

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
SEPTEMBER 24, 2007

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 Haffner, President; Hugh E. Simpson, Jr., Vice President; and W.E. Purser, Secretary.

Staff present were: Michael Kitz, Acting General Manager; Joshua Bunch, Treasurer Controller; Ken Foster, District Auditor; Fred Mitchell, Power Resources & Utility Services Manager; Tyler King, Accountant; Donna Hansen, Human Resources Coordinator; and Carol Biss, Executive Assistant.

Others present were: Brian Gawley, Cindy Kelly, and Teri Martin.

On motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved the minutes of the September 17, 2007 regular weekly meeting as amended.

The Commissioners welcomed a new employee, Tyler King, who began work at the District today as an Accountant.

Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission approved removal of delinquent accounts in the amount of \$5,870.65 from the active accounts receivable.

Mr. Brian Gawley, reporter for the Peninsula Daily News, asked about the cause of two recent outages in the Sequim area. Customers were out of power about an hour on September 24 and about a half-hour on September 26. The circuit switcher at the Sequim Substation opened, and the cause is still being investigated.

The Commissioners received a ballot for the Port Angeles Chamber of Commerce Board of Directors. Eight candidates are running for four positions on the Chamber Board. The Commission abstained from voting.

Acting General Manager Michael Kitz reported that there will be a planned outage on Sunday, September 30, from 12:01a.m. to 6 a.m. for the Sappho to Hillstrom rebuild project. Customers who will be affected by the outage include those in Forks and all areas south and west of Forks, including LaPush, and areas along Highway 101 from Lake Crescent to Forks. Customers have been notified.

A list of claim vouchers as certified by the General Manager and District Auditor was considered. On motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved payment of claim vouchers in the amount of \$2,410,052.07 for September 24, 2007. District Auditor Foster reported that the vouchers included four rebates for conservation programs totaling \$3,390.

Commissioner Simpson reported on several items from the Washington PUD Association's (WPUDA) Commissioners' Roundtable, Board of Directors, and Legislative Committee meetings. Grant County PUD is installing new advanced turbines at Wanapum Dam. The new turbines are designed to increase survival rates for juvenile fish passing through the turbines. The system improvements will meet I-937 requirements. Bonneville Power Administration's Regional Dialogue meetings will begin October 1. Water in the Columbia River is at 89 percent of average in 2007, causing BPA to have less revenues than anticipated. In 2006 the River was 110 percent of average and in 2001 it was 56 percent. It was reported that Skagit County required Skagit PUD to fluoridate drinking water. The Municipal Water Law is being challenged by several groups, including tribes and environmental groups. Commissioner Simpson said it would be beneficial to look at the Public Works Trust Fund for possible funding sources for additional studies for Carlsborg Urban Growth Area sewer system. He said the pole attachment bill, which originally focused on PUDs, has been expanded to include cooperatives, municipalities, and investor-owned utilities. There may be a legislative bill that would allow PUDs to cut danger trees on private property and not in the utility's right-of-way

Commissioner Haffner reported on a Clallam County Economic Development Council Board meeting. He and Clallam County Commissioner Steve Tharinger spoke to the Board about the Carlsborg UGA sewer feasibility study and support for additional studies. He also reported that, as a member of the Sequim Noon Rotary, he assisted in the Olympic Peninsula Bike Adventure for the Boys and Girls Clubs of the Olympic Peninsula.

Treasurer Controller Bunch discussed the process for the 2008 Electric, Water, and Sewer Department budgets. There will be a public hearing, Monday, October 1, to present the proposed 2008 budgets and to receive comments from the public. The Commission agreed to hold work sessions on October 29 and November 5 to review the proposed budgets in more detail. The work sessions will start at 9 a.m. at the Port Angeles office.

Support Services Manager Shaw reported on agreements with Olympic National Park (ONP). Two agreements are up for renewal this year: a maintenance agreement for all facilities and a right-of-way agreement for the District to access its facilities. Contract documents have been drafted for the Upper Hoh River Cable Replacement Project and are ready to send to ONP. The Commissioners received a copy of a letter to the General Manager from ONP Superintendent William Laitner, who expressed concerns about restoring electric service to the Hoh Visitor Center. Power to the Center and other ONP facilities was cut off during a washout of the Hoh Road. Mr. Shaw said, at next week's meeting, staff plans to ask the Commission's approval to advertise for bids for the underground cable replacement project. He said that District staff would work with ONP to expedite the construction process.

Attendance at meetings was approved.

There being no further business to come before the Commission, the meeting adjourned at 2:55 p.m. to meet again, Monday, October 1, 2007, at 1:30 p.m. in the Port Angeles office.