

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
JUNE 22, 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 Haffner, Vice President; Hugh E. Simpson, Jr., Secretary

Staff Present: Doug Nass, General Manager; Jana Robbins, District Auditor; Joshua Bunch, Treasurer-Controller; Nicole Clark, Executive Assistant; Dennis Shaw, General Superintendent; Mike Kitz, Water and Wastewater Systems Superintendent; Tom Martin, Water and Wastewater Systems Assistant Superintendent; Fred Mitchell, Power Supply & Utility Services Manager; Judi Chapman, HR Manager; Larry Morris, Support Services and Safety Manager

Others Present: Teri Martin; Cindy Kelly; Mary Hunchberger; Christy Mitchell

On motion of Commissioner Haffner seconded by Commissioner Purser and carried, the Commission approved the minutes of the June 8, 2009 regular weekly meeting.

On motion of Commissioner Simpson seconded by Commissioner Purser and carried, the Commission approved the minutes of the June 15, 2009 regular weekly meeting.

An agenda item was added for a staff report on smart grid demonstration projects.

Human Resources Manager Judi Chapman introduced new employee Cody Wilson who is a newly hired Water and Wastewater Student Intern. He is currently assisting the water department with incorporating as-builts into the GIS system.

Board member Christy Mitchell and Executive Director Mary Hunchberger of the Peninsula College Foundation were present to thank the District for its contribution to the library book collection. The contribution was made possible by a Bonneville Power Administration grant and went towards the purchase of books on the subjects of environmental sustainability and renewable resources. Each book has a bookplate stating that the book is available due to the contribution by the District. A donor plaque is also on display recognizing donors that contributed \$10,000 or more.

Water and Wastewater Systems Assistant Superintendent Tom Martin reported on the status of the Fairview water system project and presented Task Order No. 2 with Carollo Engineers for approval. Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission approved Task Order No. 2 to Contract 080309 with Carollo Engineers to assist the District in responding to the Department of Health Bilateral Compliance Agreement on the Fairview Water Supply Project, increasing the not-to-exceed amount by \$39,971 to a total cost of \$178,942.

Mr. Martin also explained that Carollo Engineers recommended that the District retain a water rights specialist attorney to develop the implementation plan. Staff had sent out a request for qualifications to three law firms. GordonDerr LLP has been determined to be the preferred firm. Commissioner Haffner suggested that the cost could be reduced by having a consultant assist with the groundwork of the plan and then have the attorney review it. Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission approved expenditures in an amount not to exceed \$17,000 through July 31, 2009 for legal services performed by GordonDerr LLP in relation to the Fairview Water Supply Project.

General Superintendent Dennis Shaw presented contractor prequalification applications. Two applications are renewals for the small works roster and one application is for prequalification. Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission approved the prequalification of contractors on the list dated June 17, 2009.

Treasurer Controller Bunch presented delinquent accounts. Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission approved removal of delinquent accounts from the active accounts receivable in the amount of \$12,764.59 including a collection fee for the month ending May 31, 2009.

General Manager Nass reminded those present that there would be a work session on Wednesday, June 24 at 9 a.m. at the Port Angeles main office on the Carlsborg Sewer Project.

A list of claim vouchers as certified by the General Manager and District Auditor was considered. On motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission approved payment of claim vouchers in the amount of \$333,901.95 for June 22, 2009. There were 31 conservation rebates totaling \$12,859.

Commissioner Simpson reported that he attended the Port Angeles Business Association meeting where the presenter spoke on the Rayonier clean up. He also attended the Carlsborg sewer project public meeting on June 18.

Commissioner Haffner reported that he attended the Carlsborg sewer project public meeting.

Commissioner Purser reported that he attended the APPA National Conference. One of the keynote speeches was given by Michael Leavitt, former three term governor of Utah, immediate past secretary of the U.S. Department of Health & Human Services, and former administrator of the Environmental Protection Agency who addressed the changing U.S. and global economies. He also attended sessions on subjects including electric

vehicles, fuel cells, and standardized nuclear reactors. General Manager Nass commented that one of the sessions was on the subject of stimulus funding opportunities and it was fully attended.

Mr. Bunch presented the Treasurer's Report for May 2009. Interest for the month totaled \$14,063.34; cash totaled \$5,953,885.83; and the total amount invested was \$24,008,477.49.

Power Supply & Utility Services Manager Fred Mitchell gave an update on the BPA Smart Grid demonstration project opportunity. Staff has had a meeting with a consultant regarding pursuit of stimulus funds. The consultant recommended that the District's strategic plan and priorities drive the pursuit of stimulus funds rather than the availability of funds driving the applications. One of the projects identified by staff that has been an existing priority project is the extension of SCADA to all the substations. The Commission agreed that since the District has already targeted this project that it would be prudent to spend funds on SCADA as a backbone for future projects.

Attendance at meetings was approved.

There being no further business to come before the Commission, the meeting adjourned at 3:13 p.m. to meet again, Monday, June 29, 2009, at 1:30 p.m. in the Port Angeles office.