

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
October 26, 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; Dennis Shaw, General Superintendent; Jeff Beaman, Executive Communications Coordinator; Fred Mitchell, Power Supply & Utility Services Manager; Tom Martin, Water & Wastewater Systems Assistant Superintendent

Others Present: Steve McGee; Virginia Erwin

On motion of Commissioner Simpson seconded by Commissioner Haffner and carried, the Commission approved the minutes of the October 19, 2009 regular weekly meeting.

There was an agenda revision to add the Introduction of a new employee. Human Resources Manager Judi Chapman introduced new employee Jessica Olson who is a new Customer Service Representative in Forks.

Power Supply and Utility Services Manager Fred Mitchell presented a recommendation to the Commissioners for the Bonneville Power Association (BPA) Regional Dialogue elections. The staff recommendation was that the District not bring its share of the Packwood Hydroelectric project to load and will obtain Tier 2 product from BPA's short term product. Also, the District will not be serving Port Townsend Paper and will have met its renewable requirement needs for the period. Upon recommendation of staff and motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission approved staff recommendations for the BPA Regional Dialogue elections for assignment of the District's share of the Packwood Hydroelectric project and selection of Tier 2 product. Also, the District will not be serving Port Townsend Paper and will have met its renewable requirement needs for the period.

Water & Wastewater Systems Assistant Superintendent Tom Martin presented the revised Interlocal Agreement with Clallam to complete the facilities planning phase of the Carlsborg Sewer Facilities Plan. Upon recommendation of staff and motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission approved the revised Interlocal Agreement with Clallam County, incorporating negotiated changes per the County's review comments to complete the facilities planning phase of the Carlsborg Sewer Facilities Plan.

Mr. Martin then presented for consideration the contract for implementing the first phase of the plan to provide a more reliable water supply for the Fairview Water System, including replacing the Bluffs Well and pursuing additional use of Port Angeles water. Upon recommendation of staff and motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission awarded Task Order #3 under Change Order #2 of Contract #080309 to Carollo Engineers for the first phase of the plan to provide a more reliable water supply for the Fairview Water System.

Mr. Martin presented information about selection of a consulting firm to update the District's 2003 Water System Plan. The Water System Plan is a requirement of the Department of Health and must be updated every 6 years. Upon recommendation of staff and motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission approved the selection of CH2M HILL as the consulting firm to update the District's 2003 Water System Plan.

Virginia Erwin was present to thank the District regarding a recent experience. She had called to report an outage at her house. No other customers had called in. A serviceman arrived soon to check on the problem and she was very pleased that someone came out to help without having been asked.

The second budget work session and a special meeting on WECC compliance will be held Thursday, October 29 from 10:00 am to 1:00 pm.

A list 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 \$1,253,803.75 for October 26, 2009. There were 41 conservation rebates totaling \$10,871.

Commissioner Simpson reported he attended the Port Angeles Business Association meeting.

Commissioner Haffner reported he attended dinner at which Jay Manning, the new Governor's Chief of Staff, was the speaker

Commissioner Purser reported he attended the Executive Board meeting of Energy Northwest. Steve Wright spoke about the Columbia Generating Station. The regular Board meeting topics included reliability, outages, and the hiring of a new Energy Northwest CEO. A representative from the APPA spoke about its Reliable Power Provider Program (RP3.)

Treasurer Controller Bunch presented the Treasurer's Report for September 2009. Interest for the month totaled \$34,803.63; cash totaled \$5,102,971.95; and the total amount invested was \$26,906,175.72.

General Manager Nass reported on an article about several proposed projects selected by the Department of Commerce to receive funding under the American Recovery and Reinvestment Act. General Manager Nass also attended a Radar Ridge meeting. The participants should know in four months if the environmental assessment is approved.

The regular meeting recessed at 2:58 p.m. to go into executive session for real estate matters. The executive session adjourned at 3:24 p.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 3:25 p.m. to meet again, Monday, November 2, 2009, at 1:30 p.m. in the Port Angeles office.