

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY  
MINUTES OF THE REGULAR WEEKLY MEETING OF  
THE BOARD OF COMMISSIONERS  
SEPTEMBER 10, 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; Fred Mitchell, Power Resources & Utility Services Manager; Larry Morris, Services Manager; Steve Schopfer, Information Systems Manager; Tom Martin, Water and Wastewater Systems Assistant Superintendent; and Carol Biss, Executive Assistant.

Others present were: Brian Gawley, Cindy Kelly, and Linda Rotmark.

On motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved the minutes of the August 27, 2007 regular weekly meeting as amended.

Ms. Linda Rotmark, Executive Director of Clallam County Economic Development Council (EDC) presented a new Business/Industrial Recruitment Plan and discussed other EDC activities. The Plan includes conducting a survey and analyzing the data to define the economic development strengths and weaknesses across the county, developing collateral materials, publishing ads, sending mailings, and contacting individual mail recipients. EDC is asking its contract partners to share in funding this project.

Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission authorized staff to call for bids for personnel, materials, and equipment to build the Johnson Creek Substation. (Bid No. 070805) Bids will be opened on October 3, 2007.

Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission authorized the General Manager to sign a lease agreement with Terry Flowers for office space in the Olympic Commons building in Sequim.

Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission authorized the General Manager to sign an interlocal agreement with six other PUDs to establish and operate the Western Washington Cooperative Safety Group. Under provisions of the agreement, the members of the Group would share the services of a safety consultant. In addition to the District, Lewis, Mason No. 1, Mason No. 3, Pacific No. 2, Skamania, and Wahkiakum PUDs are parties to this agreement.

Information Systems Manager Schopfer provided an update on the progress of the Outage Management System. He said that the agreement with Twenty First Century Communications has been terminated. One of the reasons is the added complexities involving interfaces between carriers, which would have caused a steep increase in the yearly cost.

The Commissioners received a letter from the Clallam County Commissioners saying they unanimously support a sewer system for the Carlsborg Urban Growth Area and additional activities leading to the design and construction of a wastewater treatment and water reuse system. They want to partner with the District in working on the next phase, which includes a combined facilities and general sewer plan.

Water and Wastewater Systems Assistant Superintendent Martin reported that today the County Commissioners authorized their staff to seek a grant from the Washington State Department of Community, Trade and Economic Development (CTED) for funds to complete a land use plan for the Carlsborg UGA and an associated capital facilities plan for a sewer system. Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission approved writing a letter of support for the County's efforts to obtain a CTED grant.

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 \$193,513.26 for September 4, 2007. On motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission approved payment of claim vouchers in the amount of \$85,148.56 for September 10, 2007. District Auditor Foster reported that the September 4 vouchers included 21 rebates for conservation programs totaling \$3,007.51, and the September 10 vouchers included 9 rebates totaling \$3,282.24.

Commissioner Purser reported on a meeting of the Peninsula Development Association. He also reported on a meeting about the proposed project to capture ocean wave energy. Alla Weinstein of AquaEnergy Group presented information on the proposed project and reviewed efforts to obtain federal permits for a

pilot project in Makah Bay. She also reported that testing would begin this week on a first generation buoy, which was deployed in Oregon. Commissioner Purser said that Ms. Weinstein will be leaving the company, but will remain on the board.

Commissioner Simpson reported on a Port Angeles Business Association meeting where Mr. Orville Campbell spoke about the cleanup process at the former Rayonier site. A representative of the Elwha Tribe also spoke to the Association and presented a history of the tribe in that area.

Commissioner Haffner reported that the Northwest Justice Project has opened a new office in Port Angeles and will have three full time attorneys to provide legal services to low income residents of Clallam and Jefferson Counties. A pilot project is underway to integrate the NW Justice Project and the services of Clallam County Pro Bono Lawyers in both counties.

General Manager Nass reported on meetings he had with small groups of employees and said they were well received and included good discussion. Driftmier Architects also met with groups of employees to obtain employees' comments and input. A general comment from the administrative employees was that they need to work in close proximity. Mr. Nass said he had encouraged linemen to apply for the Substation Technician position. Terry Lee was awarded the position. Mr. Nass also reported on a meeting of the Central Washington Power Authority (CWPA) that he attended with Power Resources and Utility Services Manager Mitchell. CWPA was formed in the early 1960s with Grant and Kittitas PUDs and has the ability to pool resources. He suggested they continue to participate to determine what services CWPA could provide for the District.

Attendance meetings was confirmed and approved.

The regular meeting recessed at 3:55 p.m. to go into executive session for legal matters. The executive session adjourned at 4:05 p.m., and the regular meeting reconvened at that time.

Commissioner Haffner said that during the executive session, the Commissioners discussed the legal implications of funding a special project, such as the Business/Industrial Recruitment Plan that Ms. Rotmark presented earlier in the meeting. The Commission agreed to refer the matter to the District's legal counsel to see if funding such a project complied with provisions in Chapter 54 Revised Code of Washington.

There being no further business to come before the Commission, the meeting adjourned at 4:10 p.m. to meet again, Monday, September 17, 2007, at 1:30 p.m. in the Port Angeles office.