

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
FEBRUARY 7, 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; Mike Kitz, Water and Wastewater Systems Superintendent; and Carol Biss, Executive Assistant.

Others present were: Bart Irwin.

On motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved the minutes of the January 31, 2005 regular weekly meeting as submitted.

The meeting recessed at 1:34 p.m. to go into executive session for possible litigation and for real estate matters. The executive session adjourned at 3:48 p.m., and the regular meeting reconvened at that time.

Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission approved removal of delinquent accounts in the amount of \$3,721.10 from the active accounts receivable.

General Manager Bickford reported that U.S. Senators Maria Cantwell and Patty Murray are working to defeat an administration proposal that would raise Bonneville Power Administration's rates each year until they are equal to market rates.

A list of claim vouchers as certified by the General Manager and District Auditor was considered. On motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission approved payment of claim vouchers in the amount of \$2,420,864.89 for February 7, 2005. District Auditor Foster reported that the claim vouchers included 9 rebates for conservation programs totaling \$2,079.23.

Commissioner Haffner reported that issues related to commercial kitchen studies were discussed at a Clallam County Economic Development Council Steering Committee meeting. He reported on a proposal for a cogeneration project in the area and on a meeting regarding annexation in the urban growth area west of Port Angeles.

Commissioner Purser reported on the Sequim WRIA 18 (Water Resource Inventory Area 18) public meeting held by Clallam County and the Department of Ecology regarding the Watershed Management Plan. Some of the issues discussed at the meeting included reduced daily water withdrawal for exempt wells, metering of exempt wells, encouraging the use of public water systems, and an overall strategy for setting aside and allocating a water reserve. He also reported on the City of Port Angeles meeting for property owners about annexation in the urban growth area west of Port Angeles.

Commissioner Simpson reported on the Port Angeles Business Association meeting. The County Commissioners presented an update about issues in the County, including an annexation proposal in the urban growth area west of the City of Port Angeles. He reported that at the February 18 meeting, the Washington PUD Association Board of Directors would be asked to determine what size building the WPUDA should construct in Olympia. He reported on a bill in the legislature that would require utilities to have a written Integrated Resource Plan and said the bill has generated much interest among WPUDA members.

Mr. Bickford presented the General Manager's Report. He said that Snohomish PUD made an announcement regarding more evidence they uncovered showing that Enron manipulated the energy markets. He reported that the Annual Personal Financial Affairs Statements are due from elected officials by April 15, 2005. Forms are available online and in the General Manager's office. He showed the Commissioners a copy of Emerald People's Utility District's annual report, which is printed as part of a pictorial calendar. He suggested that the District use the same format for its annual report and use photographs submitted by District employees. He read a letter from Sequim Community Aid thanking the District for the assistance it provided in 2004 through the Neighborly Assistance Program. He reported that the Highland Hills Maintenance Commission sent a letter in appreciation for work done in removing excess grasses and vegetation adjacent to the water reservoir on Ravens Ridge Road. He said that there is a Commissioners' strategic planning work session scheduled for February 9, 2005, from 9 a.m. to 3 p.m. at the Port Angeles office. He also discussed the KONP Home Show, sponsored by the District, on February 26 and 27.

Mr. Bickford said that a superior court judge had ruled on a question the District had presented to the court. The District had asked the court to clarify the District's authority to require its new and expanding

water customers to sign pre-annexation agreements. The Honorable Toni Sheldon, Superior Court Judge in Mason County, granted the District's Motion for Summary Judgment and, in doing that, also provided the declaratory relief that the District requested on this issue. On motion of Commissioner Haffner seconded by Commissioner Purser and carried, the Commission authorized the General Manager to release the verbal information from Judge Sheldon's findings as a press release and to announce that, at the next regular weekly meeting, the Commissioners would consider the issue of the moratorium on new or expanding water service connections in the urban growth area.

Attendance at meetings was approved.

The regular meeting recessed to go into executive session for personnel matters at 5:10 p.m. The executive session adjourned at 6:44 p.m., and the regular meeting reconvened at that time. There being no further business to come before the Commission, the meeting adjourned at 6:45 p.m. to meet again Monday, February 14, 2005, at 1:30 p.m. in the Port Angeles office.