

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY  
MINUTES OF THE REGULAR WEEKLY MEETING OF  
THE BOARD OF COMMISSIONERS  
JULY 31, 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; Michael Kitz, Water & Wastewater Systems Superintendent; Tom Martin, Assistant Water & Wastewater Systems Superintendent; Fred Mitchell, Telecommunications & Power Resources Manager; Steve Schopfer, Information Services Manager; Larry Morris, Operations Facilities Superintendent; Shawn Delplain, Network Administrator; and Carol Biss, Executive Assistant.

Others present were: Carolyn Garrison, Cindy Kelly, Greg Marney, Teri Martin, and Ken Morgan.

On motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved the minutes of the July 24, 2006 regular weekly meeting as amended.

Ms. Carolyn Garrison was present to discuss her concerns related to meter reading at her residence and proposed the terms that she preferred for having her meter read. Commissioner Simpson said that the District will not discontinue service on August 4, 2006, which was one of her concerns. Staff will continue to work on this issue

Mr. Greg Marney, Chief Executive Officer of Northwest Open Access Network (NoaNet) was present to report on NoaNet's operating and financial matters. He showed a map of the NoaNet backbone in Washington. The current network is at capacity and the backbone needs to be upgraded for NoaNet to serve larger customers that are requesting service. He presented a forecast for net cash flows through 2010 and noted that NoaNet's financial outlook is growing stronger as sales increase. Mr. Marney discussed funding network upgrades through a recently approved line of credit and certain provisions of the line of credit that may require member guarantees or approval of NoaNet Bylaws changes. NoaNet has established two task forces. The Financial Policies Task Force will address reserves and how they should be funded. The Member Withdrawal Task Force will address how to protect remaining members from increased liability due to withdrawal of members.

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 an agreement with Lindberg and Smith Architects for remodeling of the roof of the District's Sequim office building. (Contract Number 060318)

Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission approved signing a letter to the Director of the Washington State Department of Ecology regarding water right applications in the Carlsborg area.

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 a professional services agreement with Johnston Land Surveying for three plat surveys in an amount not to exceed \$10,660. (Contract Number 060317)

Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission accepted as complete Contract Number 060802 with WESCO Distribution, Inc. in the amount of \$280,386.01, including Washington State sales tax, for furnishing underground electrical cable-in-conduit.

The regular meeting recessed at 3:02 p.m. to go into executive session regarding contracts. The executive session adjourned at 4:58 p.m., and the regular meeting reconvened at 4:59 p.m.

A list of claim vouchers as certified by the Interim General Manager and District Auditor was considered. On motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved payment of claim vouchers in the amount of \$1,639,593.35 for July 31, 2006. District Auditor Foster reported that the claim vouchers included 10 rebates for conservation programs totaling \$11,389.39.

Commissioner Purser reported on a presentation he made at Sunrise Rotary Club about power resources, renewable portfolio standards, and green power. Green power and solar power generated the most interest among those who were present.

Commissioner Simpson reported on a Port Angeles Business Association meeting and a Port Angeles Chamber of Commerce meeting. At the Chamber meeting, there was a presentation from the Convention and Tourism Bureau that focused on the unincorporated areas of Clallam County.

Interim General Manager McInnes reported on scheduled power outages in the West End. He asked the Commissioners for comments on a draft agenda for the informational meeting on August 2 regarding a

feasibility study for a sewer system in the Carlsborg Urban Growth Area. He discussed dates for in-person interviews with candidates for the General Manager position. He also distributed copies of the staff's remaining concerns regarding the proposed meter base surge suppressor program.

Attendance at meetings was approved.

There being no further business to come before the Commission, the meeting adjourned at 5:15 p.m. to meet again Monday, August 7, 2006, at 1:30 p.m. in the Port Angeles office.