

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY  
MINUTES OF THE REGULAR WEEKLY MEETING OF  
THE BOARD OF COMMISSIONERS  
September 14, 2009

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 E. Simpson, Jr., Secretary

Commissioner Haffner was excused.

Staff Present: Doug Nass, General Manager; Nicole Clark, Executive Assistant; Dennis Shaw, General Superintendent; Mike Kitz, Water and Wastewater Systems Superintendent; Fred Mitchell, Power Supply & Utility Services Manager; Jeff Beaman, Executive Communications Coordinator; John Purvis, Distribution Systems Manager

Others Present: Patti Morris; Teri Martin; Bonnie & Steve McGee; Mary Jane & Jim Birdsong; John & Pauline Rounds; Connie Beauvais; David Newell

The minutes, as corrected, will be held over until the next regular meeting as Commissioner Haffner was not present to approve the minutes and Commissioner Simpson was not in attendance at the August 31 meeting.

There was an agenda revision to add a staff report on WRIA 18 and 19 as well as an update on Radar Ridge. The call for public comments was moved to the next item on the agenda.

There were several residents from the Fairview Water System present who wished to receive an update on efforts to bring more water resources to their system. The system is currently under Stage 4 water restrictions. Water and Wastewater Systems Superintendent Mike Kitz reported that the District has been working with a consultant to alleviate the problem. The most viable option identified would be to place wells at the lower end of the system and pump water uphill. Other options include desalinization, storage tanks, and the possibility of purchasing water from the City of Port Angeles. The residents were also concerned about the impact of future hookups to the system. Mr. Kitz explained that the limit of the water right isn't expected to be reached until 2017 and that the Department of Ecology has not yet asked for a moratorium. Patti Morris suggested that it would be helpful to the residents if the District could provide a proposed timeline for the project. Mr. Kitz said that the first part of the plan has been approved by the State and Commissioner Purser asked that it be made available. Mr. Kitz also explained that issues with WRIA 18 and 19 were still ongoing and that the Department of Ecology would like to further restrict the instream flows. Any new water source will be expensive due to excessive permitting and construction costs. Commissioner Purser invited the public to stay for the staff report on WRIA 18 and 19 and moved the topic to the next item on the agenda.

Mr. Kitz reported on the status of WRIA 18 and 19. The WRIA 18 rulemaking process is going fairly slow. The Department of Ecology has had two public meetings so far. The public is concerned with the cost to the consumer, as well as moratoriums and metering. There are a number of good aspects to the rule making process. Specifically, it allows for a water exchange, allows for the capture of winter water for storage into the summer season and allows for the use of groundwater, if the impacts to surface water are fully mitigated. The Department of Ecology is hopeful that the rule will be filed in December of 2009. Commissioner Purser explained that the District has been present for the meetings but is not one of the initiating government entities and as such does not have veto power.

WRIA 19 rulemaking is progressing even slower. The planning unit is asking the initiating government entities to identify any "fatal flaws" in the draft plan. The key issues are instream flows and small reserves for future populations. The District, as an initiating government, has to decide in the next few months whether to accept the instream flow and reserve figures. Connie Beauvais, Manager of the Crescent Water System, said that the stream gauge in the Lyre River has not been working for at least two years so the WRIA planning unit is using flow data from 1917 to 1927. She wanted to present their views on the rulemaking process as they are not on the PUD system and do not have a vote in the process. Commissioner Purser asked if she would provide a copy of her statement to Mr. Kitz.

Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission authorized the Treasurer Controller to transfer funds from the Electric System Operating Fund to the District's Rural Economic Development Revolving Fund in the amount of \$50,000.

Distribution Systems Manager John Purvis presented the proposed invitation to bid for a project on Township Line Road for furnishing personnel and equipment for conversion of overhead to underground electrical distribution facilities. Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission approved authorizing staff to announce the invitation to bid for furnishing personnel and equipment for conversion of overhead to underground electrical distribution facilities on Township Line Road (Bid No. 090808.)

Two lists of claim vouchers as certified by the General Manager and District Auditor were considered. On motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission

approved payment of claim vouchers in the amount of \$50,525.42 for September 8, 2009. On motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission approved payment of claim vouchers in the amount of \$193,320.63 for September 14, 2009.

Commissioner Simpson reported that he went to a Port Angeles Business Association meeting.

Commissioner Purser reported that he, as well as the other Commissioners, attended a public relations work session in the interest of educating and informing the public about District issues.

Power Supply & Utility Services Manager Fred Mitchell provided an update on the Radar Ridge wind project. The biological assessment fieldwork has been completed and they are in the process of writing up the study information. The next steps include a meeting with Congressman Baird, and a meeting with the regional head of the Department of Fish & Wildlife.

Attendance at meetings was confirmed and approved

There being no further business to come before the Commission, the meeting adjourned at 3:30 p.m. to meet again, Monday, September 21, 2009, at 1:30 p.m. in the Port Angeles office.