

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
FEBRUARY 23, 2009

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

Staff Present: Doug Nass, General Manager; Joshua Bunch, Treasurer Controller; Jana Robbins, District Auditor; Nicole Clark, Executive Assistant; Larry Morris, Support Services and Safety Manager; Fred Mitchell, Power Supply & Utility Services Manager; Mike Kitz, Water & Wastewater Systems Superintendent; Tom Martin, Water & Wastewater Systems Assistant Superintendent; Dennis Shaw, Support Services Manager

Others Present: David Newell; Steve McGee; Teri Martin; Eric and Donna Miner

On motion of Commissioner Haffner seconded by Commissioner Simpson and carried, the Commission approved the minutes of the February 9, 2009 regular weekly meeting.

There was an agenda revision to add a staff report about the District receiving a safety award.

Treasurer Controller Bunch presented delinquent accounts. Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission approved removal of delinquent accounts from the active accounts receivable in the amount of \$6,706.86, including a collection fee for the month ending January 31, 2009.

On motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commissioners approved as complete Contract 080807 with Valley Freightliner, Inc. in the amount of \$108,408.51, including Washington State sales tax.

Water & Wastewater Systems Assistant Superintendent Tom Martin presented Task order No. 2. for the Gales Addition Reservoir project. Of the sites under consideration, the landowner of one site is interested in cooperating with the District to determine site suitability. This task would bring the project into June of 2009. The Commissioners agreed to move forward with Task order No. 2 which includes surveying, wetlands and environmental site reconnaissance, and geotechnical examination.

Mr. Steve McGee and several neighbors were present to ask about long term prospects for water availability in the Fairview/Morse Creek area. Their concern is that their water supply is not sufficient and will become even more restricted with continued development. They wish to ask what they can do to be proactive about alternative solutions. Water & Wastewater Systems Superintendent Mike Kitz asked them to stay for the staff report in which he would be speaking specifically about the water supply in the Fairview Water System.

A list of claim vouchers as certified by the General Manager and District Auditor was considered. On motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission approved payment of claim vouchers in the amended amount of \$530,519.50 for February 17, 2009. On motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission also approved payment of claim vouchers in the amended amount of \$2,865,814.16 for February 23, 2009. There were 80 conservation rebates totaling \$27,241.

Commissioner Simpson reported on attending the WPUA Energy Committee meeting. There was much discussion about modifications to Initiative 937. Hydropower is still not considered "green." The Telecommunications Committee provided a list of guidelines for defining broadband service including tax credits and mapping.

Treasurer Controller Bunch presented the Treasurer's Report for January 2009. Interest for the month totaled \$24,342.60 cash totaled \$6,168,355.46; and the total amount invested was \$24,393,406.08.

Mr. Kitz reviewed the Bilateral Compliance Agreement proposed by the Washington State Department of Health. Their concern is seasonal shortages of water due to the 25 cfs low flow limitation in our Morse Creek water right. They want the District to do a feasibility study, select options, and provide a timeline to complete the identified project(s). The District is already working with a consultant on the study. By mid-March staff should be ready for a work session.

Mr. Martin, provided an update on the Carlsborg Sewer Project. The schedule has been accelerated in order to make the project "shovel ready." The Department of Ecology has stated that if the project receives federal funds that it will have to go through a federal environmental review which could take six to twelve months. The current estimate is to have construction start in July of 2010.

Mr. Kitz reported on the Department of Ecology meeting on WRIA 18. Future users will have access to water but with strings attached. Existing property owners who have purchased property with the intent to put in a well in the future will most likely not be able to with the water banking system. This causes concern about the effect on property values.

Power Supply & Utility Services Manager, Fred Mitchell, reported on Biomass opportunities in Clallam County. General Manager Nass and Mr. Mitchell attended a meeting with the Port of Port Angeles with a consultant for the purpose of carrying things forward. The District is reviewing the consultant's report and will

provide comments by the end of the week. The District's interest in such a project would be in buying power and using Renewable Energy Credits.

General Manager Nass reviewed potential stimulus package projects for the District. The first staff brainstorming session resulted in many potential and viable possibilities. There are still many questions about the package and as it becomes better defined staff will prioritize the list.

General Manager Nass reported that the District just received notification that it will be receiving a safety award from the Northwest Public Power Association for 2008. The award has become more competitive with the number of entrants doubling over the prior year.

Attendance at meetings was confirmed and approved.

There being no further business to come before the Commission, the meeting adjourned at 4:01 p.m. to meet again, Monday, March 2, 2009, at 1:30 p.m. in the Port Angeles office.