

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
MARCH 8, 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; and Hugh E. Simpson, Jr., Secretary.

Staff present were: Dennis Bickford, General Manager; Shelley Burgett, Treasurer/Controller; Ken Foster, Auditor; Fred Mitchell, Telecommunications & Power Resources Manager; Mike Kitz, Water & Wastewater Systems Superintendent; Larry Morris, Operations Facilities Superintendent; Dave Proebstel, Distribution Systems Manager; Quimby Moon, Engineer; Ken Morgan, Transmission & Substation Systems Manager; and Carol Biss, Executive Assistant.

Others present were: Cindy Kelly.

Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission approved the minutes of the March 1, 2004 meeting as corrected.

Water and Wastewater Systems Superintendent Kitz reviewed additional tasks pertaining to the water treatment plant project. Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission authorized the General Manager to sign Addendum No. 5 to the contract with EarthTech, Inc. for additional tasks not to exceed \$229,777.

Staff presented information pertaining to an accident involving a District vehicle. Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission adopted Resolution 1745-04, declaring an emergency, and authorized the immediate purchase of a vehicle on the State of Washington procurement list or locally at an equivalent price and delivery to replace Truck 36.

Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission awarded Bid No. 040802 for underground electrical cable to Wesco Distribution, Inc. in the amount of \$495,420.00.

Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission approved the prequalification of Tice Electric Company to perform electrical construction work on District facilities in 2004.

The Commissioners approved a work session pertaining to the District's broadband system to be held on March 25, 2004, beginning at 9 a.m. at the District's Port Angeles office.

Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission adopted Resolution 1744-04, authorizing the General Manager to dispose of a power transformer as determined to be in the District's best interest.

Transmission and Substation Systems Manager Morgan reviewed a proposal to purchase a relay test set with the City of Port Angeles. He described the limitations of the equipment that the District currently owns and noted that the Doble F6150 relay test set would test all of the District's protective relays. The Commissioners recommended that an agreement be developed, which would include provisions for maintenance of the shared equipment. Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission approved the joint purchase of a relay test set with the City of Port Angeles.

Engineer Moon reviewed the process used for evaluating bids for a Supervisory Control and Data Acquisition System. Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission awarded Bid No. 030812 for personnel and equipment for a SCADA System to Survalent Technology Corporation in the amount of \$192,070.

A list of claim vouchers as certified by the General Manager and 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 \$97,573.80 for March 8, 2004. Auditor Foster reported that the claim vouchers included 12 rebates for conservation programs totaling \$10,105.60.

Commissioner Simpson reported on Washington PUD Association (WPUDA) meetings that were held last week in Olympia. SB 5498, the telecommunications bill, passed out of the senate and house and was sent

to the Governor's office. The bill clarifies that PUDs are not required to establish a separate utility function for telecommunications systems. The bill provides PUDs with a choice as to how they administer the funds for telecommunications business. At the WPUDA Commissioners Roundtable, Grant PUD reported on its Network Operations Center services, and there were discussions about water issues and a voluntary assessment for funding the BPA Rate Rollback effort. Commissioner Simpson also reported that a customer from Sequim inquired about the District's interest in electricity generated from waste or landfill. He would like the opportunity to present information about grant funding available for this type of project.

Commissioner Haffner reported that at a Parks Commission meeting a group presented a proposal for purchasing land for a park near Green Point. He reported that at the Clallam netWorks meeting there was a discussion of PUD industrial rates in connection with a manufacturing plant locating in Clallam County. He reported on a Clallam County Economic Development Council executive board meeting. Funds available for the grant for the incubator project have been reduced and the low interest loan amount has increased.

General Manager Bickford presented the General Manager's Report. He presented information on the voluntary assessment recommended by the WPUDA Board. The funding would be for Bonneville Power Administration Rate Rollback activities. On motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission moved to support the WPUDA additional assessment of not more than \$60,000 for the BPA Rate Rollback effort. The assessment will be allocated among all participating WPUDA members. Mr. Bickford reported on a letter from the Commissioners at Douglas PUD who recommended a voluntary payment to continue the campaign regarding Regional Transmission Organizations and Standard Market Design. Staff will obtain additional information for the Commissioners' consideration at a future meeting. Mr. Bickford discussed the American Public Power Association's request for financial support regarding a U.S. Supreme Court case, *Federal Communications Commission v. Missouri Municipal League, et. al.* He reviewed dates for upcoming meetings. WPUDA will hold a BPA's Future Workshop on March 17 and 18. The WPUDA Board Meeting is on March 19. The District is sponsoring a student science competition, Power for the Future, on Saturday, March 20, 2004, at 9 a.m. at Stevens Middle School. Mr. Bickford is on a panel at Northwest Public Power Association's Power Supply Workshop March 9-10 in Coeur d'Alene.

Attendance at meetings was approved.

The regular meeting recessed at 4:08 p.m. to go into executive session for personnel matters. The executive session adjourned at 4:45, and the regular meeting reconvened at that time. There being no further business to come before the Commission, the meeting adjourned at 4:46 p.m. to meet again Monday, March 15, 2004, at 1:30 p.m. in the Port Angeles office.