

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY  
MINUTES OF THE REGULAR WEEKLY MEETING OF  
THE BOARD OF COMMISSIONERS  
APRIL 26, 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; Fred Mitchell, Telecommunications & Power Resources Manager; Quimby Moon, Engineer; Larry Morris, Operations Facilities Superintendent; and Carol Biss, Executive Assistant.

Others present were: Fred Defrang; Brian Gawley; Gary Gleason; Bill Henry; Bart Irwin; Cindy Kelly; and Ed Tuttle.

On motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission approved the minutes of the April 19, 2004 meeting as presented.

Commissioners and staff discussed a proposed wholesale water contract for purchasing water from the City of Port Angeles. Mr. Bart Irwin reviewed the negotiations that had taken place to develop this version of the water contract. Bill Henry, Fred Defrang, and Ed Tuttle informed the Commissioners why they were opposed to the provision regarding annexation. The provision requires that new water customers (or customers with increased service) who receive water that the District purchases from the City must agree to sign petitions or other documents requested by the City of Port Angeles leading to annexation by the City. Gary Gleason and Fred Defrang urged the Commissioners to look for alternate sources of water. On motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission rejected the proposed wholesale water contract with the City of Port Angeles, and directed staff to try to negotiate an agreement with the City and to pursue alternate sources of water.

The Commissioners and staff discussed the Electrical Service Area Agreement with the City of Port Angeles, dated December 30, 1992. On motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission authorized the General Manager to seek legal counsel regarding this agreement and authorized the services of a consultant for further analysis.

Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission approved the prequalifications of Burke Electric, LLC, Christensen Electric, Inc., EC Company, and Total Energy Services, LLC, to perform electrical work for the District in 2004.

General Manager Bickford reviewed the two bids that the District received for line crew and equipment and limited materials for Port Townsend Paper Mill Primary Substation. Both bids were more than 15 percent greater than the estimated cost. Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission rejected bids received for line crew and equipment and limited materials for the Port Townsend Paper Mill Primary Substation work. (Bid 040804)

Mr. Bickford distributed copies of a recent *CEO Brief to Members* showing that revenue trends for Northwest Open Access Network (NoaNet) are increasing. The District received NoaNet's annual report, and it will be reviewed by the District's Treasurer/Controller.

The Commissioners received notice from Clallam County Department of Community Development announcing a public hearing process to gather comments pertaining to the County's comprehensive plan and development regulations compliant with the Growth Management Act, RCW 36.70A. Meetings will be held April 28 at Carrie Blake Park in Sequim, May 5 at the Clallam County Courthouse, May 19 at the Forks Middle School, and May 26 at the Sekiu Community Center. All written comments must be received by May 26, 2004, to ensure consideration.

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 \$2,078,125.36. Auditor Foster reported that the claim vouchers included 46 rebates for conservation programs totaling \$17,413.34.

Commissioner Purser reported on an article in Soeren Poulsen's computer column in the Sequim Gazette. The article commended the District for its part in bringing wireless high-speed Internet access to areas previously restricted from broadband Internet access. He reported on site visits he made looking at various District projects.

Mr. Bickford presented the General Manager's Report. He discussed comments that were submitted to the Regional Power Council on behalf of private and public customers of Bonneville Power Administration regarding BPA's future role. He noted that both public and private customers agreed with the Council's recommendation that BPA not adopt tiered rates for wholesale power. He distributed copies of the Electric Service Regulations and Electric Service Requirements. Both documents contained revisions recommended by staff. He reported on a discussion with County Administrator Dan Engelbertson regarding a proposed Boundary Review Board. He presented a graph showing wind speed by month at the Hopkins Wind Project site. Customer Service Representatives suggested that they give stickers to children who come into District offices. Mr. Bickford discussed Grays Harbor PUD's request to participate in a public relations campaign. He will obtain additional information at the next Washington PUD Association meeting.

He reported on the status of the North Point project and discussed cost sharing for installing conduit for a fiber-optic line. In response to a question by Commissioner Purser about ownership, Mr. Bickford said that ownership could be conveyed to the District with the provision that, if the District would abandon the North Point route, the ownership would revert to the U.S. Government. Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission authorized the General Manager to negotiate an agreement with the OPS-CAN Grant Administrator regarding the North Point project for an amount not to exceed 50 percent of the installation cost plus the cost of materials.

Attendance at meetings was confirmed.

The regular meeting recessed at 3:45 p.m. to go into executive session regarding personnel matters. The executive session adjourned at 5:20 p.m., and the regular meeting reconvened at that time. There being no further business to come before the Commission, the meeting adjourned at 5:21 p.m. to meet again Monday, May 3, 2004, at 1:30 p.m. in the Port Angeles office.