

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY  
MINUTES OF THE REGULAR WEEKLY MEETING OF  
THE BOARD OF COMMISSIONERS  
NOVEMBER 29, 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; and Carol Biss, Executive Assistant

Others present were: Bart Irwin

On motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission approved the minutes of the November 22, 2004 regular weekly meeting as submitted.

Treasurer/Controller Burgett provided background information about possible foreclosure of LUD property by the County for unpaid property taxes. Mr. Bart Irwin described the process of a tax foreclosure sale. Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission authorized Ms. Burgett to attend the auction of forfeited property and to bid on Parcel No. 043022310190, Lot 19 of Salmon Creek Estates, for an amount equal to the District's assessment plus the amount of County taxes owed plus one dollar.

The regular session recessed at 2 p.m. to go into executive session regarding possible litigation and personnel matters. The executive session adjourned at 3:35 p.m., and the regular meeting reconvened at that time.

Ms. Burgett discussed the District's policy regarding new customer deposits for commercial and large industrial customers. Commissioners and staff discussed options for the deposit requirement that would protect the District and its ratepayers and not encumber the cash flow of a new business. Later this week, Ms. Burgett will meet with a prospective large industrial customer and discuss deposit requirements. She will report back to the Commissioners at a future meeting.

A list of claim vouchers as certified by the General Manager and District 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 \$144,326.59 for November 29, 2004. District Auditor Foster reported that the claim vouchers included 21 rebates for conservation programs totaling \$8,004.25.

Commissioner Purser reported on a meeting he attended where a status report on the Hood Canal Bridge project was presented. There was a discussion of the impact on the Olympic Peninsula if certain weight restrictions were placed on the bridge or if the project is delayed.

Mr. Bickford presented the General Manager's Report. He reviewed the November 1, 2004 power outage in Blyn. He discussed the number of claims that have been received and showed a map that identified where the majority of the damage claims were located. Staff is continuing to investigate the cause of this outage. He reported that there is a planned power outage scheduled for December 3, 2004, from 2 to 4 a.m. in an area east of Sequim. This is part of the District's conversion of its transmission system to 115 kV. A work session on strategic planning was discussed, and the Commissioners will select a date for the work session at a future meeting.

Mr. Bickford discussed a draft resolution setting the procedure for alternative purchasing of materials as set out in RCW 54.04.082. He said that staff is working on a response to the Bullman Beach customers. In response to a letter from a business, he reviewed the District's policy requiring proof of insurance from companies that locate equipment on District facilities or property. The Commissioners agreed with Mr. Bickford's recommendation that the District continue this requirement. He reported on a request from a company to continue its pole attachment agreement on a month-by-month basis for a temporary period. After reviewing the circumstances, the Commissioners concurred that staff should continue discussions with the owner of the company. He distributed copies of a letter from Grays Harbor PUD Commissioner Tom Casey and Manager Richard Lovely. The letter discussed Northwest Open Access Network and Network Operations Center services. Mr. Bickford reported on upcoming meetings and events: The Northwest Open Access Network's annual meeting is November 30, the Washington PUD Association's annual meeting is December 1-3, and the District's Employee Association Holiday Party is December 3.

Attendance at meetings was approved.

There being no further business to come before the Commission, the meeting adjourned at 5:12 p.m. to meet again Monday, December 6, 2004, at 1:30 p.m. in the Port Angeles office.