

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY  
MINUTES OF THE REGULAR WEEKLY MEETING OF  
THE BOARD OF COMMISSIONERS  
OCTOBER 25, 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; Mike Kitz, Water and Wastewater Systems Superintendent; Larry Morris, Operations Facilities Superintendent; Lori Jo Allison, Human Resources Coordinator; and Carol Biss, Executive Assistant.

Others present were: Bob Hoyle, Cindy Kelly, and Ed Tuttle.

On motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission approved the minutes of the October 18, 2004 meeting as submitted. On motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission approved the minutes of April 14, 2003 as submitted.

Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission adopted Resolution 1760-04 amending the ICMA Retirement Corporation Deferred Compensation Plan and Trust Document and Resolution 1761-04 amending the Hartford Life Deferred Compensation Plan. The Plans were amended to comply with 457 Treasury regulations.

Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission approved as complete Contract No. 040806 with Aldergrove Construction for water main improvements in Clallam Bay in the amount of \$41,428.86 plus Washington State sales tax. There was a discussion of County permit fees. Commissioner Haffner asked staff to track these permit fees, and he suggested that staff determine if Clallam County's fees are comparable to other counties.

Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission accepted as complete Contract No. 040807 with Aldergrove Construction Inc. for enclosing an existing covered storage building in the amount of \$79,672.00 plus Washington State sales tax.

The Commissioners completed ballots for the Public Power Council Executive Committee. The General Manager will compile the Commissioners' ballots and submit the District's ballots to PPC.

The Commissioners reviewed the bid tabulation for a hydraulic puller-tensioner. Commissioner Simpson asked why staff recommended the higher of the two bids that were received. Operations Facilities Superintendent Morris reviewed the District requirements that the low bidder did not meet. Upon motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission awarded Bid No. 040815 for a hydraulic puller-tensioner to Terex Utilities West in the amount of \$45,089 plus Washington State sales tax.

Mr. Bob Hoyle asked if the District had completed a more detailed letter regarding the Water Resource Inventory Area No. 18 Watershed Plan and said that he hoped the letter would include comments against removal of the Elwha Dams.

Mr. Bickford reported on the American Public Power Association's 2005 major awards program. APPA issued a call for nominations for awards, which are due by December 3, 2004.

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 \$348,192.76. District Auditor Foster reported that the claim vouchers included 13 rebates for conservation programs totaling \$7,523.20.

Commissioner Simpson reported on the Participants Review Board's special meeting by conference call. Mr. Jay Downen was elected to the PRB.

Commissioner Haffner reported on a Clallam County Economic Development Council (EDC) Board meeting, and noted that funding was received to provide pre-employment training programs.

Commissioner Purser reported on an EDC Clallam Networks Forestry Cluster meeting. He is part of a committee that is studying a wood-fired co-gen project, and asked staff to provide 20-year wholesale price forecasts for electricity and gas.

General Manager Bickford reported that, at a work session this morning, Commissioners and staff discussed long line extensions in remote areas. The electric line to Cheeka Peak in the Neah Bay area is failing. The estimated replacement cost is \$527,635. The original line extension was paid for by the agencies that use the service. Upon recommendation of staff, and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission directed the General Manager to write a letter to the Federal Aviation Administration, putting them on notice that their service line is failing and that they will have to bear the cost of replacement. Mr. Bickford reported that Bonneville Power Administration's website has BPA's response to the Henwood study of the Costs, Benefits and Alternatives to Grid West, the proposed regional transmission organization for the Northwest. BPA announced it was extending the time for approving the bylaws of Grid West. Mr. Bickford reported that thirty additional postcards regarding fluoridation were received last week. The postcards were from customers who oppose fluoridated drinking water.

Treasurer/Controller Burgett presented the Treasurer's Report for September 2004. Interest for the month totaled \$10,823.26; cash totaled \$2,377,989.06; and the total amount invested was \$22,371,549.05.

Attendance at meetings was approved.

The regular meeting recessed at 2:35 p.m. to go into executive session for real estate acquisition and possible litigation. The executive session adjourned at 4:57 p.m., and the regular meeting reconvened at that time. There being no further business to come before the Commission, the meeting adjourned at 4:58 p.m. to meet again Monday, November 1, 2004, at 1:30 p.m. in the Port Angeles office.