

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
JANUARY 14, 2008

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

Staff present were: Doug Nass, General Manager; Joshua Bunch, Treasurer Controller; Jana Robbins, District Auditor; Mike Kitz, Water and Wastewater Systems Superintendent; Tom Martin, Water & Wastewater Systems Assistant Superintendent; Roger Hosto, Operations Superintendent; David Proebstel, Chief Engineer; Steve Schopfer, Information Technology Manager; Fred Mitchell, Power Supply and Utility Services Manager; Judi Chapman, Human Resources Manager; Vicky Alward, Water and Wastewater Systems Representative; Gayle Thom, Accountant; Ruth Kuch, Financial Assistant; Karen Shay, Meter Reader; Justin Houston, Meter Reader; Chris Parker, Meter Reader; and Carol Biss, Executive Assistant.

Others present were: Chris Desisto, Robin Hunt, Eloise Kailin, Cindy Kelly, Troy Marcum, Patti Morris, and Dave Zehrung.

On motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved the minutes of the January 7, 2008 regular weekly meeting as submitted. On motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission approved the minutes of the January 11, 2008 special meeting as submitted.

The Commissioners welcomed two new employees, Justin Houston and Chris Parker, both Meter Readers.

Water and Wastewater Systems Assistant Superintendent Martin reviewed the District's proposed initial Water Use Efficiency (WUE) goals, which were mandated by Municipal Water Law passed by the Washington State Legislature in 2003. The goals were designed to meet the standards in the WUE rule (Washington Administrative Code 246-290). The Commission asked for public comment and questions on the WUE goals, and there were none. Mr. Martin said the WUE goals had been posted on the District's website and no other comments had been received. Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved the Water Use Efficiency Goals as presented.

Mr. Dave Zehrung reported on an evaluation of the District's radio system and made recommendations for improvements to the system. His recommendations included replacing and upgrading all of the vehicle and portable radios, adding repeaters, and connecting existing repeaters to OPSCAN at an estimated cost of \$383,800. Improvements to the radio system would increase coverage from 55 percent to 85 percent of the District's service area. The improvements could be implemented in two phases, which would lower the initial cost, but increase the total cost.

Members of the Health Committee were present to discuss proposed changes to the District's Health Care Plan. Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission adopted Resolution 1855-08 amending the District's Health Care Plan.

Human Resources Manager Chapman reviewed changes to a proposed agreement with Wellspring Family Services EAP. The Health Committee has researched various options for the Employee Assistance Program and recommended that the District select Wellspring. Upon recommendation of staff and on Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission authorized the General Manager to enter into a Group Services Agreement with Wellspring Family Services EAP to provide services for the District's Employee Assistance Program.

Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved removal of delinquent accounts from the active accounts receivable in the amount of \$3,930.31.

Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission authorized the removal of delinquent invoices from the active accounts receivable in the amount of \$53,878.21 for 2007.

On motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission canceled the January 21, 2008 regular weekly meeting.

Dr. Eloise Kailin was present to talk to the Commission about the Actual and Constructive Notice dated January 2, 2008, and supporting documents, which she sent to the District regarding hydrofluorsilicic acid in the drinking water provided by the City of Port Angeles. She said the issue is whether or not the hydrofluorsilicic acid complies with ANSI/NSF Standard 60. She asked that the District investigate this matter further and notify its customers. Commissioner Haffner said that the Commission and staff have reviewed the documents and will send a letter to the City to make sure they are in compliance with our contract.

A list of claim vouchers as certified by the General Manager and District Auditor was considered. On motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved payment of claim vouchers in the amount of \$757,646.11 for, 2008. District Auditor Robbins reported that the claim vouchers included eight rebates for conservation programs totaling \$3,550.

Commissioner Simpson reported on a Port Angeles Business Association meeting where the County Commissioners and the Sheriff made presentations about County services. Commissioner Simpson also said that the Washington PUD Association would host a Legislative Reception on January 17 in Olympia. He also discussed legislation proposed by Rep McCoy regarding pole attachments.

Power Resources and Utility Services Manager Mitchell reported on a recent meeting with the Western Electricity Coordinating Council (WECC) staff and utilities regarding a challenge to the required registration with the regional reliability organization. WECC staff agreed that utilities like the District did not have a material impact on the bulk power system on a real-time basis. At the meeting, WECC staff indicated they were interested in having a group of utilities draft a set of standards, and that effort is underway.

Mr. Mitchell reported that, beginning next month, Bonneville Power Administration will require the District to become certified for web-based transmission scheduling in order to schedule transmission services for the power the District purchases from Klickitat PUD's landfill gas project.

The Commissioners agreed to hold a work session on January 28, 2008, at 10 a.m. to review preliminary results of the electric cost-of-service study and review the disclosures for issuing bonds.

Attendance at meetings was approved.

There being no further business to come before the Commission, the meeting adjourned at 3:27 p.m. to meet again, Monday, January 28, 2008, at 1:30 p.m. in the Port Angeles office.