

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
SEPTEMBER 18, 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: Michael McInnes, Interim General Manager; Ken Foster, District Auditor; Dave Proebstel, Chief Engineer; Fred Mitchell, Telecommunications and Power Resources Manager; Linda King, CIS/Billing Supervisor; and Carol Biss, Executive Assistant.

Others present were: 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 September 11, 2006 regular weekly meeting as submitted.

Interim General Manager McInnes reported on the status of the Meter Base Surge Protection Program. He reviewed customer requirements, proposed fees and charges, responsibility of the customer to monitor the device, the manufacturer's warranty, and liability disclaimer. He noted that the manufacturer's warranty expressly excludes coverage of "electronic equipment." The Commissioners asked that the warranty and this exclusion be clearly noted in the information packet given to customers. They also recommended that the customer packet include information on point-of-use surge suppressors as additional protection. The Commissioners approved staff proceeding with the program, based on today's discussion, and expressed their appreciation to employees who have worked to develop the program.

Chief Engineer Proebstel reviewed a proposed Master License Agreement between the District and New Cingular Wireless, which District staff and Cingular have been negotiating for the past year. The Agreement, which would allow Cingular to attach its equipment to District poles, has been reviewed by the District's legal counsel. Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission authorized the Interim General Manager to sign a Master License Agreement with New Cingular Wireless.

Telecommunications and Power Resources Manager Mitchell presented information on State law that provides incentive payment to support renewable energy systems. He distributed copies of excerpts from the Revised Code of Washington 82.16.110 and subsequent sections 120, 130, and 140, and sections of the Washington Administrative Code 458-20-273. An individual, business, or local government that purchases and uses an eligible renewable energy system may apply to the local power company for an investment cost recovery incentive payment. Eligible renewable energy systems include solar systems, wind generators, and certain types of anaerobic digesters that are installed between July 1, 2005 and June 30, 2014. The District could receive a credit on its public utility tax for the amount it pays to customers for renewable energy system cost recovery incentive payments up to a maximum of .25 percent of the utility's taxable power sales. Mr. Mitchell said that it is optional for the local utility to participate. After further discussion, the Commissioners directed staff to develop a policy for Renewable Energy System Cost Recovery incentive payments.

The Commissioners received a letter from the Department of Ecology acknowledging the District's water right application. The letter indicated it would be some time before DOE would be able to begin working on evaluating applications in the area and that "with many demands on the state's water resources," the District might want to consider purchasing all or part of an existing water right.

A list of claim vouchers as certified by the Interim General Manager and District Auditor was considered. On motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission approved payment of claim vouchers in the amount of \$329,290.91 for September 18, 2006. District Auditor Foster reported that the claim vouchers included 14 rebates for conservation programs totaling \$2,904.76.

Commissioner Haffner reported on an OPSCAN Operations Committee meeting. He said that we have seen the capacity of OPSCAN and now need to decide how to make it work. The OPSCAN group is now looking at interoperability, sharing, and developing protocol for interconnections. He said the District may be contacted about its needs.

Commissioner Purser reported on Sequim Dungeness Chamber of Commerce meetings. Bob Martin from Clallam County made a presentation about emergency preparedness. In mid-October, the City of Sequim plans to repave Fifth Avenue. It would be a good time for the District to review any underground work that might be needed in the area. Commissioner Purser reported on the status of the District's surge suppression program, and the Chamber offered to be of assistance in notifying customers when the

program is ready to be implemented. He also reported on a Peninsula Development Association meeting. Possible future projects were discussed at the meeting, including a Port container project designed to reduce truck traffic on Highway 101. He also discussed the possibility of funding for engineering portion of a satellite sewer system.

Water and Wastewater Systems Assistant Superintendent reported on a preliminary meeting with BHC, the consultant that is conducting a Feasibility Study for a Satellite Sewer System in the Carlsborg UGA. The Commissioners selected Wednesday, October 25, at 5 p.m. for the next public meeting regarding feasibility study.

Attendance at a meeting was approved.

There being no further business to come before the Commission, the meeting adjourned at 2:34 p.m. to meet again Monday, September 25, 2006, at 1:30 p.m. in the Port Angeles office.

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