

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
APRIL 9, 2007

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 Haffner, President and W.E. Purser, Secretary. Commissioner Simpson was absent.

Staff present were: Doug Nass, General Manager; Joshua Bunch, Treasurer Controller; Ken Foster, District Auditor; Fred Mitchell, Telecommunications & Power Resources Manager; Janet Sundby, Customer Services Supervisor; and Carol Biss, Executive Assistant .

Others present were: Ron Browning, Brian Gawley, Cindy Kelly, and Teri Martin.

On motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved the minutes of the April 2, 2007 regular weekly meeting as submitted.

Telecommunications and Power Resources Manager Mitchell reviewed background information about the process of considering and adopting net metering and interconnection standards. The Energy Policy Act of 2005 amended a section of the Public Utility Regulatory Policies Act (PURPA) to require utilities to consider adoption of standards for interconnection and net metering except for utilities located in states that had implemented comparable standards. Since the Washington State legislature had taken action on these standards, the District was not required to go through the PURPA process; however, the District decided to proceed in order to consider public comment. The Commission initiated consideration of these standards in August of 2006, and the resolution being considered today expresses the Commission's determination. He said the proposed resolution establishes net metering standards that reflect legislative updates to RCW 80.60 as it pertains to providing net metering services to customer generators of 100kW or less. The interconnection standards attached to the proposed resolution were developed by the Public Power Ad-hoc Interconnection Standards Committee for customer generators of 300 kW or less. Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission adopted Resolution 1834-07 establishing net metering and interconnection standards and rescinding Resolution 1707-03.

Treasurer/Controller Bunch reported on the staff's review of the Low-Income Senior and Disabled Discount Programs, and noted that income levels for eligibility had not been adjusted since 1994. He provided information about other utilities and agencies' low-income discount programs, including customer income levels and the amount of the discount. He reviewed statistics about the District's current programs and discussed the estimated impact of having three income levels up to \$25,000 annually with different percentage discounts for each level. After further discussion, the Commissioners asked staff to review the process for verifying income eligibility and to look at the District's maximum exposure based on demographics.

Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved the removal of delinquent accounts in the amount of \$6,222.41 from the active accounts receivable.

Mr. Brian Gawley asked about the public hearing for the Juan de Fuca Transmission Project and the size of the proposed project, which is over 500 megawatts.

Mr. Ron Browning asked about which water system he was in. Water and Wastewater Systems Superintendent Kitz said that, although Mr. Browning is located in the Fairview System, he and a few of his neighbors receive water from the Gales Addition Water System. The District purchases water from the City of Port Angeles to serve the Gales System.

General Manager Nass said that the March 19, 2007 issue of *Public Power Weekly* reported on a study entitled, *Undergrounding Assessment Phase 1 Final Report*, that found the cost of converting to underground power is high, about \$1 million per mile, and would significantly increase electric rates, as much as 100 percent.

Commissioner Purser reported on a guest opinion in the April 4, 2007 edition of the Sequim Gazette. The article proposed a public sewer in the Carlsborg Urban Growth Area that would be connected to Sequim's existing sewer system. The Commissioners did not agree with some of the statements in the article.

A list of claim vouchers as certified by the 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 \$451,268.93 for April 9, 2007. District Auditor Foster reported that the claim vouchers included four rebates for conservation programs totaling \$3,938.50.

Commissioner Purser reported that three representatives from Clallam County will travel to Washington, D.C. to explain how data from the project funded by a NASA grant will be utilized. The grant provided funds to develop a model for monitoring water flow and snowpack.

Mr. Nass provided a quick overview of the outage management system that staff is working on. He distributed a handout showing the various parts components of the system, including tree trimming, underground conversion, customer education, GIS/GPS system, AMI, dispatching, phone system, OMS software, and SCADA, etc. Mr. Nass also reported that staff has interviewed four architect firms and will bring a recommendation in a few weeks for a facilities architect.

Attendance at meetings was approved.

There being no further business to come before the Commission, the meeting adjourned at 3 p.m. to meet again, Monday, April 16, 2007, at 1:30 p.m. in the Port Angeles office.