

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
FEBRUARY 28, 2005

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

Staff present were: Dennis Bickford, General Manager; Shelley Burgett, Treasurer/Controller; Ken Foster, District Auditor; Linda King, CIS/Billing Supervisor; Vicky Alward, Water & Wastewater Systems Representative, and Carol Biss, Executive Assistant.

Others present were: Dennis Bragg, Peninsula News Network; Lynn Bruch, Bruch & Bruch Construction; Ken Enders; Dan Gase, President, Port Angeles Chamber of Commerce; Brian Gawley, Peninsula Daily News; Jim Hopper, Al's RV Park; Bob Jenson, Capacity Provisioning, Inc.; Craig Johnson, Capacity Provisioning, Inc.; Rand McDougall; James D. Mueller, Panorama Home Owners Association; Grant Munro, Port Angeles City Council; Michael Quinn, Port Angeles City Manager; Bill Roberds, Capacity Provisioning, Inc.; Karen Rogers, Port Angeles City Council; Paul Weiseth, Owner, All Animal Veterinary Clinic; and Roger Wheeler, North Olympic Peninsula Building Association.

On motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved the minutes of the February 14, 2005 regular weekly meeting as submitted. On motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission approved the minutes of the February 16, 2005 work session as submitted. On motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved the minutes of the February 23, 2005 special meeting as submitted.

Treasurer/Controller Burgett and CIS/Billing Supervisor King presented a proposal to develop a new electronic and bill print format. The goal of the staff is to have a bill replica that looks the same on the web site and the CIS system as it does on the hard copy that the customer receives. Using the RPG program language that the District currently uses would result in three different- looking replicas. Mrs. King said that staff had evaluated 12 report writers. She discussed four solutions from three vendors and recommended that the Commissioners approve the proposal from Sift Solutions because that vendor had the lowest price, would allow the District to be the sole judge of the final product, and would not require payment until a final product was delivered. Using Sift Solutions and a report writer would allow Mrs. King more flexibility in making changes to the bill print in the future. She disclosed that her husband was the principal of Sift Solutions. Upon recommendation of staff, and on motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission authorized the General Manager to enter into an agreement with Sift Solutions of Port Angeles to develop a new electronic and printed bill format for an amount not to exceed \$45,000.

Several people were in attendance to comment on the District's request for review that was filed with the Clallam County Boundary Review Board and to speak in support of the proposed alder mill, Port Angeles Hardwood, to be located in Eclipse Industrial Park, west of Port Angeles.

Bill Roberds, Dan Gase, Roger Wheeler, Karen Rogers, Jim Mueller, Lynn Bruch, Grant Munro, Michael Quinn, and Bob Jensen each spoke to the Commission in support of the City of Port Angeles' efforts to annex the Port Angeles Hardwood site and asked the Commissioners to withdraw the request for review by the Boundary Review Board. They also urged the Commission to expedite an agreement with the City of Port Angeles for providing electric services to Port Angeles Hardwood. Port Angeles City Councilwoman Rogers read a letter from William R. Fleck, Attorney/Planner for the City of Forks, to Jim Haguewood, Executive Director of Clallam County Economic Development Council. In the letter, Mr. Fleck said he was writing at the request of Mayor Nedra Reed who wanted to express the City of Fork's support for Port Angeles Hardwood and the City of Port Angeles' annexation efforts. In response, the Commissioners said that they supported economic development in the County and did not intend to impede the progress of Port Angeles Hardwood. They explained that there was not enough time to finish negotiations with the City before the February 23, 2005 deadline for filing with the Boundary Review Board. They said they were committed to working on an agreement with the City of Port Angeles regarding electric service to Port Angeles Hardwood.

Mr. Jim Hopper was present to ask about rules and regulations regarding submetering. Commissioner Simpson said he would look into the matter and contact Mr. Hopper.

Mr. Jim Mueller asked about the status of damage claims resulting from a November 1, 2004 power outage in the East Sequim Bay area. General Manager Bickford said that a letter was being mailed to customers this week.

Water and Wastewater Systems Representative Alward said that staff had reviewed the charges assigned to various District services, and she discussed proposed revisions to those charges to more accurately reflect the cost incurred by the District in providing these services. Upon recommendation of

staff and on motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission adopted Resolution 1772-05 amending the current Schedule of Deposits and Charges and approving new Electric Line and Water Main Extension Unit Prices.

The Commissioners discussed a proposed agreement with Clallam County Economic Development Council (EDC) for services to the District in 2005 and discussed the cost of those services. No decision was made.

Mr. Bickford reported that the Washington PUD Association would hold a workshop on March 17, 2005, to review decisions leading up to the proposed construction of a WPUA office building in Olympia. Commissioner Simpson distributed copies of a report from EES Consulting regarding financial feasibility of the proposed WPUA Olympia building.

The Commissioners received a letter from the Clallam County Economic Development Council President Phil Kitchel in support of annexation in the Urban Growth Area west of Port Angeles and in support of the City of Port Angeles providing electric, water, and sewer services to the area.

Lists of claim vouchers as certified by the General Manager and District Auditor were considered. On motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved payment of claim vouchers for February 21, 2005, in the amount for \$189,340.14 as corrected after mailing. On motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission approved payment of vouchers for February 28, 2005, in the amount of \$2,792,314.97 as corrected after mailing. District Auditor Foster reported that the claim vouchers included 6 rebates for conservation programs totaling \$5,444.60 for February 21, 2005, and 21 rebates totaling \$10,780.66 for February 28, 2005.

Commissioner Haffner said he had met with some members of the Sequim City Council and they discussed the District's request for rezoning for a new substation and the landscaping requirements for a substation in that location.

Commissioner Purser said that he attended the Special Meeting of the Commissioners on February 23, 2005 and reported on the KONP Home Show sponsored by the District.

Commissioner Simpson reported on the Home Show and on a retirement party for Transmission and Substation Systems Manager Ken Morgan. He noted that the Integrated Resource Planning Bill was moved out of Committee and reported on the penalty provisions of the Interconnection bill, which is still in the Rules Committee. He noted that there are WPUA Commissioners Roundtables on March 4 and March 18 and a WPUA discussion of the proposed Olympia building on March 17.

The Commissioners agreed to hold a work session facilitated by Power Resource Managers on March 30, 2005, at 10 a.m. at the Port Angeles office. Mr. Bickford will check with PRM about their availability that day.

Mr. Bickford presented the General Manager's Report. He discussed requests from customers in the Bullman Beach area for pole replacements and underground conversions. Staff will contact customers in the area to determine customer interest. He discussed the recognition awards that would be given to employees who worked during the winter storm.

Mrs. Burgett reviewed proposed changes to the Goals section of the Strategic Plan, which were developed as a result of the strategic planning work session. Staff will add strategies and measurements to correspond to the revised goals.

Attendance at meetings was approved.

There being no further business to come before the Commission, the meeting adjourned at 4:52 p.m. to meet again Monday, March 7, 2005, at 1:30 p.m. in the Port Angeles office.