

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
JULY 2, 2007

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; Ken Foster, District Auditor; Mike Kitz, Water and Wastewater Systems Superintendent; Roger Hosto, Operations Superintendent; Dennis Shaw, Support Services Manager; David Proebstel, Chief Engineer; Larry Morris, Services Manager; Fred Mitchell, Power Supply and Utility Services Manager; and Carol Biss, Executive Assistant.

Others present were: Mike Doherty, Brian Gawley, Bob Hoyle, Patti Morris, Linda Rotmark, and Terry Weed.

On motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved the minutes of the June 25, 2007 regular weekly meeting as submitted.

Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission accepted as complete the Contract No. 060815 with City Pacific Services for crew and equipment for installation of new underground electrical distribution facilities on the Joyce-Piedmont Road in the amount of \$797,371.74, including Washington State sales tax.

Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission accepted as complete Contract No. 060819 with Innerpole Investigations for pole inspection, treating, and reporting for a total cost of \$124,310.69, including Washington State sales tax. (Contract No. 060819)

Power Resources and Utility Services Manager Mitchell reviewed District activities under Bonneville Power Administration's (BPA) Conservation Rate Credit (CRC) Program. Through the program the District received a credit of 0.5 mills per kWh on preference power purchases from BPA or approximately \$307,000 per year over a three-year period. It is estimated that the District will spend \$100,000 for conservation programs by September 2007, the end of the first program year, leaving a balance of \$207,000 for conservation programs, which can be carried forward until 2009. The District may request funds under the CRC for renewable energy projects, but must notify BPA by July 15. Mr. Mitchell discussed qualified activities under the CRC Renewables Option and reviewed some possible projects for the District, such as the Klickitat Landfill Gas, Falls Creek Hydro, Aqua Energy research and development, Northwest Sustainable Energy for Economic Development, and some of the District's solar photovoltaic projects. Staff will notify BPA of the District's request for funding of \$307,000 for fiscal year 2008 through the Conservation Rate Credit Renewables Option.

Water and Wastewater Assistant Superintendent Martin reported on the Sewer Feasibility Study for the Carlsborg UGA. He met with an engineer from the City of Sequim to lay out a framework for the consultants to prepare a cost comparison for the Sequim and Carlsborg treatment alternatives. The Commissioners gave unanimous approval for BHC to prepare a proposal for additional work not to exceed \$5,000 and the County will fund an additional \$5,000 for a total of \$10,000. Staff will prepare a change order to the contract with BHC for the Commissioners consideration at the next meeting.

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 \$179,015.72 for July 2, 2007. District Auditor Foster reported that the claim vouchers included 7 rebates for conservation programs totaling \$10,121.20.

Commissioner Purser reported that Representative Lynn Kessler spoke at a Sequim-Dungeness Chamber of Commerce meeting. Much of her presentation focused on education in Washington state. He reported on a Peninsula Development Board meeting at which a strategy was discussed for meeting funding requirements with regional projects.

Commissioner Simpson reported on the American Public Power Association's annual meeting. He reported on two general sessions, one with Katty Kay, Washington based correspondent for BBC, and one with Professor John Dogget of the University of Texas. His presentation was about how the rapid development of former third world economies drives local decisions made on growth and resource use. Commissioner Simpson also reported on a breakout session he attended entitled, "Leadership in the Midst of Disaster."

Mr. Mitchell provided some background information related to the Olympic Public Safety Communications Alliance Network (OPSCAN) Interlocal Agreement. Patti Morris talked about how the system might be used by the District. Terry Weed, Director of Clallam Transit told the Commission how the OPSCAN system has benefited Clallam Transit. Staff will contact the Public Utility Risk Management Services about liability issues for the District and report back to the Commissioners at a future meeting. Mike Doherty, Clallam County Commissioner and representative on the State Interoperability Committee, expressed support for OPSCAN.

Attendance at meetings was approved.

The regular meeting recessed at 3:23 to go into executive session for real estate and personnel matters. The executive session adjourned at 4:49 p.m., and the regular meeting reconvened at that time. There being no further business to come before the Commission, the meeting adjourned at 4:50 p.m. to meet again, Monday, July 9, 2007, at 1:30 p.m. in the Port Angeles office.