

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY  
MINUTES OF THE REGULAR WEEKLY MEETING OF  
THE BOARD OF COMMISSIONERS  
March 15, 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

Commissioner Simpson was excused.

Staff Present: Doug Nass, General Manager; Joshua Bunch, Treasurer Controller; Nicole Clark, Executive Assistant; Dennis Shaw, General Superintendent; Fred Mitchell, Power Supply & Utility Services Manager; Larry Morris, Support Services & Safety Manager; Mike Kitz, Water & Wastewater Systems Superintendent; Tom Martin, Water & Wastewater Systems Assistant Superintendent; Jeff Beaman, Executive Communications Coordinator

Others Present: Teri Martin; Cindy Kelly; Steve Tharinger; Carol Creasey; David Luchini

On motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved the minutes of the March 8, 2010 regular weekly meeting.

There was an agenda revision to add a report by the General Manager, and to hold over the Commissioner Redistricting resolution until all three Commissioners are present.

Support Services and Safety Manager Larry Morris presented the recommendation to the Commissioners on the bids for one 2009 utility line truck cab-chassis with aerial man-lift and line truck body. Upon recommendation of staff, and on motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission awarded the bid for one 2009 utility line truck cab-chassis with aerial man-lift and line truck body to Altec Industries in the amount of \$152,746, with WSST to be added at time of delivery. (Bid #100803)

Mr. Morris also presented the contract change order for janitorial services to be provided to the new Central Warehouse Facility. Upon recommendation of staff, and on motion of Commissioner Purser seconded by Commissioner Haffner and carried, the Commission approved Change Order #4 to Contract #070344 with Sunset Janitorial, increasing the not-to-exceed amount by \$2,180 per month to a total of \$12,367.50 per month.

General Superintendent Dennis Shaw provided a list of contractor applicants to the Small Works Roster. Upon recommendation of staff, and on motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission approved the prequalifications of contractors on the list dated March 15, 2010 for inclusion on the Small Works Roster.

Mr. Shaw provided a list of contractor applicants for the prequalified list to perform work for the District in 2010. Upon recommendation of staff, and on motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission approved the prequalifications of contractors on the list dated March 15, 2010.

Mr. Shaw also presented Task Order #6 of Professional Services Agreement #090307 for work to be performed in association with the upgrade of selected District substations to full function SCADA capabilities. Power Engineers is currently working on SCADA build-out for our substations. It would be prudent to have them conduct audits on our substations and help with a five year maintenance plan. This would allow for better budgetary figures for continued SCADA build out. Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission approved Power Engineers, Inc. to provide Engineering Services to perform comprehensive audits of three District substations, in accordance with Professional Services Agreement #090307 and Task Order #6 in a not to exceed amount of \$70,000.

Water and Wastewater Systems assistant Superintendent Tom Martin presented Resolution 1919-10, a Resolution Concerning the Intent to Form a Local Utility District to Construct the Carlsborg Sewer and Water Reuse Facility. Commissioner Purser clarified that the resolution declares the Commissioners' intent to support and form a Local Utility District (LUD) but that it is contingent upon the residents wanting it and the financing being found to make the project affordable, all of which is subject to approval. Mr. Martin explained that the resolution, recommended by the consultant, demonstrates commitment by the District, and compliance with state law in that it is the duty of the Commissioners to not approve any improvements unless they are deemed financially feasible. The resolution directs staff to start into an advisory petition process which allows the public to act in an advisory capacity, increasing the level of comfort for all involved. The resolution assists with funding requests and the LUD forms a mechanism to repay any loans. Mr. Martin mentioned that it is important to note that an LUD can be formed without creating any obligation that the project be built. Clallam County Commissioner Steve Tharinger commented that the County feels that the project is the number one capital facilities project in the county. The County has dedicated \$200,000 already for the study and cannot fully fund the project but is hopeful that in the next few months will be able to see an aggregate of funding possibilities. On motion of

Commissioner Purser seconded by Commissioner Haffner and carried, the Commission Adopted Resolution 1919-10 Concerning the Intent to Form a Local Utility District to Construct the Carlsborg Sewer and Water Reuse Facility and authorized the General Manager to prepare an advisory petition to form an LUD and assist in distribution of the petition to each land owner of a parcel in the Carlsborg Urban Growth Area.

Teri Martin reminded those present that the monthly EDC meeting would be held on Thursday, March 25.

General Manager Doug Nass reviewed communications and correspondence items including projects listed by the Clallam Local Public Executives group, Central Warehouse Facility article and Radar Ridge information.

A list of claim vouchers as certified by the General Manager and Acting District Auditor were considered. On motion of Commissioner Haffner seconded by Commissioner Purser and carried, the Commission approved payment of claim vouchers in the amount of \$613,914.67 for March 15, 2010. There were 89 conservation rebates totaling \$22,799.40.

Hugh Haffner reported he attended the Sequim Builders Expo.

Commissioner Purser reported that he attended the Sequim Builders Expo and Sequim-Dungeness Chamber of Commerce meeting. He received a number of positive comments about District employees in regards to outages. One person commented that they were impressed that in a recent car-pole accident, that District employees were first on the scene ahead of other emergency personnel.

Power Supply and Utility Services Manager Fred Mitchell presented an update on the Radar Ridge wind project in order to follow up on questions the Commissioners had the prior week. The District currently has \$258,750 invested into the project as of December 2009. There is also an additional \$48,600 in costs incurred through February 2010. The cost moving forward to a permitted project is an estimated additional \$3.2 million which would bring the total cost to the District \$713,000. The Radar Ridge Participant Review Board will probably meet within the next two weeks to approve an amended budget. ENW is also looking at a solar project in Oregon. A power purchase contract will soon be available for the Commissioners to review and make a decision about participation. The District is expecting a report in the next two weeks that will model different scenarios for meeting I-937 requirements. The Commissioners would like to receive the report prior to making a decision on further participation in Radar Ridge. There was concern that the project may go forward before this data is known. The Commission requested that staff contact the other participating PUD Commissioners to try to set up a joint meeting to discuss the project.

Mr. Mitchell also presented information on the Broadband Technology Opportunities Program (BTOP) award received by NoaNet. The District is a sub-participant of this award and needs to indicate to NoaNet its acceptance of the terms of the award. The Commission scheduled a work session to discuss the award and prepare a response for Wednesday, March 24 at 11:00 a.m. The City of Port Angeles has also been in discussion with NoaNet about a mesh wireless system. Commissioner Purser said that the District should not support anything less than open access. Cindy Kelly commented that the upcoming Economic Summit to be held in May would be a good venue for the District to bring technology barriers to the table for discussion. General Manager Nass said that the District's interest is in the benefit to its customers. Commissioner Haffner requested that Mr. Mitchell and General Manager Nass meet with the new Port Angeles City Manager regarding open access and the lack thereof, before the work session.

General Manager Nass reported that he, Mr. Shaw, and Mr. Mitchell met with Peninsula College President Tom Keegan about customizable training programs that would allow employees to receive training locally. Mr. Nass commented that it was a very worthwhile meeting and that there are several opportunities to pursue.

Mr. Nass also reported on attending the Port Angeles Forward meeting. One of the projects is an effort to have Hurricane Ridge open year-round.

The regular meeting recessed at 3:25 p.m. to go into executive session for real estate and personnel matters. The executive session adjourned at 3:59 p.m., and the regular meeting reconvened at that time.

Attendance at meetings was approved.

There being no further business to come before the Commission, the meeting adjourned at 4:00 p.m. to meet again, Monday, March 22, 2010, at 1:30 p.m. in the Port Angeles office.