

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
AUGUST 27, 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; Hugh E. Simpson, Jr., Vice President; and W.E. Purser, Secretary.

Staff present were: Doug Nass, General Manager; Ken Foster, District Auditor; Joshua Bunch, Treasurer Controller; Dave Proebstel, Chief Engineer; Dennis Shaw, Support Services Manager; Roger Hosto, Operations Superintendent; Larry Morris, Services Manager; Fred Mitchell, Power Supply and Utility Services Manager; and Carol Biss, Executive Assistant.

Others present were: Teri Martin.

On motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved the minutes of the August 20, 2007 regular weekly meeting as amended.

Treasurer Controller Bunch presented the preliminary budgets for 2008 for the Electric, Water, and Sewer Departments. In the Electric Department budget, total resources available for expenses in 2008 were \$63,121,489 and total expenses were \$56,303,167. Water Department total resources available for expenses were \$4,276,050 and total expenses were \$3,796,466. Sewer Department total resources available for expenses were \$59,800 and total expenses were \$26,120. Mr. Bunch compared the 2008 budget to the 2007 budget and 2006 actuals. The cost of service studies for electric and water are in progress. The preliminary budgets for 2008 will receive additional review prior to the October 1, 2007 budget hearing.

Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission awarded Bid No. 070802 to Valley Freightliner for a Freightliner truck with flatbed, crane, and Capstan Drive in the amount of \$200,268 plus Washington State sales tax.

Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission accepted as complete the contract with Potelco, Inc. for crew and equipment for the East Sequim Bay Road project in the amount of \$1,082,374, including Washington State sales tax.

On motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission canceled the September 4, 2007 meeting.

A list of claim vouchers as certified by the General Manager and District Auditor was considered. On motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved payment of claim vouchers in the amount of \$1,136,210.52 for August 27, 2007. District Auditor Foster reported that the vouchers included 12 rebates for conservation programs totaling \$600.

Commissioner Purser reported on a commentary published in today's Peninsula Daily News about demand side management and conservation. The article endorsed a "save-a-watt" proposal that rewards utilities for kilowatt hour savings. The proposal was recently filed with the North Carolina Utilities Commission. Commissioner Purser noted that Northwest utilities have participated in energy conservation programs for a long time.

The following staff reports were presented. Support Services Manager Shaw reviewed the status of contracts and agreements, Chief Engineer Proebstel and Operations Superintendent Hosto reported on major projects, and Services Manager Morris reported on the District's Tree Trimming Program.

Mr. Hosto reported that he had talked with a Sequim customer who came to the July 17, 2006 meeting to discuss a low-frequency noise at his home, which he thought was probably coming from the Prairie Power Substation. During an unplanned outage this summer when the substation was off-line, the customer determined that the source of the noise was not the substation or District facilities. He asked Mr. Hosto to thank the Commissioners and District employees for their response in trying to help him resolve his problem.

Attendance at meetings was confirmed and approved.

There being no further business to come before the Commission, the meeting adjourned at 4:15 p.m. to meet again, Monday, September 10, 2007, at 1:30 p.m. in the Port Angeles office.