

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
MAY 15, 2006

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: Shelley Burgett, General Manager; Ken Foster, District Auditor; Mike Kitz, Water and Wastewater Systems Superintendent; Tom Martin, Water and Wastewater Systems Assistant Superintendent; Janet Sundby, Customer Services Supervisor; Bronna Hankoff, Administrative Assistant; and Carol Biss, Executive Assistant.

Others present were: Brian Gawley, Cindy Kelly, Cathy Lear, Tom Loranger, Teri Martin, Cynthia Nelson, and Ann Soule.

On motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved the minutes of the May 8, 2006 regular weekly meeting as submitted.

Water and Wastewater Systems Superintendent Kitz reviewed a change order for additional work required for the Morse Creek Water Treatment Plant. Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved Addendum #9 to the contract with Earth Tech, Inc. in the amount of \$6,995 for geotechnical services.

The Commissioners will hold a work session to discuss satellite sewer systems on May 16 beginning at 10 a.m. in the Port Angeles office.

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 \$425,949.00 for May 15, 2006. District Auditor Foster reported that the claim vouchers included 14 rebates for conservation programs totaling \$6,203.96.

Commissioner Haffner reported on a meeting of the Governor's panel on ocean policy that he attended. At that meeting, Commissioner Haffner spoke about water issues in the Carlsborg area and satellite sewer systems.

Commissioner Purser reported on a meeting of the Sequim Dungeness Chamber of Commerce and the Sequim Irrigation Festival Parade. He also reported on a meeting at which Siemens presented the final version of the Forks Biomass Feasibility Study. The report included three scenarios with varying return on investments. He said that the agreement with Siemens was a performance-based contract and the District, as one of the participants, should evaluate the study within the 28-day review period.

Commissioner Simpson noted that he also attended the meeting about the Forks Biomass Feasibility Study. He reported on a Port Angeles Business Association meeting, which included a presentation by the County Sheriff's Department about methamphetamines.

Mr. Kitz introduced Tom Loranger, Department of Ecology Regional Water Resources Manager, and Cynthia Nelson, from DOE's Water Acquisition Program, and said they were present to discuss water supply strategies in Carlsborg. Mr. Kitz asked that the discussion be expanded to include water supply strategies in the Fairview Water System and the Clallam Bay-Sekiu area. Mr. Loranger said that it is not easy to obtain water rights in Clallam County because of the critical nature of stream flows and considerations for fish and wildlife issues. In the discussion that followed, the Commissioners stressed the need for granting water rights and asked that the Department of Ecology (Ecology) grant credit for consolidating exempt wells into public water systems and for using reclaimed water for groundwater and/or surface water recharge. Mr. Loranger said Ecology would consider the Commissioners' suggestions. Other issues that were discussed included alternatives to the growing number of exempt wells, upgrading septic systems, instream flow levels, and aquifer storage and recovery.

Administrative Assistant Hankoff reported on the progress of the Whole House Surge Protection Program, which is being developed by a committee made up of several departments. She reviewed the committee's recommendations for the program. Initially, the District would provide information to

customers on surge protection, including guidelines and suggestions on what to look for in surge protection devices: meter socket surge protectors (MSSP), panel-mount surge arrestors, and point-of-use surge protection. Customers who want meter socket surge protectors (MSSP) would purchase the devices from local retailers. Customers would have the option of having their own electrician install the devices or using District employees. The District would provide information, including a list of retailers carrying MSSP devices, and would be available to answer customer questions. There was a discussion of a monthly service charge for the program. Ms. Hankoff distributed copies of an informational publication from the Department of Energy about surges and surge protectors, which could be given to interested customers. The Commissioners agreed that staff should continue to develop the Whole House Surge Protection Program along the lines of today's discussion.

Attendance at the following meetings was approved: Ken Foster to attend a PURMS Operations Committee meeting on May 25, a PURMS Semi-Annual Executive Committee meeting on June 7, and a PURMS Semi-Annual Board of Directors meeting on June 8. All of the meetings will be held in the SeaTac/DesMoines area.

The regular meeting recessed at 3:48 p.m. to reconvene the executive session that recessed on May 10, 2006. The executive session, which was for personnel matters, recessed at 4:24 p.m., and the regular meeting reconvened at that time.

On motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission accepted the letter of acceptance from Joshua Bunch for the position of Treasurer/Controller and directed staff to prepare a resolution appointing Mr. Bunch as Treasurer/Controller for the Commissioners' consideration at the next meeting.

On motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission approved entering into a consulting agreement with Brown and Kysar, Inc. to provide an Interim General Manager until a General Manager is hired. The Commissioners directed staff to prepare an agreement with Brown and Kysar, Inc. for the Commissioners' signatures at the next meeting, as well as a resolution appointing an agent of Brown and Kysar, Inc. as Interim General Manager.

There being no further business to come before the Commission, the meeting adjourned at 4:27 p.m. to meet again, May 22, 2006, at 1:30 p.m. in the Port Angeles office.