

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY  
MINUTES OF THE REGULAR WEEKLY MEETING OF  
THE BOARD OF COMMISSIONERS  
AUGUST 22, 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; Ken Foster, District Auditor; Larry Morris, Operations Facilities Superintendent; Fred Mitchell, Telecommunications & Power Resources Manager; and Carol Biss, Executive Assistant.

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

On motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission approved the minutes of the August 15, 2005 regular weekly meeting as submitted.

Telecommunications and Power Resources Manager Mitchell reviewed proposed amendments to the Northwest Open Access Network's (NoaNet) Bylaws and Articles of Incorporation. The proposed changes provide opportunities for a broader range of new members and allow existing members to transfer their percentage interest to other NoaNet members. The Commissioners agreed that Mr. Mitchell should schedule a work session to discuss the proposed amendments.

Operations Facilities Superintendent Morris presented information about the bids that were received for a 2005/2006 cab-chassis, manlift, and utility body. (Bid No. 050801) Staff recommended that the bid be awarded to Terex Utilities West for a VHD64F200 Volvo. In response to questions from the Commissioners, Interim General Manager Burgett suggested that staff re-evaluate the bids and report back to the Commissioners.

Ms. Linda Rotmark, Executive Director of Clallam County Economic Development Council, reported that the request for proposals for the feasibility study of the Forks Biomass Project is in the final stages. The scope of the study is not limited to the production of energy, and includes ethanol products as well.

A list of claim vouchers as certified by the Interim General Manager and District Auditor was considered. On motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved payment of claim vouchers in the amount of \$99,659.94 for August 22, 2005. District Auditor Foster reported that the claim vouchers included 13 rebates for conservation programs totaling \$11,576.74.

Commissioner Haffner reported on the joint work session with the County Commissioners to discuss water and sewer issues. Applying for water rights, satellite sewer systems, and the feasibility of providing sewer services in the Carlsborg, Elwha, and Blyn areas were among the topics discussed at the work session. He also talked about a State of Washington tax incentive program to encourage electric generation projects, and he asked if staff was aware of the program. He was interested in seeing if the District had a role in this program.

Commissioner Purser reported on discussions with the County Commissioners about ground water recharge, an on-site facility, and funding sources. The discussions were part of the joint work session with the County Commissioners that was held earlier today. He also noted that there is a public meeting on August 30, sponsored by the State Executive Water Emergency Committee, to discuss the drought emergency.

Ms. Burgett presented the Interim General Manager's Report. The bid for crew, equipment, and limited materials for the Laird's Corner Substation Addition was awarded to the low bidder, Olympic Electric Company, Inc., in the amount of \$112,480 plus Washington State sales tax. This project was bid under the Small Works process. She said that there is a meeting with the City of Port Angeles scheduled for tomorrow to discuss the purchase price of District electrical facilities in the Western Urban Growth Area. The entrance conference with the State Auditors is scheduled for Monday, August 29, 2005, at 1 p.m. Commissioner Haffner will attend.

Ms. Burgett presented the Treasurer's Report for July 2005. Interest for the month totaled \$60,733.13; cash totaled \$1,797,642.76; and the investments totaled \$23,454,946.98. Interest rates on investments were discussed.

Attendance at meetings was approved.

The regular meeting recessed at 2:47 p.m. to go into executive session for legal matters. The executive session adjourned at 3:39 p.m., and the regular meeting reconvened at that time. There being no further

business to come before the Commission, the meeting adjourned at 3:40 p.m. to meet again, August 29, 2005, at 1:30 p.m. in the Port Angeles office.