

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
JULY 12, 2004

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

Staff present were: Dennis Bickford, General Manager; Shelley Burgett, Treasurer/Controller; Ken Foster, District Auditor; Fred Mitchell, Telecommunications and Power Resources Manager; Dave Proebstel, Distribution Systems Manager; Ken Morgan, Transmission & Substation Systems Manager; Mike Kitz, Water and Wastewater Systems Superintendent; and Carol Biss, Executive Assistant

Others present were: Tyler Ahlgren; Brian Gawley; Bill Henry; Bob Hoyle; Bart Irwin; Cindy Kelly; James Mason; Mark Rose; Dick Sieg; and Ed Tuttle

On motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission approved the minutes of the June 14, 2004 meeting as presented.

There was a discussion of the District's moratorium on new and increased water service in the Urban Growth Area (UGA). Water and Wastewater Systems Superintendent Kitz presented a map of the Composite Water System and discussed the boundaries of the area affected by the moratorium. After discussing several issues, the Commissioners asked staff to accept applications for new and expanded water service and keep them on file. Staff will report back to the Commissioners so they can monitor the effect of the moratorium. The Commissioners will review the moratorium in 90 days. They directed staff to aggressively seek new water sources. Mr. James Mason was present to discuss the moratorium on new water service in the UGA. He said he had planned to begin building in the near future on property he purchased in the UGA and needs water service to obtain a building permit.

Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission awarded Bid Number 040806 for water main improvement (Clallam Bay) to Aldergrove Construction, Inc. in the amount of \$42,461.61 plus Washington State sales tax.

A bid tabulation for bids received for distribution reconductor projects was reviewed. The bids were for two projects in Sequim: Fifth Avenue to Third Avenue and Kirner Road. General Manager Bickford noted that all bids received were over 15 percent of the Engineer's Estimate. Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission rejected all bids received for line crew and equipment for distribution reconductor projects. (Bid Number 040808)

Distribution Systems Manager Proebstel discussed a proposed bid that would consist of reconductor projects in three areas: Fifth Avenue to Third Avenue, Kirner Road, and North Barr Road. Upon recommendation of staff, and on motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission approved an Invitation to Bid for personnel and equipment to reconductor existing electrical distribution lines in the Sequim area. (Bid Number 040812)

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 \$14,169.76.

Mr. Richard Sieg commended the Commissioners for the letter that was sent out to District customers in the Composite Water System and asked for clarification on the boundaries of the area affected by the moratorium. Mr. Bill Henry suggested that the District develop a position paper and discussed points that might be included. He also asked if any other utility district had been required to obtain pre-annexation agreements for a municipality that was using the petition method for annexation. Mr. Bob Hoyle talked about storm water and septic systems in the UGA.

A list of claim vouchers as certified by the General Manager and Auditor was considered. On motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission approved payment of claim vouchers in the amount of \$198,015.74 for July 12, 2004. District Auditor Foster reported that the claim vouchers included 19 rebates for conservation programs totaling \$27,653.16.

Commissioner Haffner reported on a Clallam County Economic Development Steering Committee meeting and a presentation about a proposed program to assist small local businesses.

Commissioner Purser reported on a Resource Conservation and Development meeting. One of the discussion items at the meeting was a biomass-fueled electric generation project. Mr. Bickford and Commissioner Purser discussed their concerns about the cost of the project without cogeneration. Commissioner Purser also reported on Clallam Bay-Sekiu Fun Days.

Mr. Bickford presented the General Manager's Report. The signed wholesale water contract was delivered to the City of Port Angeles on July 9, 2004. A letter was mailed to all water customers in the Composite Water System informing them that the Commissioners signed the wholesale water contract in consideration of health and safety concerns. The letter also notified customers of a moratorium on applications for new water customers in the Urban Growth Area. Mr. Bickford said that the mail inserter the District formerly used had been sold on eBay through The Store, Inc.

Attendance at meetings was approved.

The regular meeting recessed at 3 p.m. to go into executive session for possible litigation. The executive session adjourned at 4:15 p.m., and the regular meeting reconvened at that time. There being no further business to come before the Commission, the meeting adjourned at 4:16 p.m. to meet again Monday, July 19, 2004, at 1:30 p.m. in the Port Angeles office.