

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
MAY 7, 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. Joshua Bunch, Treasurer Controller. Ken Foster, District Auditor. Mike Kitz, Water and Wastewater Systems Superintendent; Tom Martin, Water and Wastewater Systems Assistant Superintendent; Larry Morris, Services Manager; Fred Mitchell, Power Supply and Utility Services Manager; and Carol Biss, Executive Assistant .

Others present were: Brian Gawley, Teri Martin, and Linda Rotmark

On motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved the minutes of the April 30, 2007 regular weekly meeting as submitted. On motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission approved the minutes of the May 4, 2007 work session as submitted.

Power Supply and Utility Services Manager Mitchell reviewed a proposed agreement for hosted mediation and other agency services in support of the District's compliance with the Communications Assistance for Law Enforcement Act (CALEA) of 1994. Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission authorized the General Manager or his designated representative, to enter into a Service Order Summary Agreement with Northwest Open Access Network for services in support of CALEA.

Water and Wastewater Systems Assistant Superintendent Martin reported on the status of the Carlsborg Sewer Feasibility Study. The consultant is currently revising his report based on comments from the District and the County. The Commissioners agreed to hold a joint work session with the County on Friday, June 1, 2007, at 10:30 a.m. to review the final draft. A public meeting will be held in July.

Mr. Martin presented a District perspective for the Water Resource Inventory Area 19 (WRIA 19). At the last WRIA 19 meeting there was a discussion about reorganizing the Watershed Plan to put the stakeholder's perspectives more up front in the plan because of their high importance to the various stakeholder groups. He said that the impact of logging on salmon seemed to have dominated the deliberations of the WRIA 19 Planning Unit, and the impact on the availability of water supplies for future human populations has not received as much attention. He suggested that it would be advantageous to develop a PUD perspective to refocus the discussion back on water supply issues. He suggested that the District's perspective should support existing forest and fish rules that are designed to restore river channels to their historical depth and widths. This would reduce the instream flow required for fish, leaving more water for people. A draft PUD perspective was given to the Commissioners for their review.

Commissioners agreed to hold informational meetings to discuss the proposed 15 percent rate increase for the District's water systems and receive public comment. On May 11, 2007, a meeting will be held at the Clallam Bay School at 5 p.m. On May 14, a meeting will be held at the Carlsborg Operations Center at 10 a.m. The regular weekly meeting on May 14 at 1:30 p.m. in Port Angeles will include a presentation about the proposed rate increase and a time for public comment.

Ms. Linda Rotmark, Executive Director of Clallam County Economic Development Council (EDC), reported on a rural telework project, which is an effort to increase information-based jobs in rural Washington. Dee Christensen and Monica Babine, from Washington State University's Center to Bridge the Digital Divide, would administer the project. EDC would act as the facilitator, WSU would train a local group on affinity marketing, and NoaNet would act as a broker and provide technical support.

In response to questions from Mr. Brian Gawley, Mr. Mitchell discussed two recent decisions of the Ninth U.S. Circuit Court of Appeals. The Court ruled that the Bonneville Power Administration (BPA) overreached its statutory authority under the Northwest Power Act of 1980 in providing benefits to investor-owned utilities at the expense of public utilities.

The Commissioners received a notice of a NoaNet workshop for Commissioners on May 17 in Chelan.

A list of claim vouchers as certified by the General Manager and District Auditor was considered. On motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved payment of claim vouchers in the amount of \$727,528.93 for May 7, 2007. District Auditor Foster reported that the claim vouchers included 10 rebates for conservation programs totaling \$4,350.20.

Commissioner Purser reported on the North Olympic Peninsula Resource Conservation and Development Council's NASA project. The grant for the project required that spin-off technologies be identified. It was recently learned that these technologies must also be developed to a level approved by NASA. The NOPRC&D Council talked about each participating agency identifying a technology that would affect its agency.

Commissioner Simpson reported on a Port Angeles Business Association meeting at which a presentation was made by the Olympic Peninsula Bed and Breakfast Association.

Mr. Mitchell reported on the deadline for meeting requirements of Western Electricity Coordinating Council, the entity responsible for implementing reliability standards for the National American Electric Reliability Corporation. The District has not been successful obtaining an exemption on the basis that those requirements are met through Bonneville Power Administration, so staff will continue to work with the WPAG utilities (Western Public Agencies Group) to complete self reporting and develop a mitigation plan. BPA staff will be at the District on May 11 to work on this project.

Mr. Morris and General Manager Nass reported on a meeting with Mr. Bill Wheeler and Earl Kong to discuss identifying areas with higher probability of trees blowing down using computer modeling. The conclusion was that there are too many variables to be able to predict that in the District's service area. They may be able to assist staff with other projects at a later time.

Attendance at meetings was approved.

There being no further business to come before the Commission, the meeting adjourned at 3:21 p.m. to meet again, Monday, May 7, 2007, at 1:30 p.m. in the Port Angeles office.