

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
DECEMBER 11, 2006

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: Doug Nass, General Manager; Joshua Bunch, Treasurer Controller; Ken Foster, District Auditor; Larry Morris, Operations Facilities Superintendent; Judi Chapman, Human Resources Manager; and Carol Biss, Executive Assistant.

Others present were: Brian Gawley and Teri Martin.

On motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved the minutes of the December 4, 2006 regular weekly meeting as amended.

Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission accepted the bid from Asplundh Tree Expert Company for hourly tree trimming crew and equipment. (Bid No. 060818)

Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission accepted the bid from Innerpole Investigations for pole inspection, treating and reporting in Clallam and Jefferson Counties for a cost not to exceed \$125,000, including Washington State sales tax. (Bid No. 060819)

Upon recommendation of staff and on motion of Commissioner Haffner seconded by Commissioner Purser and carried, the Commission adopted Resolution Number 1821-06, establishing a Personal Time Off policy, a Sick Leave Bank policy, and a Vacation and Sick Leave Policy for represented employees.

Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission adopted Resolution 1822-06, amending the Personal Time Off policy, the Vacation and Sick Leave policy, and establishing a Sick Leave Bank policy for staff employees.

Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Haffner and carried the Commission adopted Resolution Number 1823-06, amending Resolution Number 1731-03 regarding the payment of premiums for short-term and long-term disability insurance, term life insurance and accidental death and dismemberment insurance.

Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission adopted Resolution 1824-06, establishing titles and salary ranges for staff employees and increasing the number of floating holidays allowed to the staff positions to two floating holidays per year.

The Commissioners received an invitation to a luncheon on December 19. The luncheon commemorates the partnership between Angeles Composite Technologies and Lockheed Martin Aeronautics Company in the Air Force Mentor-Protégé program.

General Manager Nass informed the Commission that the District's annual Retirees Holiday Luncheon would be held at the Port Angeles office on December 19 at 1:30 p.m.

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 \$195,951.79 for December 11, 2006. District Auditor Foster reported that the claim vouchers included 18 rebates for conservation programs totaling \$6,808.65.

Mr. Nass showed photographs that Lineman Ted Fraser had taken during the recent snowstorm, which caused widespread outages in the District's service area. The pictures, which included trees on power lines, deep snow, and difficult terrain, illustrated some of the challenges the crew faced in restoring power to District customers.

Mr. Nass reported on the Annual Meeting of the Washington PUD Association (WPUDA). He said that he thanked the managers of other utilities who sent crews to assist District crews with recent storms. Some

of the issues discussed at the Managers Section meeting were cellular antennas on poles, photovoltaics, and security for substations.

Commissioner Haffner reported on the Washington PUD Association's Annual Meeting. He reported on topics discussed by the legislative panel, which included Representative Frank Chopp, Speaker of the House, Senator Phil Rockefeller, and Senator Bob Morton. He also reported on the Heritage Life Breakfast at which FERC Commissioner Phillip Moeller made a presentation.

Commissioner Purser reported on Bonneville Power Administrator Steve Wright's address at the WPUDA annual meeting. He also reported on a Department of Energy Hearing to discuss the Regional Dialogue. Representatives from WPUDA were at the hearing, which included a discussion about the residential exchange. In response to a customer letter calling for a District-wide conversion of overhead power lines to underground, Commissioner Purser said the cost for labor and equipment could be as high as \$500,000 per mile, and it would be very expensive to put 850 miles of the District's distribution line underground. He suggested that staff provide information to customers about the LUD process.

Commissioner Simpson also reported on the WPUDA annual meeting. He discussed FERC Commissioner Phillip Moeller's presentation, which was an overview of how the Federal Energy Regulatory Commission operates. Commissioner Simpson reported on WPUDA's Legislative Committee meeting, which included a discussion of bills that are expected to come up during the next legislative session. It was recommended that WPUDA work on and support raising the bid limits during the next session. Other items that were discussed included Initiative 937, Renewal Energy Portfolio Standards, telecommunications authority, and a proposed amendment to the scrap metal law.

Attendance at meeting was confirmed and approved.

There being no further business to come before the Commission, the meeting adjourned at p.m. to meet again Monday, December 18, 2006, at 1:30 p.m. in the Port Angeles office.