

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
May 17, 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; Nicole Clark, Executive Assistant; Dennis Shaw, General Superintendent; Jeff Beaman, Executive Communications Coordinator; Tom Martin, Water & Wastewater Systems Assistant Superintendent; Mike Kitz, Water & Wastewater Systems Superintendent; Fred Mitchell, Power Supply & Utility Services Manager

Others Present: Teri Martin; Rob Ollikainen

On motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission approved the minutes of the May 10, 2010 regular weekly meeting.

Upon recommendation of staff, and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission approved the selection of Carollo Engineers as the engineering firm for the design and construction phases of the Fairview New Water Supply Project. (#100310)

Upon recommendation of staff, and on motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission approved the prequalifications of contractors on the list dated May 17, 2010.

Upon recommendation of staff, and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission approved the prequalifications of contractors on the list dated May 17, 2010 for inclusion on the Small Works Roster.

A list of claim vouchers as certified by the General Manager and Acting District Auditor were considered. On motion of Commissioner Haffner seconded by Commissioner Simpson and carried, the Commission approved payment of claim vouchers in the amount of \$522,093.84 for May 17, 2010. There were 69 conservation rebates, totaling \$15567.60

Commissioner Simpson reported that he attended the Port Angeles Business Association meeting and Washington PUD Association (WPUDA) May Association meetings. There is a meeting scheduled for June 10-11 at Douglas County PUD to discuss a reform of the organization. There is a Water Committee meeting scheduled to be held in Kitsap County.

Commissioner Purser reported that he was to attend the Clallam Economic Development Summit but was called to serve for jury duty.

Water & Wastewater Systems Superintendent Mike Kitz reported that he reviewed the Crescent Water System comments and compared them to the District's concerns. The instream flows are the biggest issue. Mr. Kitz is currently working with the Manager of the system on a letter of comment indicating that there are areas of the plan that need to be addressed before it can go forward.

General Manager Doug Nass provided an update on the Radar Ridge wind project. Energy Northwest has concluded that an environmental assessment will not be sufficient and that a full environmental impact statement (EIS) will be required, at a much higher cost. Several PUDs do not have a high level of confidence in the permitting timeline, costs, or ability to obtain a Department of Natural Resources lease extension if needed. The project is in limbo right now pending a meeting to be scheduled by Energy Northwest.

General Manager Nass reported that the WPUDA Executive Committee had asked the PUD managers for feedback on ways to improve WPUDA. A discussion at the May meetings focused on proposed solutions to increase the effectiveness and the value of WPUDA as an organization for the PUDs. The reform solutions will be reviewed at the June 10-11 WPUDA reform workshop in Wenatchee.

General Manager Nass also reported on having attended the Clallam Economic Summit where the opportunities and challenges to growth in Clallam County were discussed.

Power Supply and Utility Services Manager Fred Mitchell reported that the Bonneville Power Administration (BPA) would be discussing the Energy Northwest Columbia Generating Station debt restructuring. Mr. Mitchell will arrange for representatives from BPA to make a presentation to the District.

Attendance at meetings was approved.

There being no further business to come before the Commission, the meeting adjourned at 2:48 p.m. to meet again, Monday, May 24, 2010, at 1:30 p.m. in the Port Angeles office.