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: 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; Michael Howe, Communications & Government Relations Manager; Nicole Clark, Executive Assistant; John Purvis, Engineering Manager; Ken Haman, Operations Superintendent; Gary Moore, Operations Superintendent; Terry Manning, Auto Shop Supervisor

Others Present: Bob Klein; Rob Ollikainen

On motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved the minutes of the December 1, 2014 regular meeting.

On motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved the minutes of the December 8, 2014 work session.

The regular meeting was recessed at 1:31 p.m. The budget hearing that recessed on October 6, 2014, reconvened at 1:32 p.m. Treasurer Controller David Papandrew reported that staff has incorporated changes resulting from the budget work session on November 25. Public presentations have also been held in Sequim and Forks. There followed a time for public comment on the 2015 budgets. Public comment was received from a customer concerned about the proposed rate increase and his, and others, ability to pay their bills, whether due to employment status, or being retired. The hearing adjourned at 1:41 p.m., and the regular meeting reconvened at that time. Upon recommendation of staff, and on motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission adopted Resolution 2021-14 adopting the 2015 Electric, Water, and Wastewater Operating Fund Budgets as finally determined, which approved a 6% water & wastewater rate increase effective for all bills rendered on or after January 1, 2015, and a 3.5% electric rate increase, effective for all bills rendered on or after April 1, 2015.

There was an agenda revision for staff to provide an update on the Laird's Corner substation copper theft and outage. The theft and outage occurred at 1:00 a.m. Saturday morning. An intruder was noted on video footage. The outage affected approximately 2,100 customers. Deputies took a report that morning and crews restored power by 1:30 in the afternoon. The total cost of damages won't be known until end of month when all parts and labor costs have been determined.

Upon motion of Commissioner Purser seconded by Commissioner Simpson and carried, the Commission adopted Resolution 2022-14 establishing compensation for the General Manager.

Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission adopted Resolution 2023-14 establishing the current Schedule of Deposits and Charges, and Electric Line Extension Unit Prices, and rescinding Resolution 2019-14.

General Manager Doug Nass reported on significant changes to the 2015 Strategic Plan, compared to the 2014 Plan. Upon recommendation of staff, and on motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved the District’s 2015 Strategic Plan.
Officers of the Board of Commissioners were selected for a two-year term. On motion of Commissioner Simpson seconded by Commissioner Purser and carried, the Commission elected Commissioner Purser as President of the Board of Commissioners, Commissioner Haffner as Vice President, and Commissioner Simpson as Secretary of the Board of Commissioners for the years 2015-2016.

Upon recommendation of staff and on motion of Commissioner Purser seconded by Commissioner Simpson and carried, the Commission adopted Resolution 2024-14 declaring an emergency and authorizing certain emergency work, without formal bid, for purchasing a replacement vehicle.

Upon recommendation of staff and on motion of Commissioner Simpson seconded by Commissioner Purser and carried, the Commission authorized staff to proceed with purchasing a used transmission aerial truck in the amount of $310,000.00 (not including WSST.)

Upon recommendation of staff and on motion of Commissioner Purser seconded by Commissioner Simpson and carried, the Commission approved removal of delinquent accounts on the list dated December 2, 2014 in the total amount of $4,688.23 from the active accounts receivable, including a collection fee of $983.61.

Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved the removal of delinquent invoices from miscellaneous accounts receivable as of December 15, 2014 in the amount of $47,883.78, including a collection fee of $11,050.11.

Correspondence and communication items were reviewed. The schedule of business meetings and work sessions for 2015 was reviewed.

Two lists of claim vouchers as certified by the General Manager and Auditing Officer were considered. On motion of Commissioner Purser seconded by Commissioner Simpson and carried, the Commission approved payment of claim vouchers in the amount of $509,681.07 for December 8, 2014. On motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved payment of claim vouchers in the amount of $820,215.57 for December 15, 2014.

Commissioner Purser reported that he attended the WPUDA Annual Conference, the rates presentation at the Sequim Library, and the PUD Retiree Luncheon.

Commissioner Simpson reported that he attended the WPUDA Annual Conference, the rates presentation in Forks, and the PUD Retiree Luncheon.

Commissioner Haffner reported that he attended a NoaNet meeting and the WPUDA Annual Conference.

Water & Wastewater Systems Superintendent Michael Kitz provided an update on Water Department activities, including the Carlsborg Sewer project, in which the District no longer has a role. The City of Sequim plan is to pump wastewater to Sequim for treatment, but PUD staff has concern that the treated water will not be sent back to Carlsborg, which may be the reason that this alternative is now being publicized as the cheaper alternative. The District feels it is more prudent utility practice to know in advance what the District has for water rights and reclaimed water availability in order to plan for serving customers of the LUD and possibly the UGA.

Treasurer Controller David Papandrew presented the Treasurer's Reports for October and November 2014. Interest for the month totaled $10,044.81; and cash and investments totaled $32,801,193.92.

Treasurer Controller David Papandrew also discussed the possibility of changing auditors from the State auditors to Moss Adams. He has requested a proposal. Moss Adams does audits for many of the PUDs. The end result would be the same but the level of understanding of the utility industry and resources and feedback would be of benefit to the District.
The regular meeting recessed at 4:08 p.m. to go into executive session to discuss with legal counsel representing the agency litigation or potential litigation, pursuant to RCW 42.30.110(1)(i). Those in attendance were Commissioner Haffner, Commissioner Simpson, Commissioner Purser, General Manager Doug Nass, Dennis Shaw, Jamie Spence, and District legal counsel Jerome Rubin by teleconference. The executive session adjourned at 4:47 p.m., and the regular meeting reconvened at that time.

There being no further business to come before the Commission, the meeting adjourned at 4:48 p.m. to meet again on January 5, 2015, at 1:30 p.m. at the Port Angeles Main Office.