

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
JULY 28, 2008

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; Joshua Bunch, Treasurer Controller; Jana Robbins, District Auditor; Michael Kitz, Water and Wastewater Systems Superintendent; Roger Hosto, Operations Superintendent; David Proebstel, Chief Engineer; Fred Mitchell, Power Resources and Utility Services Manager; Larry Morris, Support Services and Safety Manager; and Carol Biss, Executive Assistant.

Others present were: Bob Jensen, Cindy Kelly, and Teri Martin.

On motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved the minutes of the July 14, 2008 regular weekly meeting.

Upon motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission authorized staff to call for bids for a new vegetation chipper truck. (Bid Number 080807)

Upon motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission awarded Bid Number 080810 to Michels Power Division in the amount of \$239,000 plus Washington State sales tax for line crew and equipment to rebuild existing electrical transmission lines from Sail River to Neah Bay Substation.

Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission adopted Resolution 1874-08 amending the current Schedule of Deposits and Charges and amending Resolution 1864-08. A charge for returned Electronic Fund Transfers (EFT payments) was added to the Schedule, and the charge for non-sufficient fund checks was reduced.

Water and Wastewater Systems Superintendent Kitz discussed the situation of leasing the Green Crow well off Deer Park Road as a source of water to be used only during a drought situation. After numerous conversations with the Department of Ecology, it has been determined that it is not a viable project. Since the District will no longer need the easement obtained from Green Crow for the project, Green Crow has requested that the easement be quit-claimed back to them. Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved signing a Quit Claim Deed to Green Crow Timber, LLC for water facilities easement on Parcel 2, Volume 10, Page 146 of surveys, as recorded in Auditor's File Number 2006 1182165, records of Clallam County.

Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved removal of delinquent accounts from the active accounts receivable in the amount of \$9,832.73 including collection fees of \$2,145.80.

The Commissioners agreed to hold a Strategic Planning work session on August 20.

Lists of claim vouchers as certified by the General Manager and District Auditor were considered. On motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved payment of claim vouchers in the amount of \$1,571,570.92 for July 21, 2008. On motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved payment of claim vouchers in the amount of \$327,242.10 for July 28, 2008. District Auditor Robbins reported that the vouchers included 59 rebates for conservation programs totaling \$26,017 for June 21 and June 28.

Commissioner Purser reported on several meetings he attended. Terry Mundorf, legal counsel for the Washington Public Agencies Group, led a discussion of tiered rates at a meeting about options for future power supply. The Clallam County Economic Development Council Board selected the Lincoln Center as the new location for the EDC office. At the Puget Sound Partnership workshop, there was a review of the Inventory of Existing Programs and Major Projects List. The Carlsborg Sewer and Reclaimed Water Project will be added to the List. There may be some funding available for some of the projects. He reported on recent Energy Northwest (EN) meetings and discussed authority of the EN Executive Board and the EN Board of Directors, future maintenance at the Columbia Generating Station, and other projects. The EN Executive Board approved the sale of land that was originally for a proposed EN IGCC project.

Commissioner Haffner reported on a Renewable Resource Group meeting, which discussed reducing the carbon footprint in Clallam County. The discussion included utilizing public transportation, carbon taxes, biomass projects, and the impact of forestry practices on carbon levels.

Chief Engineer Proebstel and Operations Superintendent Hosto reported on major projects, including substation, distribution, and customer projects; service in remote areas; and pole contact agreements.

Other items that were discussed included the July 21 outage in Sequim, idle facilities, construction lead times, work area lighting, and fire-retardant clothing.

Treasurer Controller Bunch presented the Treasurer's Report for June 2008. Interest for the month totaled \$34,279.45; cash totaled \$5,515,010.60, and the total amount invested was \$23,361,314.20.

Attendance at meetings was confirmed and approved.

The regular meeting recessed at 3:50 p.m. to go into executive session for personnel matters. The executive session adjourned at 4:28 p.m., and the regular meeting reconvened at that time. There being no further business to come before the Commission, the meeting adjourned at 4:29 p.m. to meet again, Monday, August 4, 2008, at 1:30 p.m. in the Port Angeles office.