

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
JANUARY 24, 2005

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

Staff present were: Dennis Bickford, General Manager; Shelley Burgett, Treasurer/Controller; Ken Foster, District Auditor; Roger Hosto, Operations Superintendent; Fred Mitchell, Telecommunications & Power Resources Manager; and Carol Biss, Executive Assistant.

Others present were: Tom Casey, Bob Hoyle, Cindy Kelly.

On motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved the minutes of the January 3, 2005 regular weekly meeting as submitted. On motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission approved the minutes of the January 10, 2005 regular weekly meeting as submitted. On motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved the minutes of the January 14, 2005 special meeting as submitted.

Grays Harbor PUD Commissioner Tom Casey presented "Bonneville Power Administration as a Business Partner." A group of utilities, led by Grays Harbor PUD, are working to improve the relationship between BPA and public-owned utilities. They have developed a set of recommendations to improve governance at BPA, implement cost control measures at BPA, and create enforceable contracts between BPA and its customers. These recommendations will be presented to the Congressional delegation. On motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission authorized the District's logo to be used on informational materials and to contribute \$2,000 for expenses related to this program.

Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved Change Order 040803-1 to the contract with Olympic Electric Co., Inc. for an additional amount of \$2,025.14. Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission approved Change Order 040803-2 to the contract with Olympic Electric Co., Inc. for an additional amount of \$414.00. The increased amounts were for additional labor and materials on the Blyn Substation rebuild project.

Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission approved a Quit-Claim Deed for release of a blanket easement to Lawrence P. Bosworth of Ranger Road in Port Angeles. This easement is no longer needed since Mr. Bosworth granted a site-specific easement for the District's electric system.

Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission authorized the General Manager to enter into an agreement with D2000 Safety Solutions for safety coordinator services in 2005. (Contract 050301)

Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission adopted Resolution 1770-05 establishing titles, salary ranges, and position rates for staff employees. The resolution changes the position of CIS/Billing Supervisor to Range 8 and adds the position of Procurement Manager in Range 12 to the list of Titles and Salary Ranges for staff employees.

Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved the removal of delinquent accounts from the active accounts receivable in the amount of \$5,126.47.

Two lists of claim vouchers as certified by the General Manager and District Auditor were considered. On motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved payment of claim vouchers in the amount of \$594,672.31 for January 17, 2005. On motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission approved payment of claim vouchers in the amount of \$225,474.69 for January 24, 2005. District Auditor Foster reported that the claim vouchers for January 17 included 17 rebates for conservation programs totaling \$11,367.40, and the claim vouchers for January 24 included 3 rebates for conservation programs totaling \$629.23.

Commissioner Haffner reported on the conference, Buying and Selling Electric Power in the West, which he attended last week. He reported on presentations by Former U.S. Senator, Slade Gorton, the Program Co-chair of the conference; Marilyn Showalter, Chairwoman of the Utilities and Transportation

Commissioner; and Steve Marshall, Assistant General Manager of Snohomish PUD. Commissioner Haffner said there is a WRIA 18 meeting at the District's Port Angeles office at 6 p.m. tomorrow. Water purveyors and well drillers have been invited to attend. He asked about the progress on resubmitting an application for a permit to construct a new substation in Sequim.

Commissioner Purser inquired about the status of the North Sequim Avenue project. He said that Garn Christensen, Superintendent of the Sequim School District, asked for information about the District's Apprenticeship Program that could be given to high school students. He asked if a District representative were available to attend career workshops. Mr. Christensen also related that damage to the School District's telephone system occurred after a power outage. Commissioner Purser asked staff to follow up on Mr. Christensen's concerns. In response to a question from Commissioner Purser, Mr. Bickford said that staff had met with Mr. Tom Madsen and reported that he was satisfied with the District's work.

Commissioner Simpson noted that new electronic equipment is more sensitive to power surges than older technology. He suggested that the District might consider educating customers about vulnerability of electronic equipment to switching surges. He said that the Employee Meeting last week was very interesting and well organized and suggested that the District continue holding all-employee meetings on an annual basis.

Mr. Bickford presented the General Manager's Report. He discussed the Employee Meeting and complimented Distribution Systems Manager Proebstel, committee chair, and Administrative Assistant Ridout for their efforts in organizing this event. He said that a facility has been tentatively reserved for the 2006 Employee Meeting. He reviewed the report of an unscheduled Washington State Industrial Safety and Health Act (WISHA) consultation by the Department of Labor and Industries. On January 7, 2005, during a snowstorm, the power cables to the Elwha Dam fell over Highway 101 west of Port Angeles. The report commended District employees for observing safe practices related to Lock out/Tag out procedures, proper signage, and informing drivers of the problems and estimated delay. The letter recognized the following District employees: Line Foreman Parks, Linemen Lind and Greenstreet, Boom & Winch Operator Girt, and Operations Assistant Birdsall. Mr. Bickford noted that the January 16 Peninsula Daily News contained two items in the Raves column expressing appreciation for PUD crews' efforts to restore power during the winter storm. He reviewed a letter from Brad Partridge, the I.B.E.W. Local 997 Safety/Accident Investigation Coordinator. In the letter Mr. Partridge expressed concern regarding safe switching procedures. Mr. Bickford said that the dispatchers are meeting twice a month with the goal of developing a standardized set of switching procedures. He noted that the procedures described in the WISHA report of January 7 were a result of changes that have already been made. Mr. Bickford reviewed a letter from Port Angeles City Manager Michael Quinn regarding transfer of electric utility customers on the west side of Port Angeles. The Commissioners discussed west side annexation and expressed differing opinions about utility services in the urban growth area. Mr. Bickford said that Northwest Public Power Association's Annual Meeting will be held in Palm Springs on May 22-26, 2005. The KONP Home Show, sponsored by the District, will be February 26-27.

Treasurer/Controller Burgett presented the Treasurer's Report for December 2004. Interest for the month totaled \$17,659.63, cash totaled \$2,386,138.53, and the total amount invested was \$19,383,636.60. She discussed a review of the District's underlying rating by Standard and Poor's that affirmed the District's "A" rating and stable outlook. She reported on the Drinking Water Loan and said the District submitted a new application for 2005. She noted that the Drinking Water Loan application process is starting to emphasize the importance of archeological and historical preservation surveys when applicable. She reported that the bank in Sekiu will be closing this month and an alternate method for banking services will be utilized.

Operations Superintendent Hosto reported on repair of the Bureau of Reclamation's electric line to Elwha Dam on January 19, 2005. There were a number of entities involved, including the Bureau of Reclamation, Highline Helicopters, National Park Service, and the District. He showed a video of setting poles with a helicopter in an area where there was limited access. He said it was a very successful project with excellent planning, communication, and cooperation as well as a tremendous physical effort on the part of District employees. He recognized the following employees for the work they did on this project: Line Foreman Parks; Relief Line Foreman Jones; Linemen Christianson, Greenstreet, and Lind; Boom and Winch Operator Girt; Maintenance Supervisor Miller; and Operations Assistants Birdsall, Brown, and Napiontek.

Attendance at meetings was confirmed and approved.

The regular meeting recessed at 4:19 p.m. to go into executive session for personnel matters and possible litigation. The executive session adjourned at 5:22 p.m., and the regular meeting reconvened at that time. There being no further business to come before the Commission, the meeting adjourned at 5:23 p.m. to meet again Monday, January 31, 2005, at 1:30 p.m. in the Port Angeles office.