

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
JANUARY 23, 2017

The regular weekly meeting of the Board of Commissioners of Public Utility District No. 1 of Clallam County was held at the Main Office, 104 Hooker Road in Carlsborg, WA, on the above date commencing at 1:31 p.m.

Commissioners Present: Hugh E. Simpson, Jr., President; Will Purser, Vice President; Hugh Haffner, Secretary

Staff Present: Doug Nass, General Manager; David Papandrew, District Auditor; Beau Brown, Treasurer
Controller; Nicole Clark, Executive Assistant; Dennis Shaw, General Superintendent; Michael Howe,
Communications & Government Relations Manager; Gary Moore, Operations Manager

Others Present: Terry Lee; Roger Magee; Robert Knapp

On motion of Commissioner Purser seconded by Commissioner Simpson and carried, the Commission approved the minutes of the January 9, 2017 regular meeting.

There was an agenda revision to add an executive session for the performance evaluation of a public employee.

Upon recommendation of staff, and upon motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission accepted NJPA Contract #031014-ALT with Altec Industries, Inc. as complete in the amount of \$387,255.71 including WSST.

Upon recommendation of staff, and upon motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission approved the prequalifications of contractors on the list dated January 23, 2017.

Upon recommendation of staff, and upon motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved the prequalifications of contractors on the list dated January 23, 2017 for inclusion on the Small Works Roster.

Public comment was received by Roger Magee who was concerned about how rate increases are advertised in the agenda and then subsequently in the minutes. General Manager Doug Nass explained that the rate increases are rolled into the budget approval process although the increases wouldn't be implemented until April. This year, due to time constraints with new software implementation, public comment rate hearings were not held throughout the County, but only at the Main Office. Next year staff intends to start the budget process a month earlier to allow plenty of time to hold rate hearings around the County. Roger Magee also commented on the daily rate increase, compared with the kilowatt hour rates. General Manager Doug Nass explained that the rate structures are based on a cost of service rate study that is periodically conducted and that over the years Clallam PUD has been undercharging and the District is trying to slowly bring the rates up to cover the cost of service in an equitable manner. Commissioner Simpson responded that while he understands the point, that to be fair in covering the cost of service, everyone is treated the same with "postage stamp" rates. That is why there is also a low-income senior, and low-income disabled discount. Mr. Magee also feels the graphs are not in proportion, although the numbers were correct, and asks that in the future that the graphs be accurate as he interprets them.

Correspondence and communication items were reviewed.

Two lists of claim vouchers as certified by the General Manager and Auditing Officer were considered. On motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved payment of claim vouchers in the amount of \$390,729.21 for January 17, 2017. On motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission approved payment of claim vouchers in the amount of \$3,599,514.63 for January 23, 2017.

Commissioner Haffner reported that he attended WPUDA committee meetings.

Commissioner Purser reported that he attended the WPUDA committee meetings and the Public Power Council meeting.

Commissioner Simpson reported that he attended the WPUDA committee meetings and the Port Angeles Business Association meeting.

The regular meeting recessed at 2:29 p.m. to go into executive session for the performance evaluation of a public employee, pursuant to RCW 42.30.110(1)(g). Those in attendance were Commissioner Haffner, Commissioner Purser, Commissioner Simpson, and General Manager Doug Nass. The executive session adjourned at 3:49 p.m., and the regular meeting reconvened at that time.

There being no further business to come before the Commission, the meeting adjourned at 3:50 p.m.