

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
AUGUST 1, 2005

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 E. Simpson, Jr., President; W.E. Purser, Vice President; and Hugh Haffner, Secretary.

Staff present were: Shelley Burgett, Interim General Manager; Mike Kitz, Water & Wastewater Systems Superintendent; Fred Mitchell, Telecommunications & Power Resources Manager; Dave Proebstel, Chief Engineer; Quimby Moon, Electrical Engineer; Janet Sundby, Customer Services Supervisor; and Carol Biss, Executive Assistant

Others present were: Cindy Kelly, Patti Morris, Bill Roberds, Linda Rotmark, and Ed Tuttle.

Action on the minutes of the July 25, 2005, meeting was postponed until the next meeting.

Customer Services Supervisor Sundby introduced David Rogers, who began work at the District today as a Meter Reader.

Electrical Engineer Moon provided information about a proposed addition to the Laird's Corner Substation. The project, which will be bid under the Small Works Roster process, consists of the installation of a 69 kV breaker and two 69 kV switches and other work. Bids will be opened August 17, 2005.

Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission adopted Resolution 1785-05 establishing water rate schedules effective August 1, 2005. The new rate schedules reflect a 5 percent increase for all water systems, except for Island View Water System, which was 7 percent. The new rate schedules have a four-step conservation rate structure with four rate blocks that will increase the cost per cubic foot of water consumption as more water is used.

Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission accepted as complete Contract No. 030814 with Michels Power for underground electrical cable installation for the North Point project in the amount of \$385,935.34.

Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission adopted Resolution 1786-05 authorizing the disposal of surplus property.

Commissioner Haffner discussed regional sewer issues and noted that there is a need for capital infrastructure to meet the growth in Clallam County. He suggested that the Commission have a joint meeting with Clallam County Commissioners to discuss regional water and sewer issues. Interim General Manager Burgett will contact the County Administrator about scheduling a joint meeting.

Telecommunications and Power Resources Manager Mitchell presented preliminary information about a proposal to utilize the District's fiber pilot project in conjunction with the Direct Load Control Program to evaluate new grid technologies. The Direct Load Control program consists of two parts: a pager-based system and a two-way system. The latter requires the customer to have fiber capability. Bonneville Power Administration and Pacific Northwest Laboratory want to study the impacts of demand-response appliances – those that can receive information and automatically respond by curtailing consumption. Some of the equipment and appliances may be provided with funds from BPA. Mr. Mitchell suggested that the District waive the \$100 connect fee for customers to connect to the District's broadband system as an incentive for customers to participate in the program. He also suggested that the District provide an incentive to the service providers. Staff will present a proposal for the Commissioners' consideration at a future meeting.

Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission approved the Committee and Organization Memberships 2005. Changes were made to the list to designate a replacement for former General Manager Dennis Bickford.

In response to questions by Mr. Bill Roberds, the Commission discussed the fiber-optic line to the Lower Elwha S'Klallam Tribe, line extension policies for both electrical and broadband systems, public safety issues, and open access.

A list of claim vouchers as certified by the Interim General Manager was considered. On motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission approved payment of claim vouchers in the amount of \$281,702.68 for August 1, 2005.

Commissioner Haffner reported on discussions with a County Commissioner and the County Administrator about regional sewer and water issues and emphasized the importance of working together to provide services as the area grows.

Commissioner Purser reported that he reviewed the Request for Proposals for the Forks Biomass Energy Project. Based on the Task Force's discussions, revisions will be made to the RFP. He said that, rather than a technical design, the study is a preliminary financial feasibility design, which will broaden the scope and look at the overall impact. The next steps are to review and evaluate proposals and select a contractor.

Commissioner Simpson reported on discussions with commercial customers in Clallam Bay and distributed written comments from those customers about the water conservation rates.

Ms. Burgett presented the Interim General Manager's Report. She discussed a BPA news release about the potential for no rate increase in October. She also showed the Commissioners a brochure that the District will mail with its September utility bills. The brochure provides information about the Household Hazardous Waste Roundup. The City sent flowers to thank the District for responding so quickly to their request for a bill insert.

Attendance at meetings was approved.

The regular meeting recessed at 3:07 p.m. to go into executive session regarding personnel matters. The executive session adjourned at 3:34 P.M., and the regular meeting reconvened at that time. There being no further business to come before the Commission, the meeting adjourned at 3:35 p.m. to meet again August 8, 2005, at 1:30 p.m. in the Port Angeles office.