

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
JANUARY 12, 2004

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

Staff present were: Dennis Bickford, General Manager
 Shelley Burgett, Treasurer/Controller
 Ken Foster, Auditor
 Fred Mitchell, Telecommunications & Power Resources Mgr.
 Dave Proebstel, Distribution Systems Manager
 Jim Hoare, Engineering Representative
 Larry Morris, Operations Facilities Superintendent
 Carol Biss, Executive Assistant

Others present were: Cindy Kelly

On motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission approved the minutes of the January 5, 2004 meeting as submitted.

Distribution Systems Manager Proebstel discussed a proposed project to replace a distribution line over the Quillayute River with underground cable. The river has eroded a considerable amount of bank near the District's pole, and there is concern that the course of the river will continue to move toward the pole. This project was not included in the 2004 budget. Staff and Commissioners discussed this proposal and other options for rerouting the line. Staff will obtain additional information and continue to evaluate options. Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission approved the Invitation to Bid for personnel, equipment, and limited materials for directional boring underground electrical cable and associated work in the Quillayute area of Clallam County. (Bid No. 040801)

Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission accepted as complete the contract with Hawkeye Construction, Inc. in the amount of \$279,208.48, including Washington State sales tax, for crew and equipment for underground electrical cable installation in Indian Valley. (Contract Number 030809)

Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission authorized the General Manager to extend the contract with CommTech to provide public relations services in 2004.

General Manager Bickford provided copies of a news article about the Port of Tacoma utilizing the services of a Port of Olympia employee through an interlocal agreement.

Telecommunications and Power Resources Manager Mitchell said that the Port of Port Angeles Commissioners authorized an interlocal cooperation agreement whereby the District would provide information technology services for the Port. He reviewed provisions of a proposed agreement. 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 an interlocal cooperation agreement to provide information technology services to the Port of Port Angeles.

Mrs. Cindy Kelly inquired about the status of a proposed sewer line in the urban growth area east of Port Angeles and discussed a proposed project on the west side of the city. Commissioner Haffner said that the City of Port Angeles and the Clallam County have been discussing the project east of the city, and District participation has not been requested. Mr. Bickford said the District has not received information back on the LUD petition.

The Commissioners and General Manager received letters from the Commissioners of Clark County PUD outlining their reasons for supporting the proposed settlement of the Bonneville Power Administration litigation.

Mr. Bickford provided copies of a news article about preliminary studies of a new storage dam on the Yakima River.

A list of claim vouchers as certified by the General Manager and Auditor was considered. On motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission approved payment of claim vouchers in the amount of \$478,080.20 on January 12, 2004. Auditor Foster reported that the claim vouchers included 27 rebates for conservation programs totaling \$10,172.61.

Commissioner Haffner reported on a Port Angeles Business Association meeting and a Clallam County Economic Development Council (EDC) Cluster Steering Committee meeting.

Commissioner Purser reported on a Peninsula Development Association meeting. Topics discussed included the delay in the graving yard project, efforts to build diversity in the Association, and a status report on EDC projects. Commissioner Purser also reported on a North Olympic Peninsula Resource Conservation and Development Council meeting. The agenda included a discussion of the by-laws, identification of new projects, and a status report on existing projects.

Mr. Bickford presented the General Manager's Report. Clallam County EDC's 2004 Annual Board of Directors Meeting is scheduled for January 22 at 6 p.m., and seating is limited. The Commissioners received copies of proposed changes to the Port Angeles Chamber of Commerce by-laws. Unless directed otherwise, the General Manager will submit the ballot, voting yes on each of the proposed changes to the by-laws. He provided information on Healthcare Plan rates for 2004 for full-time, part-time, and retired employees. The Washington PUD Association is updating its directory, and Mr. Bickford asked the Commissioners to submit any changes for the 2004 directory. At the request from Clark County PUD for mutual aid, the District provided four employees to assist during recent storms.

Mr. Mitchell presented the Telecommunications and Power Resources Manager's report. He reported on a Northwest Open Access Network (NoaNet) Board meeting he attended. He reviewed the method the NoaNet Board approved for collecting member contributions. For the estimated revenue shortfall for principal and interest in 2004, the amount to be paid by members will be split 75 percent as outlined in the Repayment Agreement and 25 percent as assessments. The proforma budget suggests that NoaNet members will need to cover debt service (principal and interest) for several years in the future. He reviewed new NoaNet projects and noted that an invoice was sent to NoaNet Oregon for maintenance and management services that were provided by NoaNet Washington when the Oregon entity was in the early stages of development. He discussed removing the line item on District electric bills regarding benefits to the Investor Owned Utilities; however, the Commissioners recommended that the message be continued for awhile longer. Mr. Mitchell provided cost estimates to extend the pilot program to connect a service provider wireless access point in the Happy Valley area. He said that it may be beneficial to acquire information about wireless deployment during the Pilot Project. Commissioner Simpson noted the need for a policy on line extensions for broadband services. Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission approved the District's provision, not to exceed \$2,000, of a fiber service drop to connect a service provider in the Happy Valley area.

Attendance at the following meetings was confirmed: Fred Mitchell attended a NoaNet board meeting at SeaTac on January 6. Attendance at the following meetings was approved: Dave Proebstel to attend a Utility Advisory meeting at SeaTac on January 16 and Fred Mitchell to attend a Senate Telecom Hearing in Olympia on January 19.

The regular meeting recessed at 3:59 p.m. to go into executive session regarding possible litigation. The executive session adjourned at 4:30 p.m., and the regular meeting reconvened at that time. There being no further business to come before the Commission, the meeting adjourned at 4:32 p.m. to meet again Monday, January 19, at 1:30 p.m. in the Port Angeles office.

President

ATTEST:

Vice President

Secretary