

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
JANUARY 22, 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; Fred Mitchell, Telecommunications & Power Resources Manager; Larry Morris, Operations Facilities Superintendent; and Carol Biss, Executive Assistant.

Others present were: Ron Browning. Cindy Kelly. Patti Morris, Linda Rotmark, and Ed Tuttle.

On motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved the minutes of the January 8, 2007 regular weekly meeting as submitted. On motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission approved the minutes of the December 21, 2006 special meeting as submitted.

On motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission amended the minutes of the December 18, 2006 meeting by deleting the last sentence in the third paragraph on page 3 and replacing it with the following: "A new biodiesel facility in Grant County received a 3.2 million loan from Washington State's Energy Freedom Loans Program."

Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission accepted as complete Contract Number 050809 with Asplundh Tree Expert Company in the amount of \$517,916.79.

Commissioner Simpson provided staff with information about Northwest Public Power Association's Power Engineer Internship Program. He was contacted about the District's interest in participating in the program and providing an summer internship for an engineering student. General Manager Nass will follow up on this request.

Mr. Ed Tuttle reported on information about the State of Washington requiring permits for wells.

Mr. Ron Browning reported that there is going to be a hearing with the County about a proposed development new Deer Park. He expressed his concern about adequate water supply from Morse Creek to serve new developments because of the low flow in late summer and early fall. Mrs. Patti Morris said she was also concerned about new hookups in that area when there has been a moratorium on water usage for customers served by Morse Creek during the last two summers.

The Commissioners received a proposed contract from Clallam netWorks Economic Development Council for services to the District in 2007.

Two 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 \$189,213.88 for January 15, 2007. On motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission approved payment of claim vouchers in the amount of \$3,539,946.22 for January 22, 2007. District Auditor Foster reported that the vouchers for January 15 included 4 rebates for conservation programs totaling \$3,161.20 and the vouchers for January 22 included 5 rebates for conservation programs totaling \$260.00.

Commissioner Purser reported on the Employee Meeting that was held January 15 and complimented the staff on the program. He reported on a meeting he attended with the Department of Ecology regarding rule making in the Dungeness Watershed. Some of the items discussed at that meeting were metering exempt wells, changing the limit on the amount of water taken from exempt wells, global warming, funding for a study of the impact of global warming in the Dungeness Watershed, and a Carlsborg sewer system.

Commissioner Simpson said the Employee Meeting last week was very interesting and employees appreciated hearing about activities throughout the District. He encouraged staff to continue to hold this annual meeting.

Linda Rotmark, Executive Director of Clallam netWorks Economic Development Council, reported on the Council's activities during 2006 and proposed projects for 2007.

Treasurer Controller Bunch presented the Treasurer's Report for December 2006. Interest for the month totaled \$109,085.75 and for all of 2006 totaled \$1,224,198.66, which was a significant increase from 2005. Cash for December 2006 totaled 3,398,024.05 and the total amount invested was \$22,211,976.21.

General Manager Nass reported on the Employee Meeting and said that he received good feedback on being proactive and positive. He noted that the District's Meter Base Surge Suppression Program began today and the Commissioners received brochures and information to be given to customers.

Attendance at meetings was approved.

There being no further business to come before the Commission, the meeting adjourned at 3:27 p.m. to meet again, Monday, January 29, 2007, at 1:30 p.m. in the Port Angeles office.