

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY  
MINUTES OF THE REGULAR WEEKLY MEETING OF  
THE BOARD OF COMMISSIONERS  
MAY 2, 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; Fred Mitchell, Telecommunications & Power Resources Manager; and Carol Biss, Executive Assistant.

Others present were: Brian Gawley, Bob Hoyle, Cindy Kelly, and Ed Tuttle.

On motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved the minutes of the April 25, 2005 regular weekly meeting as submitted. On motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission approved the minutes of the April 27, 2005 special meeting as submitted. On motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved the minutes of the April 27, 2005 work session as submitted.

On motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission accepted as complete Contract No. 040817 with Innerpole Investigations for pole inspection, treating, and reporting in the amount of \$124,374.34 including Washington State sales tax.

A list of claim vouchers as certified by the General Manager and District Auditor was considered. On motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission approved payment of claim vouchers in the amount of \$159,535.85 for May 2, 2005. District Auditor Foster reported that the claim vouchers included 10 rebates for conservation programs totaling \$2,318.48.

Commissioner Haffner reported on the Boundary Review Board's tour of the proposed annexation area west of the City of Port Angeles. He discussed electrical service to the area and temporary service to the proposed hardwood mill.

Commissioner Purser reported on the April 27, 2005 workshop about the District's future relationship with Bonneville Power Administration. The workshop, which was conducted by Power Resource Managers, was an interactive session where participants were presented with hypothetical cases about buying and selling power. He reported that he and General Manager Bickford met with Karen Rogers, Port Angeles City Councilmember, and Glen Cutler, Director of Public Works, to discuss utility services in the proposed annexation area west of Port Angeles.

Mr. Bickford presented the General Manager's Report. He said that he had approved as complete the contract with Superior Electric in the amount of \$90,848.93 plus Washington State sales tax for the Blyn Substation Line Rebuild. An additional \$30,972.79 plus Washington State sales tax was paid by the Jamestown S'Klallam Tribe for electrical work on the Tribe's lower campus. (Purchase Order Number 8942)

Mr. Bickford discussed Commissioners' meeting schedule for the remainder of the month. The Commissioners have been invited to attend a meeting of the Western Public Agencies Group at SeaTac on May 9. He discussed holding Water Rate Hearings in different locations in the District's service area to discuss proposed water rate increases and a conservation-based water rate structure. The Commissioners agreed to conduct Water Rate Hearings at the regular meeting on May 16 at 1:30 at the Port Angeles office and at a special meeting at 6 p.m. at the Clallam Bay School that same day. The Commissioners will also hold a special meeting on May 18 at 10 a.m. at the District's Carlsborg Operations Center.

On motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission canceled the May 30, 2005 meeting due to the Memorial Day Holiday. On motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission canceled the May 9, 2005 meeting in anticipation of the Commissioners attending the Western Public Agencies Group meeting.

Treasurer/Controller Burgett presented the Treasurer's Report for the month of March 2005. Interest for the month totaled \$24,053.24, cash totaled \$2,515,746.01, and the total amount invested was \$19,774,176.19.

Telecommunications and Power Resources Manager Mitchell discussed a letter from a customer regarding submetering. Mr. Mitchell reviewed the public notice that the District sent about changes to its submetering policy. He also discussed the insurance requirement that is part of the policy and said that Public Utility Risk Management Services (PURMS) wants its members to have this requirement in their policies. Staff will discuss the matter further at the next PURMS meeting. Mr. Mitchell also reviewed a proposed new conservation program that would provide incentives for weatherization measures for limited income residential customers.

Attendance at meetings was approved.

The regular meeting recessed at 2:34 p.m. to go into executive session regarding personnel matters. The executive session adjourned at 4:55 p.m., and the regular meeting reconvened at that time.

On motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission approved the District's withdrawal of its petition with the Boundary Review Board pursuant to Port Angeles City Manager Mike Quinn's letter dated April 6, 2005, indicating that the City would agree to purchase the District's facilities in the Western UGA annexation area according to the terms of the 1992 Electric Service Area Agreement between the District and the City. The Agreement addresses the capital cost and lost revenue cost to be paid to the District.

Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission authorized the General Manager to fill the position of Assistant General Manager.

There being no further business to come before the Commission, the meeting adjourned at 5:01 p.m. to meet again, May 16, 2005, at 1:30 p.m. in the Port Angeles office. The Commissioners will meet in special meetings on May 16, 2005, at 6 p.m. at the Clallam Bay School, 16933 State Highway 112, and on May 18, 2005, at 10 a.m. at the District's Carlsborg Operations Center, 110 Idea Place.