

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
NOVEMBER 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; Larry Morris, Operations Facilities Superintendent; Dave Proebstel, Distribution Systems Manager; and Carol Biss, Executive Assistant

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

On motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission approved the minutes of the November 1, 2004 meeting as submitted. On motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission approved minutes of the financial work session on June 9, 2004.

Operations Facilities Superintendent Morris and Distribution Systems Manager Proebstel discussed the November 1, 2004 outage in the east end of the District's service area. Many customers reported equipment damage, and about 200 of the District's meters were damaged. At this time, staff has found no fault on the part of the District. It was determined that the damage was caused by trees falling on the transmission and distribution lines. Staff will continue their investigation of the incident. Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission authorized the Invitation to Bid to furnish hourly tree trimming crew and equipment in 2005. (Bid No. 040817) Bids will be opened December 1, 2004.

General Manager Bickford reported on a letter from the Public Power Council (PPC) seeking the District's support for PPC membership in 2005. Membership cost for 2005 is the same as for 2004. Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission approved continued membership in the Public Power Council for 2005.

Mr. Bickford reported on a letter inviting the District to join the Pacific Northwest Utilities Conference Committee in 2005. No action was taken.

The Commissioners received a letter from the American Public Power Association's Nominations and Awards Committee inviting nomination of candidates for the APPA's 2005-200606 Board of Directors. Mr. James Davis of Douglas County PUD and Mr. Vic Parrish of Energy Northwest are both eligible for re-election from the Northwest region. Mr. Bickford will find out if other PUDs have already nominated these candidates.

Mr. Bickford discussed an alternate method for acquiring data processing equipment as outlined in RCW 39.04.270. Following those procedures, the District requested quotes for an i5 series computer to replace the existing AS400. Staff recommended purchasing the computer and a 36-month maintenance contract from Pacific Software Associates.

Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission authorized the General Manager to purchase in accordance with RCW 39.04.270 the i5 series computer hardware and maintenance agreement from Pacific Software Associates for \$93,612 plus Washington State sales tax and shipping.

Mr. Ed Tuttle said that the Bay Loop Association presented three different LAMRID proposals to the County.

In response to a question from Mr. Brian Gawley, Mr. Bickford said that District staff is continuing to look for additional water sources, including wells, and has hired a consultant to help with water rights.

The Commissioners received copies of a letter from Bonneville Power Administration to Mr. Ed Hansen, General Manager of Snohomish PUD, regarding the Henwood Energy Services report on Grid West costs and benefits.

Mr. Bickford discussed a proposed letter to the Washington PUD Association regarding the proposed WPUDA office building in Olympia. The Commissioners directed him to draft the letter to the WPUDA Executive Director and the Building Committee.

A list of claim vouchers as certified by the General Manager was considered. On motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission approved payment of claim vouchers in the amount of \$1,606,860.29 for November 8, 2004. General Manager Bickford reported that the claim vouchers included 24 rebates for conservation programs totaling \$14,318.58.

Commissioner Simpson said that a news article reported that Puget Sound Energy is seeking a rate increase of 7.3 percent. Two public hearings are scheduled. The rate increase must be approved by the Washington State Utilities and Transportation Commission.

Commissioner Haffner reported on a Clallam County Economic Development Council Steering Committee meeting. The Committee will submit a proposal for State matching funds for a feasibility study of a commercial kitchen in the area.

Commissioner Purser reported on a screening study of a 3.9-megawatt, wood-fired co-generation project in connection with the Forestry Resource Cluster. The screening study will be presented at a Cluster meeting tomorrow in Forks.

Mr. Bickford presented the General Manager's Report. He read a letter from a customer to the Commissioners thanking the District for its response to the outage on November 1, 2004. He reported that staff is going out to bid under the small works roster process for pole inspection, treating, and reporting in 2005. He said that, last week, the Commissioners received one postcard from a customer who is opposed to fluoridated water. He reported that *Clearing Up* has switched to a dispatch model and subscription costs will increase substantially. The Commissioners agreed with staff recommendation not to subscribe at the new rate.

Attendance at meetings was confirmed approved.

The regular meeting recessed at 3:31 p.m. to go into executive session regarding personnel matters. The executive session adjourned at 3:45 p.m., and the regular meeting reconvened at that time. There being no further business to come before the Commission, the meeting adjourned at 3:46 p.m. to meet again, November 15, 2004, at 1:30 p.m. in the Port Angeles office.