

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY  
MINUTES OF THE REGULAR WEEKLY MEETING OF  
THE BOARD OF COMMISSIONERS  
February 1, 2010

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; Jeff Beaman, Executive Communications Coordinator; Fred Mitchell, Power Supply & Utility Services Manager; Mattias Jarvegren, Utility Services Advisor; Mike Hill, Civil Engineer; Mike Kitz, Water & Wastewater Systems Superintendent; Tom Martin, Water & Wastewater Systems Assistant Superintendent

Others Present: Teri Martin; Patrick Irwin

On motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission approved the minutes of the January 25, 2010 regular weekly meeting.

There was an agenda revision to add a Renewable Energy Certificates Purchase Update, Carlsborg Warehouse Facility Update, and an Executive Session for Personnel Matters.

The regular meeting was recessed at 1:33 p.m. to conduct a wastewater rate hearing. Treasurer Controller Joshua Bunch presented information on the proposed Wastewater System Rate Schedules. Staff recommends an increase of 15 cents per day which would reduce the amount that would have to come out of reserves. Southern View Estates has also been added to the District systems and the rates will be established in the new rate schedules. This system will have a higher rate due to more complicated monitoring. Following a time for public comment, the wastewater rate hearing adjourned at 1:46 p.m. and the regular meeting reconvened at that time.

Fred Mitchell presented the CFL Distribution Services Professional Services Agreement for approval. A significant share of the District's 2010 conservation target is expected to come from a comprehensive Compact Fluorescent Light (CFL) distribution program. Utility Services Advisor Mattias Jarvegren reviewed the vendor selection process. Upon recommendation of staff, and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission authorized the General Manager to enter into a Professional Services Agreement with AutoCell Electronics, Inc. to provide residential CFL mailing services, in accordance with Professional Services Agreement #100302.

Civil Engineer Mike Hill presented a release of easement, or quit-claim, for a customer where the power install was completed on a different location than originally anticipated. A corrected easement has been filed. Upon recommendation of staff, and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission approved the quit-claim deed to The Fletcher Family Irrevocable Trust (Richard A. Fletcher) for release of an easement recorded in Auditor's file number 2003 1121025.

General Manager Doug Nass presented the resolution authorizing the purchase of property adjacent to existing District property in Carlsborg. Upon recommendation of staff, and on motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission adopted Resolution 1916-10 authorizing the General Manager to complete the real estate transaction, purchasing the property located in Carlsborg, WA. Commissioner Haffner abstained from voting due to the property owners being personally known by him.

General Manager Nass reported that the District has been receiving letters from businesses in support of the Carlsborg Sewer project with the encouragement of seeking funding because the cost is too much for the residential and commercial ratepayers. These letters will assist the Clallam County Commissioners in seeking grant funds.

Joshua Bunch distributed a mileage analysis of the District's vehicle mileage showing that the average rate for a vehicle over 5 years is 72 cents per mile and our current reimbursement rate is 73 cents.

A list of claim vouchers as certified by the General Manager and District Auditor was considered. On motion of Commissioner Simpson seconded by Commissioner Haffner and carried, the Commission approved payment of claim vouchers in the amount of \$582,000.82 for February 1, 2010. There were 48 conservation rebates totaling \$13,806.74.

Commissioner Simpson reported that he attended the Port Angeles Business Association meeting where attendees heard from groups interested in the Rayonier site. Commissioner Simpson also attended the memorial service for Commissioner Dana Roberts of Jefferson PUD that was held in Port Townsend.

Commissioner Haffner attended the Clallam Economic Development Council Annual Banquet. The key speaker, Bill Stainton, spoke on the best business decisions that the Beatles ever made.

Commissioner Purser reported that he attended the Energy Northwest (ENW) Board and Executive Board meetings. Current projects under consideration include a carbonless energy park with solar or modular nuclear as options. Other modular nuclear projects are still under review. There was a positive report on progress with the Radar Ridge wind project. A new Washington Administrative Code went into effect on January 1 that requires that ENW capture all electronic communications pertaining to public business and transfer the data to state archives.

Executive Communications Coordinator Jeff Beaman presented a draft news release on the Carlsborg land purchase. Mr. Beaman is working with the Water Department to coordinate the receipt of letters regarding the Carlsborg sewer project. Mr. Beaman is also working with the Utility Services Department on the CFL Distribution Marketing Plan. The customer survey results are close to completion and he will bring a report back to the Commission at a later date.

Power Supply & Utility Services Manager Fred Mitchell provided an update on a potential contract for Renewable Energy Certificates (RECs) purchases. Commissioner Haffner asked if there was a way to mitigate the District's risk in the chance that the laws change with regards to how RECs are defined under I-937.

General Manager Nass provided an update on the Carlsborg Warehouse Facility. Staff is now in the process of moving into the building.

The regular meeting recessed at 3:13 p.m. to go into executive session for real estate and personnel matters. The executive session adjourned at 4:25p.m., and the regular meeting reconvened at that time.

Attendance at meetings was confirmed and approved.

There being no further business to come before the Commission, the meeting adjourned at 4:26 p.m. to meet again, Monday, February 8, 2010, at 1:30 p.m. in the Port Angeles office.