

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY  
MINUTES OF THE REGULAR WEEKLY MEETING OF  
THE BOARD OF COMMISSIONERS  
NOVEMBER 7, 2005

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, Interim General Manager; Ken Foster, District Auditor; Mike Kitz, Water & Wastewater Systems Manager; Fred Mitchell, Telecommunications & Power Resources Manager; Quimby Moon, Electrical Engineer; Bronna Hankoff, Administrative Assistant; and Carol Biss, Executive Assistant.

Others present were: Cindy Kelly, Patti Morris, Linda Rotmark, and Ed Tuttle.

On motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission approved the minutes of the October 31, 2005 regular weekly meeting as submitted.

Electrical Engineer Moon reported that the District received one bid under the Small Works Roster process for the remodel of the Utility Services/SCADA Building. The bid was more than 15 percent higher than the Engineer's Estimate, and staff will reject the bid.

Water and Wastewater Systems Superintendent Kitz reviewed proposed changes to the capital facilities charges for new water service. The changes are based on recommendations from a study conducted by HDR Engineering, Inc. for the District. Commissioners and staff discussed several issues pertaining to the charges, including the customer estimate form and how to inform the public of changes to the charges. Staff will obtain additional information and report back to the Commission next week. Interim General Manager Burgett said that staff is working on revisions to the Schedule of Deposits and Charges. Because material costs are rising so rapidly, the Schedule will be reviewed every 90 days to ensure that the District is recovering its costs. Cost estimates for customer work will be valid for 90 days.

The Commissioners received a draft agreement that reflects the discussions District staff had with the City of Port Angeles concerning transfer of certain District facilities to the City in the recently annexed portion of the Western Urban Growth Area. Telecommunications and Power Resources Manager Mitchell reviewed changes that staff recommended to the draft agreement.

The Commissioners reviewed a proposed Northwest Open Access Network Capital Contribution Agreement. The Agreement provides for Northwest Open Access Network (NoaNet) members to make voluntary capital contributions to NoaNet and for reallocation of percentage interests among members. Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission adopted Resolution 1792-05 authorizing the District's execution of the Northwest Open Access Network's Capital Contribution Agreement.

The Commissioners approved revisions to the list of Committee and Organization Memberships for 2005. Commissioner Purser will be the District's delegate to the North Olympic Peninsula Resource Conservation and Development Council, and Commissioner Simpson will be the alternate. Commissioner Simpson will be the District's delegate to the Port Angeles Business Association.

A list of claim vouchers as certified by the Interim General Manager and District Auditor was considered. On motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved payment of claim vouchers in the amount of \$1,771,339.25 for November 7, 2005. District Auditor Foster reported that the claim vouchers included 16 rebates for conservation programs totaling \$8,460.45.

Commissioner Haffner reported on a presentation he made to the Clallam County Bar Association regarding changes to the bankruptcy law.

Commissioner Simpson reported on a Port Angeles Business Association meeting. The Port Angeles City Attorney and a Deputy County Prosecutor talked about the appearance of fairness doctrine and its application to elected and appointed officials.

Ms. Burgett presented the Interim General Manager's Report. Damage claims resulting from an outage in the East Sequim Bay area were submitted to Public Utility Risk Management Services. PURMS staff will begin working with the customers this week. Mandatory Water Restrictions were removed from the Fairview Water System this week. There have been a significant number of inquiries in response to a Request for Statements of Qualifications for satellite sewer systems. Statements are due November 10, 2005.

Mr. Mitchell presented the Telecommunications and Power Resources Manager's Report. The venue for the Solar Workshops on November 15, 2005, has been changed to the Sequim Bible Church in order to accommodate the large number of people who have responded. He reported that a preliminary review of the Limited Income Weatherization Program indicated that it is not cost-effective for the amount of estimated energy savings obtained. The program currently focuses on air sealing measures. The Utility Services staff will study the program in more detail and recommend changes if needed. Last week Bonneville Power Administration withdrew from Grid West, a proposed regional transmission organization. Two cases involving BPA will be heard in mid-November by the Ninth Circuit Court of Appeals. It is anticipated that BPA will make an announcement tomorrow about its initial rate proposal.

Attendance meetings was approved.

The regular meeting recessed at 3:18 p.m. to go into executive session for personnel matters. The executive session adjourned at 4:39 p.m., and the regular meeting reconvened at that time. There being no further business to come before the Commission, the regular meeting adjourned at 4:40 p.m., to meet again November 14, 2005, at 1:30 p.m. in the Port Angeles office.