

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
MAY 3, 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; Roger Hosto, Operations Superintendent; Les Klontz, Operations Superintendent; Larry Morris; Operations Facilities Superintendent; Mike Kitz, Water & Wastewater Systems Superintendent; Fred Mitchell, Telecommunications & Power Resources Manager; Dave Proebstel, Distribution Systems Manager; and Carol Biss, Executive Assistant.

Others present were: Brian Gawley; Cindy Kelly; Joe Martin; Patti Morris; and Mary Wilgocki.

On motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission approved the minutes of the April 26, 2004 meeting as submitted.

Mr. Joe Martin, Clallam County Sheriff, presented a letter to the Commissioners authorizing the use of OPSCAN funds for underground cable installation to North Point and outlining other conditions for the project. The District will also spend money on additional infrastructure at North Point. Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission awarded Bid No. 030814 to Superior Electric Northwest, Inc. for underground electrical cable installation to North Point for a total of \$282,667.88, plus Washington State sales tax.

Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission adopted Resolution 1747-04, authorizing the disposal of surplus property.

The Commissioners reviewed the revisions to the Electric Service Regulations that were recommended by staff. Staff and Commissioners discussed proposed changes pertaining to maintenance of underground services for both residential and commercial customers. On motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission tabled action pertaining to the Electric Service Regulations. Staff will schedule a workshop to discuss the proposed Electric Service Regulations.

Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission adopted Resolution 1748-04, reestablishing the dollar amounts for the working funds and dissolving the Advance Travel Fund.

Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission adopted Resolution 1749-04 rescinding Resolutions 924 and 1621-00 and appointing a Deputy Treasurer (Ruth Kuch) and an Alternate Deputy Treasurer (Annette Bouvier).

General Manager Bickford discussed a proposed resolution that would memorialize the District's intent to use District water to serve new or expanding water customers in the Port Angeles Composite Water System. Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission adopted Resolution 1751-04, setting order and priority of wholesale water use in the Port Angeles Composite Water System of the District.

Mr. Bickford reported that Governor Gary Locke proclaimed the week of May 2-8, 2004, as Drinking Water Week.

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 \$332,329.15. Auditor Foster reported that the claim vouchers included 16 rebates for conservation programs totaling \$8,735.33.

Commissioner Simpson reported on a Port Angeles Business Association meeting at which Karen Rogers, Port Angeles City Council, presented history and chronology of private investment in Telecommunications.

Commissioner Haffner reported on the OPSCAN Governance Committee meeting, and noted that there was a discussion of the North Point project. He also reported on a meeting at which citizens opposed to annexation discussed water and sewer services in the urban growth area east of Port Angeles.

Commissioner Purser reported on a Port Angeles Business Association meeting.

Mr. Bickford presented the General Manager's Report. The District is participating in the Sequim Irrigation Festival parade on May 8, 2004. He said that twelve utilities have agreed to participate in the Washington PUD Association's effort to rollback Bonneville Power Administration rates. The total cost of the project is \$60,000. On motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission approved the District's participation in the BPA Rate Rollback Campaign at the same

percentage as the Fair Settlement Campaign. WPUDA members have been invited to attend an Industrial Customers of Northwest Utilities meeting on May 11, 2004, in Seattle. Mr. Bickford said that the Executive Director of WPUDA recommended that WPUDA members attend the Legislative and Resolutions Committee meeting at Northwest Public Power Association's annual conference, which is being held in Victoria, B.C.

Attendance at meetings was approved.

There being no further business to come before the Commission, the meeting adjourned at 3:37 p.m. to meet again Monday, May 10, 2004, at 1:30 p.m. in the Port Angeles office.