

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
FEBRUARY 12, 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, District Auditor; Joshua Bunch, Treasurer Controller; Dennis Shaw, Procurement Manager; Fred Mitchell, Telecommunications & Power Resources Manager; Vicky Alward, Water and Wastewater Systems Representative; David Traub, Engineering Mapping Technician; and Carol Biss, Executive Assistant.

Others present were: Brian Gawley, Nancy Greenawalt, Bob Hoyle, James Jones, Cindy Kelly, Linda Rotmark, and Ken Shallenberger.

On motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved the minutes of the February 5, 2007 regular weekly meeting as submitted. On motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved amending the minutes of the December 4, 2006 meeting to correct the amount of the claim vouchers for December 4, 2006, to \$78,681.86.

Water and Wastewater Systems Representative Alward reviewed proposed changes to the Schedule of Deposits and Charges and Electric Line Extension Unit Prices. Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission adopted Resolution 1830-07 amending the Schedule of Deposits and Charges and approving new Electric Line Extension Unit Prices effective March 1, 2007.

A group of customers from East Sequim Bay Road were present to determine whether or not their neighborhood would be included in a project to convert overhead power lines to underground. General Manager Nass said that the power lines in that area would be converted to underground, whether under that project or a separate one. Nancy Greenawalt said the group is still interested in installing fiber optic conduit as part of the underground project.

Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission adopted Resolution 1829-07 declaring Sauber Manufacturing as a sole source supplier for furnishing cable reel trailers that meet District specifications..

Procurement Manager Shaw reported on improvements for real-time inventory. He discussed the software program that the District is purchasing to interface with JD Edwards inventory module to show real-time inventory.

Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved the prequalification of contractors on the list dated February 7, 2007, to perform electric work for the District during 2007.

On motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission canceled the February 19, 2007 meeting due to the Presidents' Day Holiday. Mr. Bob Hoyle told the Commissioners about issues pertaining to County regulations regarding septic system inspections. The Commissioners suggested Mr. Hoyle meet with Water and Wastewater Systems Assistant Superintendent Martin to discuss these concerns.

Mr. Nass informed the Commission that Linda Rotmark, Clallam networks Executive Director, had asked to use the Commissioners' meeting room in the evening, after regular business hours. The District's policy allows outside non profit groups to use the room only during regular business hours. The Commissioners agreed that the District cannot let the room be used after hours due to security reasons.

Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission approved the removal of delinquent accounts from the active accounts receivable in the amount of \$4,746.66 for February 12, 2007.

Lists of claim vouchers as certified by the General Manager and District Auditor were considered. On motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission approved payment of claim vouchers in the amount of \$257,712.79 for February 12, 2007. District

Auditor Foster reported that the claim vouchers included 9 rebates for conservation programs totaling \$11,680.24.

Commissioner Purser said that the Department of Ecology had suggested the District evaluate the possibility of serving more customers with its existing water rights by limiting usage. He would like to obtain more information from staff on this topic. He suggested that staff inform Mark Hanna and Ron Browning when the District begins updating its comprehensive water system plan. Both customers have asked about the capacity of Morse Creek to serve new customers. Commissioner Purser also talked about development plans in Sequim, which overlap the area of the District's fiber optic pilot project.

Commissioner Simpson said he had attended the funeral services for Lewis PUD Commissioner John Kostick last week. He reported on a meeting by conference call of the Washington PUD Association's Legislative Committee. The discussion focused on green house gas bills, and Commissioner Simpson reviewed some of the bills that are of interest to WPUDA. In addition to its regularly scheduled meetings later this week, the WPUDA has added a session on climate change legislation on February 15.

Commissioner Haffner reported on the Western Public Agencies Group (WPAG) retreat last week. One of the topics addressed was the residential exchange and benefits for the Investor-Owned Utilities. Another issue discussed was the impact of renewable requirements and tiered rates on utilities that do not experience much growth.

Mr. Nass reported on the WPAG retreat and on the proposed biomass project in Forks. The Port has a consultant working on the project, who is reviewing the Siemens study.

Attendance at meetings was confirmed and approved.

There being no further business to come before the Commission, the meeting adjourned at 3:50 p.m. to meet again, Monday, February 26, 2007, at 1:30 p.m. in the Port Angeles office.