit.

Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission authorized the Interim General Manager to sign an agreement with Portland Energy Conservation, Inc. for sales and marketing support for the promotion of energy-efficient lighting.

Telecommunications and Power Resources Manager Mitchell discussed Bonneville Power Administration's offer for a Surplus Firm Power Sales Agreement whereby surplus firm power would be available to the District to sell to Port Townsend Paper. Staff is continuing to work on language for a contract with Port Townsend Paper. Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission authorized the Interim General Manager to enter into a Surplus Firm Power Sales Agreement with Bonneville Power Administration, contingent on consummating an agreement with Port Townsend Paper.

Upon motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission approved canceling the September 4, 2006 meeting due to the Labor Day Holiday and agreed to hold their regular weekly meeting on Tuesday, September 5, 2006 at 1:30 p.m.

Brian Gawley, Reporter for the Peninsula Daily News, said he heard that the Department of Ecology sent a letter in response to the joint letter from the District Commissioners and Clallam County Commissioners, and asked for comments. Mr. McInnes said the District had not received the letter and asked staff to contact DOE about the matter.

Mr. McInnes reported that the Department Ecology is trying to schedule a meeting of governments to discuss Dungeness rulemaking (instream flows for fish) and water supply. They have tentatively selected Friday, September 8, for a meeting date. The Commissioners indicated they were interested in attending and asked staff to notify them about the time and place.

A list of claim vouchers as certified by the General Manager and District Auditor was considered. On motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission approved payment of claim vouchers in the amount of \$2,292,112.13 for August 28, 2006. District Auditor Foster reported that the claim vouchers included 3 rebates for conservation programs totaling \$150.

Commissioner Purser reported on a Sequim-Dungeness Chamber of Commerce meeting. Representatives from the Jamestown S'Klallam Tribe and Olympic Medical Center presented information on their medical facilities in Sequim. He also reported that the Regional Dialogue was discussed at a meeting of the Western Public Agencies Group. The discussion included BPA's allocation proposal, pricing for wholesale power and ancillary services, and tiered rates.

Attendance at meetings was approved.

The regular meeting recessed at 3:23 p.m. to go into executive session for personnel and contract matters. The executive session adjourned at 4:50 p.m., and the regular meeting reconvened at 4:51 p.m. At the conclusion of the regular meeting, the Commissioners discussed with staff the District's practice regarding employee use of District vehicles for personal use on their own time. Mr. McInnes advised the Commissioners that he will suspend this practice regarding use of equipment, and Auditor Foster will review the practice.

There being no further business to come before the Commission, the meeting adjourned at 4:58 p.m. to meet again, Tuesday, September 5, at 1:30 p.m. in the Port Angeles office.