

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
AUGUST 4, 2008

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 Hugh E. Simpson, Jr., Vice President. Commissioner Purser was excused.

Staff present were: Doug Nass, General Manager; Joshua Bunch, Treasurer Controller; Jana Robbins, District Auditor; Fred Mitchell, Power Resources and Utility Services Manager; Judi Chapman, Human Resources Manager; Jenean Alexander, Customer Service Representative; Judy Packwood, Part-time Utility Services Advisor; Donna Porrazzo, Part-time Customer Service Representative; and Carol Biss, Executive Assistant.

Others present were: Bob Jensen and Cindy Kelly.

The Commissioners welcomed three new employees: Judy Packwood, Part-time Utility Services Advisor; Jenean Alexander, Customer Service Representative; and Donna Porrazzo, Part-time Customer Service Representative.

Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission authorized the release of retained funds according to the terms of the Mutual Settlement and Release Agreement with Travelers and Standard Construction for the Morse Creek Water Treatment Plant project. (Contract No. 050803)

Power Resources and Utility Services Manager Mitchell said that on July 23, 2007, the Commission adopted a resolution initiating consideration of Fuel Sources and Fossil Fuel Generation Efficiency under the Public Utility Regulatory Policies Act (PURPA). After reviewing these standards, staff's opinion is that the standards do not apply to the District because the District is a full requirements customer of Bonneville Power Administration and does not own or have control in power purchase contracts over any generating resources that depend on fossil fuel. In addition, the District is under Washington State's renewable portfolio standards. Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission adopted Resolution 1876-08, concluding consideration of Fuel Sources and Fossil Fuel Generation Efficiency under PURPA.

Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission adopted Resolution 1875-08, establishing a policy for hiring Washington State Public Employees Retirement Systems employees.

A list of claim vouchers as certified by the General Manager and District Auditor was considered. On motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission approved payment of claim vouchers in the amount of \$383,465.53 for August 4, 2008. District Auditor Robbins reported that the vouchers included 58 rebates for conservation programs totaling \$18,620.40.

Commissioner Simpson reported on Washington PUD Association (WPUDA) meetings in Wenatchee last month. Several communities are looking at the possibility of forming public utility districts for electric service, and the WPUDA is offering support for that effort. The WPUDA managers group is reviewing the pole contact legislation that was passed in the last legislative session. The responses Energy Northwest received from utilities indicated a strong interest in the Radar Ridge Wind Project.

Commissioner Haffner reported on the District's participation in the Joyce Daze Parade. Both Commissioners Haffner and General Manager Nass expressed appreciation for all of the employees who worked on this parade, as well as the Sequim Irrigation Festival, Forks Old Fashioned Fourth of July and Rhodendron Parades and other community events. The idea for the theme for this year's float, underground safety, came from Timm Kelly, Line Foreman.

Mr. Mitchell reported on a proposed review of a biomass feasibility study that was completed last year. He stated that staff continues to review as many renewable resource options that may be available to the District to meet its upcoming renewable portfolio standards, and that a local resource with the capacity factor of a biomass project is important for the District to evaluate and consider. The Commissioners concurred with his recommendation for participating in and sharing the cost of the review with the Port of Port Angeles. The District's share of the cost is estimated to be less than \$2,000. He said that Northwest Public Power Association notified the District that one or more of its entries submitted for the Excellence in Communications Awards placed in the top three of the categories. Winners will be announced at a conference next month. He recommended that District staff meet with Century Tel to discuss the District's future telecommunications needs in the West End and Century Tel's long-term plans.

Attendance at meetings was confirmed and approved.

The regular meeting recessed at 2:24 p.m. to go into executive session for personnel matters. The executive session adjourned at 2:52 p.m., and the regular meeting reconvened at that time. There being

no further business to come before the Commission, the meeting adjourned at 2:53 p.m. to meet again, Monday, August 11, 2008, at 1:30 p.m. in the Port Angeles office.