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 1:32 p.m.

Commissioners Present: Hugh Haffner, President; Hugh E. Simpson, Jr., Vice President; Will Purser, Secretary

Staff Present: Doug Nass, General Manager; David Papandrew, Treasurer Controller; Dennis Shaw, General Superintendent; Nicole Clark, Executive Assistant; Michael Howe, Communications & Government Relations Manager; Mike Kitz, Water & Wastewater Systems Assistant Superintendent; Fred Mitchell, Power Supply & Utility Services Manager

Others Present: Alan Anderson

On motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved the minutes of the July 7, 2014 regular meeting.

On motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved the minutes of the July 14, 2014 work session.

Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission approved the prequalifications of contractors on the list dated July 21, 2014 for inclusion on the Small Works Roster.

Mr. Alan Anderson provided public comment that he appreciated the District’s responsiveness and consideration to the questions regarding smart meters. General Manager Doug Nass explained that he has recently met with the internal group that drafted the metering policy and they have incorporated some changes to help address some of the concerns. Staff will share the revised documents with the Smart Awareness group prior to the meeting at which it will be addressed.

Two lists of claim vouchers as certified by the General Manager and Auditing Officer were considered. On motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission approved payment of claim vouchers in the amount of $203,767.05 for July 14, 2014. On motion of Commissioner Purser seconded by Commissioner Simpson and carried, the Commission approved payment of claim vouchers in the amount of $939,743.19 for July 21, 2014. There were 12 conservation rebates in the total amount of $5,066.60 for the two week period.

Commissioner Purser reported that he attended a PPC meeting and meeting of the Energy Northwest Executive Board.

Staff presented updates on the Strategic Plan Key Performance Indicators. General Manager Doug Nass provided background information and a refresher on the 2014 Strategic Plan in which these indicators are utilized.

Treasurer Controller David Papandrew reported on the Provide Stable Rates strategic objective. The goal of this objective is to avoid large rate fluctuations by having smaller planned incremental increases. Revenues compared to the budget through June 30 of 2014 are as expected, due to seasonal fluctuations with a colder winter and the timing of key projects. The big driver of capital expenditures for the remainder of the year will be the new facilities. General Superintendent Dennis Shaw reported on the Ensure Reliable Supply objective. The indicator used is SAIDI (System Average Interruption Duration Index) which is relevant to the District and easy to track and produce reports with the help of the outage
management system. Looking at the past five years staff is seeing a very positive trend of declining minutes of average outage per customer and the District is now below the national average for a comparable utility. Staff will continue analyzing outage data and tracking causes of outages. Water & Wastewater Systems Superintendent Michael Kitz reported on the water department side of reliability. The indicator is to track water department overtime. The trend has been declining. Having water SCADA has proved to be very beneficial in reducing overtime by being able to see what equipment status is prior to responding to an issue. Power Supply & Utility Services Manager Fred Mitchell reported on the Practice Environmental Responsibility objective. The District is in the top quartile for the lowest cost for meeting the requirements of the Energy Independence Act. Additionally there have been no violations in the water department. General Manager Doug Nass explained the Continuous Performance Improvement indicator which is to maintain O & M per customer within 4 percent of the budget. Power Supply & Utility Services Manager Fred Mitchell presented information on the Manage Our Resource Portfolio objective. The indicator for this is tied to the cost of Tier 2 power being less than $52 per megawatt hour. For the next three or four years the District's Tier 2 obligations are being met at less than the indicator. Load growth has been less than 1%. Communications & Government Relations Manager Michael Howe reported on activities that meet the Influence Regulatory Issues objective including attending the various agency meetings such as PPC, WPUDA, and NWPPA, utility communication groups and support/sponsorship of key messages such as through the District’s support of NW RiverPartners. Mr. Howe also presented information on the indicator for the Enhance Customer Partnership objective, which is a 4200 unique hits to the website. Internally, the All Employee Meeting was successful and a good indication of employee engagement. Mr. Howe is currently working on an RFP for a customer satisfaction survey. Safety Manager Larry Morris reported on the Build on our Safety Culture objective, the indicator for which is analyzing loss time accidents. A Safety Committee has been established in-house and Mr. Morris is reinforcing the safety message through employees and customers via various messaging channels and demonstration programs. He would like to establish an incentive program for safety. Quarterly safety training for administrative staff, and online safety training programs have been initiated. Human Resources Manager Judi Chapman explained the indicators for the Attract & Retain Great People objective. Employment turnover is one indicator. The District is facing a lot of possible retirements in the next five years. The other indicator is whether staff is receiving timely performance appraisals. Treasurer Controller David Papandrew explained the Manage Risk indicator which is measured by legal bills. This is an indicator because if the District is incurring legal bills, it is due to either having had exposure to risk or to mitigate future exposure. Mr. Papandrew also reported on the Be Financially Responsible objective, the indicator for which is how much cash the District has budgeted to be available vs. actual figures.

 There being no further business to come before the Commission, the meeting adjourned at 3:39 p.m. to meet again on Monday, July 28, 2014, at 1:30 p.m. at the Port Angeles Main Office.