

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
OCTOBER 1, 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: Michael Kitz, Acting General Manager; Ken Foster, District Auditor; Joshua Bunch, Treasurer Controller; John Purvis, Distribution Systems Manager; Tom Martin, Water and Wastewater Systems Assistant Superintendent; Shawn Delplain, Network Administrator; Jana Robbins, Accountant; and Carol Biss, Executive Assistant.

Others present were: Paige Dickerson, David Lewis, Bob Leach, and Teri Martin.

On motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved the minutes of the September 24, 2007 regular weekly meeting as submitted.

Mr. David Lewis was present to discuss meter reading at his residence. He is interested in knowing approximately when his meter is going to be read and said he would be willing to pay an additional fee for this service. After discussing the matter further, the Commission asked staff to determine if offering this service is feasible under the current system and what the charge would be to the customer.

On motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission adopted Resolution Number 1846-07, appointing Jana Robbins as District Auditor effective October 16, 2007, and rescinding Resolution Number 1630-00 effective December 14, 2007. Resolution Number 1630-00 appointed District Auditor Foster, who plans to retire from the District.

Mr. Bob Leach of Northwestern Territories, Inc. was present to request that the District acquire the Southern View Estates Community Septic System, which would serve a proposed development in Sequim. Water and Wastewater Systems Assistant Superintendent Martin and Mr. Leach presented information about the system, including estimated costs for operating and monitoring the system. Sunland Water System will provide water to the development. Mr. Leach said that the Clallam County Health Department is reviewing documents for the proposed development and is waiting for a decision by the District regarding the septic system. Upon recommendation of staff and on motion of Commissioner Purser seconded by Commissioner Simpson and carried, the Commission voiced its intent to accept the Southern View Estates Community Septic System proposal with the stipulation that an agreement is developed with provisions for the District to recover its costs.

Distribution Systems Manager Purvis presented information about the underground cable replacement project that will provide service to Olympic National Park's Hoh Visitor Center and other facilities. Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission authorized staff to go to bid for personnel and equipment to install single phase, underground cable and conduit in the Upper Hoh River area of Jefferson County. (Bid 070804) Bids will be opened October 17, 2007, at the Port Angeles office.

The regular meeting recessed at 2:05 p.m. to begin a public hearing on the 2008 budgets. Treasurer Controller Bunch presented proposed budgets for 2008 for the Electric, Water, and Sewer Departments. In the Electric Department budget, resources available for expenses totaled \$54,493,523 and estimated expenditures totaled \$54,991,429. Water Department resources available for expenses totaled \$3,089,414 and expenditures totaled \$3,796,466. Sewer Department resources available for expenses totaled \$26,780 and expenditures totaled \$26,120. The 2008 budgets assume rate increases for electric, water, and sewer. The proposed budgets are based on preliminary findings. They have been refined since first presented on August 27, 2007, and will undergo further revisions before they are presented for final approval later this year. The electric and water rate studies are being conducted and will be completed by early November. The hearing was opened to public comments. There being none, the hearing recessed at 2:45 p.m. to reconvene at a future date.

There is a planned water outage in Carlsborg on October 3, 2007, from 9 a.m. to 4:30 p.m. to allow work on a new water main extension. Customers have been notified.

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 \$874,440.75 for October 1, 2007. District Auditor Foster reported that the vouchers included 6 rebates for conservation programs totaling \$5,746.

Commissioner Purser suggested that staff provide a status report on the District's compliance with reliability standards for North American Electricity Reliability Corporation and Western Electricity Coordinating Council. He reported that the Washington State Department of Community, Trade and Economic Development will host windstorm response seminars this week to review what was learned

from the Governor's After Action Review following last winter's storms. He also reported on a presentation by the White Creek Wind Project manager.

Commissioner Simpson reported on the Nine Mile Canyon Wind Project and noted that Energy Northwest is monitoring the project's impact on bat mortality. He reported on a Port Angeles Business Association meeting where candidates for Port Angeles City Council made presentations.

Attendance at meetings was approved.

On motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission canceled the October 8, 2007 meeting.

There being no further business to come before the Commission, the meeting adjourned at 3:10 p.m. to meet again, Monday, October 15, 2007, at 1:30 p.m. in the Port Angeles office.