

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
JUNE 28, 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, and Hugh Haffner, Vice President

Commissioner Simpson was excused.

Staff present were: Dennis Bickford, General Manager; Shelley Burgett, Treasurer/Controller; Ken Foster, Auditor; Fred Mitchell, Telecommunications & Power Resources Manager; Ken Morgan, Transmission/Substation Systems Manager; Larry Morris, Operations Facilities Superintendent; and Carol Biss, Executive Assistant.

Others present were: Tyler Ahlgren, Brian Gawley, Bob Hoyle, Bart Irwin, Eloise Kailin, Cindy Kelly, Richard Rex, Mark Rose, and Ed Tuttle.

The Commissioners deferred a decision on the minutes of the June 14 and 21 meetings.

Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission authorized an Invitation to Bid for 225 pole-mounted distribution transformers per year for three years and 430 pad-mounted distribution transformers per year for three years. (Bid Number 040811)

Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission approved the prequalification of Henkels & McCoy to perform electrical work for the District in 2004.

Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved the removal of delinquent accounts from the active accounts receivable in the amount of \$11,595.54.

The Commissioners will meet on Tuesday, July 6, 2004, at 1:30 p.m. due to the Fourth of July holiday observance on Monday, July 5, 2004.

Several customers were present to discuss issues related to the wholesale water contract between the City of Port Angeles and the District. Some customers voiced their opposition to the clause in the proposed contract requiring new water customers to sign a no-protest pre-annexation agreement. In response to questions from customers, staff and Commissioners discussed how the loss of water from the City of Port Angeles would impact water customers in the Composite Water System and other PUD water customers. Customers present also inquired about a curtailment plan, rolling water shut-offs, water quality issues, and customer notification. General Manager Bickford said that he is working with the City Manager to try to resolve some of the issues and that the wholesale water contract is being redrafted.

The Commissioners received copies of a letter from the Department of Health (DOH) expressing its concern about the potential loss of wholesale water from the City of Port Angeles to the District. The DOH requested that the District submit an Action Plan by July 2, 2004, that outlines steps the District "will take to assure continued water service to the customers of the Port Angeles Composite Water System." In response to a request from the DOH, Commissioner Purser said that DOH should be invited to upcoming meetings with the City so that the DOH could provide a public health perspective of the issues. Commissioners Haffner and Purser stressed the importance of the District obtaining other sources of water for future needs.

A list of claim vouchers as certified by the General Manager and 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 \$303,532.39 for June 28, 2004. Auditor Foster reported that the claim vouchers included four rebates for conservation programs totaling \$3,670.68.

Commissioner Haffner reported on an Olympic Public Safety Communications Alliance Network meeting. He noted that he often receives positive comments from customers about the District's broadband system.

Commissioner Purser reported that Karen Rogers of the Port Angeles City Council asked him to meet last week to discuss the wholesale water contract. Mr. Bickford and Richard Headrick, Mayor of Port Angeles, also attended the meeting.

On motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission excused Commissioner Simpson from the meeting today.

Mr. Bickford presented the General Manager's Report. The District will participate in the Forks Old Fashioned Fourth of July Parade and the Port Angeles Fourth of July Parade. He distributed copies of the proof for the July Hotline newsletter. He discussed the focus groups that Market Trends organized and the customer survey that they are conducting for the District.

Attendance at meetings was approved.

The regular meeting recessed at 2:20 p.m. The Commissioners went into executive session regarding possible litigation at 2:30 p.m. The executive session adjourned at 3:57 p.m., and the regular meeting reconvened at that time. There being no further business to come before the Commission, the meeting adjourned at 3:58 p.m. to meet again Tuesday, July 6, 2004, at 1:30 p.m. in the Port Angeles office.