

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
June 21, 2010

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

Staff Present: Mike Kitz, Acting General Manager; Joshua Bunch, Treasurer Controller; David Papandrew, District Auditor; Nicole Clark, Executive Assistant; Dennis Shaw, General Superintendent; Fred Mitchell, Power Supply & Utility Services Manager

Others Present: Teri Martin; Don Butler

On motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission approved the minutes of the June 14, 2010 regular weekly meeting.

There was an agenda revision to add staff reports.

On motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission adopted Resolution No. 1925-10, appointing David Papandrew as District Auditor effective June 16, 2010, and rescinding Resolution 1846-07.

Upon recommendation of staff, and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission adopted Resolution 1924-10 establishing a Greenhouse Gas Policy Statement.

Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission authorized staff to call for bids for 100,000 LF #1/0, 19-Strand, 15 kV Grounded Neutral, Primary Underground Cable, installed in 2-inch Schedule 40 HDPE Duct, and 100,000 LF #1/0, 19-Strand, 15 kV Grounded Neutral, Primary Underground Cable. (Bid No. 100808)

Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission authorized staff to call for bids for the construction of a 115 kV to 12.47 kV substation. (Bid No. 100809)

Don Butler was present to speak on behalf of a group of property owners in the Carlsborg area. He said that the lack of a sewer system and UGA designation is choking growth and that they are becoming frustrated. Commissioner Simpson explained that the LUD process starts with the property owners, and the District will assist with that process. He cautioned that 51% of the property owners in the LUD have to agree to the process which is why the District has been pushing to find more funding sources in order to make the LUD assessment costs reasonable. Commissioner Haffner said that the District has to be able to tell the property owners what it will cost prior to an LUD being established. Commissioner Purser clarified that the PUD Commissioners are in support of the project and will continue to work move the project forward.

A list of claim vouchers as certified by the Acting General Manager and Acting District 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 \$1,524,410.07 for June 21, 2010. There were 55 conservation rebates, totaling \$3,815.

Commissioner Simpson reported that all three Commissioners and General Manager Doug Nass attended the WPUDA Reform Workshop. Since then, Clark PUD has announced their withdrawal from WPUDA as of the end of 2010.

Commissioner Haffner reported that he attended a PURMS board meeting. He also attended a Technology and Renewable Energy meeting with Batelle, hosted by the Clallam EDC.

Commissioner Purser reported he attended the Energy Northwest Executive Board meeting

Treasurer Controller Bunch presented the Treasurer's Report for May 2010. Interest for the month totaled \$8,985.82; cash totaled \$17,269,087.30; and the total amount invested was \$13,179,011.27.

General Superintendent Dennis Shaw reported on the recent outage that affected three substations (Lairds, Joyce, and Airport) and about 3,000 customers on Friday morning just before 10:00 a.m. There was a catastrophic failure when a regulator shorted and caught on fire at the Laird substation. Within an hour the Airport substation was back on, followed shortly by the Joyce substation, leaving 1800 customers without power. Two regulators had to be replaced at the Laird substation. Power was restored by 9:00 p.m. that evening. The substations are currently under audit. The mobile substation is currently at Prairie substation and will be moved to the Sunland substation next as part of the substation audit and rebuild project. Mr. Shaw said that the crew did an excellent job in restoring power and cleaning up the damage at the Lairds substation.

Power Supply and Utility Services Manager Fred Mitchell reported on having attended a WPAG meeting and the residential exchange mediation program. The District is a party to the lawsuit and will be asked for input in the next couple of months.

Mr. Mitchell also provided an update on Radar Ridge. The participants met and talked about the budget amendment. All four utilities agreed to pay for continued work through the phase ending in July. The District should receive a budget amendment to sign within the next week.

Attendance at the following meetings was confirmed: Fred Mitchell attended a WA Broadband Summit meeting in Redmond on June 14-16; Doug Nass attended the APPA National Conference in Orlando, FL on June 16-26; and David Papandrew attended the PURMS Board meeting in Des Moines on June 17.

Attendance at the following meetings was approved: Shawn Delplain to attend Trihedral Water SCADA Programming training in Auburn, CA on June 27-30; Tom Martin to attend Construction Management training in Seattle on July 19-20; and Derek Thompson to attend a Water District Manager Exam Review in Olympia on Sept. 6-9.

There being no further business to come before the Commission, the meeting adjourned at 3:40 p.m. to meet again, Monday, June 28, 2010, at 1:30 p.m. in the Port Angeles office.