

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
MAY 10, 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; Larry Morris, Operations Facilities Superintendent; Dave Proebstel, Distribution Systems Manager; Mike Hill, Engineer; Doug Harrison, Information Services Manager; and Carol Biss, Executive Assistant.

Others present were: Brian Gawley; Dick Goodman; Cindy Kelly; and Ed Tuttle.

On motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission approved the minutes of the May 3, 2004 meeting as presented.

Mr. Ed Tuttle presented copies of the City of Port Angeles' Recommended Comprehensive Plan Amendments for 2004 and discussed items in the Plan that he thought would be of interest to the Commissioners.

Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission awarded Bid Number 040807, Enclosure of Existing Covered Storage Building at the Carlsborg Operations Center, to Aldergrove Construction, Inc. in the amount of \$79,672 plus Washington State sales tax.

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 agreement for consulting services with F.W. Bowen in the amount of \$15,000 to evaluate the District's wholesale broadband pilot project, with the stipulation that Northwest Open Access Network should serve as an additional resource for the evaluation under the Network Coordinated Services Agreement and that F.W. Bowen warrants that there are no known conflicts of interest.

General Manager Bickford reported that AquaEnergy requested funding towards the completion of their environmental assessment work for the Wave Energy project at Makah Bay. Some members of the Electric Power Research Institute have indicated an interest in funding some of the environmental study work. After discussing the matter, the Commissioners asked staff to obtain additional information about the project.

Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission approved the removal of delinquent accounts from the active accounts receivable in the amount of \$4,416.67.

On motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission canceled the May 17, 2004 meeting.

The Commissioners received copies of a letter from Pacific County's General Manager to the Washington PUD Association. The letter stated that Pacific PUD's Commissioners supported the WPUDA's position paper on Bonneville Power Administration's Future and Long Term Allocation of Federal Power Resources on all points except Issue Number 6 pertaining to a set-aside for new publics.

The Commissioners received a letter from Northwest Open Access Network's President encouraging them to attend a NoaNet Commissioner workshop on May 13, 2004 in SeaTac. The letter included the final summary report from a NoaNet business review conducted in late 2003 and early 2004 by McQuaig and Welk, PLLC.

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 \$ 211,471.70. Auditor Foster reported that the claim vouchers included 15 rebates for conservation programs totaling \$10,793.76.

Commissioner Simpson reported on the Sequim Irrigation Festival Parade. He also reported that water systems that serve certain populations must submit Vulnerability Assessments (VA) to the U.S.

Environmental Protection Agency by June 30, 2004. Mr. Bickford said that staff has already begun work on that assessment as part of a continuing security awareness program.

Commissioner Haffner reported on a County Planning Committee open meeting that was held last week. The Committee heard testimony on the LAMIRD Proposal and whether certain areas now classified as Urban Growth Areas to the east and west of the City of Port Angeles should be reclassified as LAMIRD (limited areas of more intensive rural development). He also reported on comments he has received on the proposed wholesale water contract with the City of Port Angeles. He suggested that staff continue to look for additional water rights to serve District customers.

Commissioner Purser reported on the time he spent at the Carlsborg Operations Center last week and on the Sequim Irrigation Festival Parade.

Mr. Bickford presented the General Manager's Report. Early registration for American Public Power Association's 2004 National Conference is due by May 19. The Commissioners received an invitation to a spring barbecue hosted by Capacity Provisioning, Inc. on May 14. Snohomish PUD has filed suit against Bonneville Power Administration regarding the 200 million dollar litigation penalty. Mr. Bickford said that he has received no response from the City of Port Angeles since he sent the City a copy of Resolution 1751-04 pertaining to wholesale water use. A meter was installed to enable the District to measure water coming from District sources towards the City of Port Angeles. He noted that a meeting of Industrial Customers of Northwest Utilities will be held tomorrow in Seattle. He recommended scheduling a work session to discuss changes to the Electric Service Regulations, and the Commissioners agreed to hold it on Wednesday, May 26, 2004, at 9 a.m. in the Port Angeles office. Mr. Bickford inquired about scheduling topics for discussion from the list of issues Commissioner Purser presented at the April 19, 2004 meeting. Mr. Bickford and Commissioner Purser will meet to discuss a schedule for addressing those topics. Mr. Bickford reported that, at the last staff meeting, he asked for comments on the Strategic Plan from managers and supervisors. After the comments are reviewed, a work session will be scheduled to discuss the Strategic Plan.

Attendance at meetings was approved.

There being no further business to come before the Commission, the meeting adjourned at 3:50 p.m. to meet again Monday, May 24, 2004, at 1:30 p.m. in the Port Angeles office.