

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
FEBRUARY 26, 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; Mike Kitz, Water & Wastewater Systems Superintendent; Larry Morris, Operations Facilities Superintendent; Tom Martin, Water & Wastewater Systems Assistant Superintendent; Fred Mitchell, Telecommunications & Power Resources Manager; Carla Field, Records Coordinator; and Carol Biss, Executive Assistant.

Others present were: Ron Browning, Brian Gawley, and Eloise Kailin.

On motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved the minutes of the February 12, 2007 regular weekly meeting as submitted.

Water and Wastewater Systems Superintendent Kitz said that the District received a Homeland Security grant through the Washington State Military Department to cover about half the estimated cost of a generator that could be used to run the Morse Creek Water Treatment Plant or other wells in the District's water systems. Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission authorized staff to call for bids for a three-phase towable electrical generator. Bids will be opened March 15, 2007. (Bid No. 070801)

Telecommunications and Power Resources Manager Mitchell reviewed proposed agreements for consulting and legal services for the District's continued participation in the Western Public Agencies Group in 2007. The Group will focus on regional power issues. Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission authorized the General Manager to sign the Legal Services Agreement with Marsh Mundorf Pratt Sullivan and McKenzie and the Consulting Agreement with EES Consulting, Inc. for the Western Public Agencies Group activities during 2007, contingent upon all other parties to the agreements signing them.

Records Coordinator Field provided background information about state law pertaining to disclosure of public records. RCW 42.56.580 requires that local government agencies appoint and publicly identify a public records officer as the main point of contact for requesting public records. Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission adopted Resolution 1831-07, designating the District's Records Coordinator as the public records officer for the District.

There was a discussion about the District's policy for water service in Carlsborg. Commissioner Purser said that, at the last meeting of the Dungeness Water Executive Committee, it was suggested that the District consider using its existing water right for the Carlsborg Local Utility District (LUD) to serve the Carlsborg Urban Growth Area. Commissioners and staff discussed concerns about how many customers the District's existing water right would be able to serve and how best to protect the interests of the pioneers, the original participants of the LUD who paid for the cost of system improvements. Water and Wastewater Systems Assistant Superintendent Martin noted that, the water right the Department of Ecology granted in 1990, was for 225 gallons per household for indoor use, although the District had applied for 450 gallons per household. After further discussion, Mr. Martin was asked to draft an opinion paper on using the existing water right for the Carlsborg LUD to serve the Carlsborg UGA.

Mr. Ron Browning suggested that the District study water storage from Morse Creek by utilizing dams that would be developed in three phases over a number of years.

Dr. Eloise Kailin asked if the District had notified mothers of small children not to dilute formula using fluoridated water. Water and Wastewater Systems Superintendent Kitz said he had talked to Andy Anderson, Regional Engineer at the Washington State Department of Health, and he did not think the notice was needed. Dr. Kailin also discussed her concerns about arsenic levels in drinking water that has been fluoridated.

The Commissioners received information about the Personal Financial Affairs Statement which elected officials must file by Monday, April 16, 2007.

Lists of claim vouchers as certified by the General Manager and District Auditor were considered. On motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved payment of claim vouchers in the amount of \$514,981.26 for February 20, 2007. On motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission approved payment of claim vouchers in the amount of \$1,006,575.69 for February 26, 2007. District Auditor Foster reported that the claim vouchers included 6 rebates for conservation programs totaling \$6,166.96 for February 20. There were no conservation rebates for February 26.

Commissioner Purser reported on the Dungeness Water Executive Committee. At the next meeting the Committee will focus on water banking. He said that the public meeting for the Carlsborg Sewer Feasibility Study was well attended and positive comments were received. He also reported on the Home Show and the District's House on Wheels.

Commissioner Simpson reported on Washington PUD Association meetings in Olympia. At the Legislative Committee meeting, members discussed green house gas bills that are still being introduced in the State Legislature. There was also a discussion of the a bill pertaining to telecommunications services of public utility districts. Commissioner Simpson also reported on the public meeting for the Carlsborg Sewer Feasibility Study. He briefly discussed some financial considerations for customers if a sewer system project were implemented.

Commissioner Haffner also reported on the meeting for the Carlsborg Sewer Feasibility Study. He suggested that, if sewer system were implemented, the District think creatively about financing options for customers.

Treasurer Controller Bunch presented the Treasurer's Report for January 2007. Interest for the month totaled \$132,374.65; cash totaled \$1,970,204.20; and the total amount invested totaled \$21,263,909.44.

Attendance at the following meetings was confirmed and approved.

There being no further business to come before the Commission, the meeting adjourned at 3:20 p.m. to meet again, Monday, March 5, 2007, at 1:30 p.m. in the Port Angeles office.