

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
August 17, 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; Jana Robbins, District Auditor; Joshua Bunch, Treasurer-Controller; Nicole Clark, Executive Assistant; Dennis Shaw, General Superintendent; Fred Mitchell, Power Supply & Utility Services Manager; Jeff Beaman, Executive Communications Coordinator; Steve Schopfer, Information Technology Manager; Ken Haman, Operations Superintendent

Others Present: None

On motion of Commissioner Haffner seconded by Commissioner Simpson and carried, the Commission approved the minutes of the August 3, 2009 regular weekly meeting.

There was an agenda revision to add mobile radio system upgrade, Packwood hydro assignment, and Treasurer Controller compensation resolution under Business Items. A staff report was also added on Bonneville flexible PF, and the recent Carlsborg sewer meeting.

Information Technology Manager Steve Schopfer presented a Notification of Completion for Payment Milestone 471-1 by Telvent Miner and Miner. On motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commissioners authorized payment to Telvent Miner and Miner for Payment Milestone 471-1 in the amount of \$51,828.

Mr. Schopfer also presented Quotation #CC_070209 from TC Technology for the GoSync installation to District service vehicle laptops. On motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commissioners accepted Quotation #CC_070209 from TC Technology for work related to the Go Sync GIS system in the not to exceed amount of 68,112.50.

General Superintendent Dennis Shaw presented Contract #080803 with Asplundh Tree Expert Company, furnishing a fully equipped tree trimming crew to perform maintenance around energized distribution and transmission lines for the calendar year 2008, and January and February of 2009, for completion. On motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commissioners approved Contract No. 080803 with Asplundh Tree Expert Company as complete in the amount of \$445,324.16. Mr. Shaw reported that the vegetation consultant with whom the District has contracted, has recommended that the District contract with a forester to work with the crew to identify specific danger trees and make contact with customers for permission to remove them. The consultant said that Clallam County has the highest percentage of danger trees that he has seen in the state. The consultant also recommended that the District focus on transmission right-of-ways.

Mr. Schopfer presented the proposal received from Richmond Radio to upgrade and provide maintenance to the District's two-way mobile radio system. On motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commissioners accepted the Richmond Radio proposal and authorized the General Manager to sign contracts for upgrades and maintenance to the District's two-way mobile radio system.

Power Supply & Utility Services Manager Fred Mitchell reported that the participants to the Packwood Lake Hydroelectric Project are willing to assign their contract rights to the generation output of the Packwood Project such that Energy Northwest should market that power to Snohomish County Public Utility District. On motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commissioners authorized the General Manager to assign the District's share of the Project output to Snohomish PUD for the 2010 Operating Year and to reflect such assignment in the District's exhibit in its power sales contract with the Bonneville Power Administration.

Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission adopted Resolution 1907-09 establishing compensation for the Treasurer Controller.

The Communications Work Session was rescheduled for Friday, September 11 at 9:00 am in the Boardroom of the District's Main Office. The second strategic planning workshop is scheduled for Monday, August 24 at 9:00 am at the District's PA Main Office Boardroom. The regular meeting for that day has been canceled. The meeting of September 7 is cancelled due to its falling on the Labor Day holiday.

Two lists of claim vouchers as certified by the General Manager and District Auditor were considered. On motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission approved payment of claim vouchers in the amended amount of \$197,838.20 for August 10, 2009 and in the amount of \$1,487,175.21 for August 17, 2009. District Auditor Jana Robbins reported that the vouchers included 85 rebates for conservation programs totaling \$35,562.

Commissioner Simpson reported he attended the Port Angeles Business Association meeting and the District's strategic planning session.

Commissioners Haffner and Purser reported that they also attended the strategic planning session.

General Superintendent Dennis Shaw reported on the Carlsborg warehouse fence. During the conditional use permit hearing and process, the majority of the feedback from neighboring property owners was concern regarding the aesthetics of the fence that was to be installed. Initial plans were to have a black chain link fence with three strand barbed wire installed. However, the District has experienced theft in the past when chain link has been easily cut. The option that has been selected is a black steel fence with pickets that is both secure and aesthetically pleasing in order to respond to the community concerns. Black fabric will also be incorporated on the inside of the fencing until the landscaping has had time to mature and provide a visual barrier.

Mr. Mitchell reported on the Bonneville Power Administration (BPA) flexible PF rate. BPA has issued their record of decision for the 2011 rate case resulting in average rate increase of 6.95% effective October 1 of this year. The flexible PF option allows for a two step increase over the two years of 4.95% on average each year. The net present value of the two options is the same. The District must notify BPA by August 28 if interested in the flexible PF rate option. Staff recommended that the District participate in the flexible PF rate option and the Commissioners concurred pending any other budget updates that might show otherwise before August 28.

General Manager Nass reported on a Carlsborg sewer meeting that was held by the County on Tuesday, August 11. The meeting was attended by representatives from the County, the Carlsborg Citizens Advisory Council, and an audience of approximately 40 attendees. The County was seeking letters of support from area businesses and residents. The meeting resulted in the County deciding to move forward with the three studies required to complete the facilities plan. The plan must be completed in order to submit applications for funding.

General Manager Nass also reported that the staff has filed for stimulus funding for the SCADA system. There has also been application made for funding through NoaNet for local District projects. The District is focusing on funding for projects that were already the highest priority.

A Commissioner Redistricting hearing has been scheduled for Monday, September 14 to allow for the media advertising two weeks prior as required.

Attendance at meetings was confirmed and approved.

The regular meeting recessed at 3:37 p.m. to go into executive session for personnel matters. The executive session adjourned at 4:00 p.m., and the regular meeting reconvened at that time.

There being no further business to come before the Commission, the meeting adjourned at 4:01 p.m. to meet again, Monday, August 31, 2009, at 1:30 p.m. in the Port Angeles office.