

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
JUNE 25, 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, and W.E. Purser, Secretary. Commissioner Simpson was excused.

Staff present were: Doug Nass, General Manager; Ken Foster, District Auditor; Joshua Bunch, Treasurer Controller; Roger Hosto, Operations Superintendent; David Proebstel, Chief Engineer; Tom Martin, Water & Wastewater Systems Assistant Superintendent; Fred Mitchell, Power Resources & Utility Services Manager; Judi Chapman, Human Resources Manager; John Purvis, Distribution Systems Engineer; Rich Lammers, Student Intern – Engineering; and Carol Biss, Executive Assistant.

Others present were: Brian Gawley, Bob Hoyle, Cindy Kelly, Teri Martin, and Patti Morris.

On motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved the minutes of the June 18, 2007 regular weekly meeting as submitted.

The Commissioners welcomed two new employees, John Purvis, Distribution Systems Engineer, and Rich Lammers, Student Intern - Engineering.

Upon recommendation of staff, and on motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission authorized the General Manager to enter into the First Amendments to the Wheeling Agreement and Construction Agreement A between the District and Port Townsend Paper Corporation. The amendments extend the duration of the agreements for six months, until December 25, 2007.

Water and Wastewater Systems Assistant Superintendent Martin reviewed a proposed timeline for completion of the Sewer Feasibility Study for the Carlsborg urban growth area. He proposed that the District coordinate comments with the County partners and submit joint comments to the consultant by July 6; hold a planning meeting on July 17 and a public meeting on July 25. Staff will obtain additional information on the alternate City of Sequim proposal before the final report.

Mr. Martin briefly reviewed the final recommendations of the On-Site Sewer Work Group. He said that the State requires inspection of conventional gravity systems at least once every three years and all other systems must be inspected every year. There was further discussion about the inspection process. Staff will look at what the District's cost would be to perform this type of inspection.

Mr. Bob Hoyle read a letter he had written to County Commissioner Mike Doherty. The letter expressed Mr. Hoyle's concerns related to septic system inspections.

Chief Engineer Proebstel and Operations Superintendent Hosto reported on major projects. They reviewed current and future projects, and presented statistics on new construction and Construction Start Lead Times.

General Manager Nass presented a letter from the New Dungeness Light Station Association expressing their appreciation for Mr. Proebstel's work during a recent electrical upgrade of the Station.

The Commissioners received copies of a notice from Clallam County's Environmental Health Services and a fee schedule for on-site sewage disposal systems.

A list of claim vouchers as certified by the 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 \$468,307.43. District Auditor Foster reported that the vouchers included 3 rebates for conservation programs totaling \$2,663.12.

Commissioner Purser reported on a June 20 meeting of the Dungeness River Executive Committee and a presentation on a water banking model for the Deschutes River area in Oregon by Bruce Aylward of Ecosystems Economics. Commissioner Purser discussed the differences between the Deschutes River area and the Dungeness River. In the Deschutes River basin, there are a number of water rights that are not being used by cities, irrigation systems, and agricultural businesses, so there are water rights available to donate to the bank. The model did not affect exempt wells. The Deschutes area had some capacity for water storage, which the Dungeness does not have. Commissioner Purser said the model does not put water in reserve; it is a market-based approach in which water rights are purchased or leased and resold.

Treasurer Controller Bunch reported that the District received three bids for a cost-of-service study, and staff will be recommending a consultant at a future meeting.

General Manager Nass reported on safety inspections performed by the District's Auto Shop. Twenty four units, including cranes, digger derricks, and other equipment, were inspected over a period of two days. All equipment passed inspection. The inspections will continue on a regular schedule.

Attendance at meetings was approved.

The regular meeting recessed at 4:08 p.m. to go into executive session for personnel matters. The executive session adjourned at 4:24 p.m., and the regular meeting reconvened at that time. There being no further business to come before the Commission, the meeting adjourned at 4:25 p.m. to meet again, Monday, July 2, 2007, at 1:30 p.m. in the Port Angeles office.