

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY  
MINUTES OF THE REGULAR WEEKLY MEETING OF  
THE BOARD OF COMMISSIONERS  
AUGUST 13, 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; Joshua Bunch, Treasurer Controller; Ken Foster, District Auditor; Fred Mitchell, Power Resources & Utility Service Manager; and Carol Biss, Executive Assistant.

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

On motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved the minutes of the August 6, 2007 regular weekly meeting as amended.

On motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission adopted Resolution 1845-07, establishing compensation for the Treasurer Controller.

Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved the removal of delinquent accounts in the amount of \$12,447.43 from the active accounts receivable.

The Commissioner received copies of the Clallam County Economic Development Council's Business/Industrial Recruitment Plan and a letter from Linda Rotmark, CCEDC Executive Director, asking for comments on the Plan.

There will be a public meeting on Wednesday, August 14, 2007 for the Sewer Feasibility Study for the Carlsborg Urban Growth Area. The presentation starts at 6:30 p.m. at Greywolf School in Sequim.

A list of claim vouchers as certified by the General Manager and District Auditor was considered. On motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission approved payment of claim vouchers in the amount of \$291,779.08 for August 13, 2007. District Auditor Foster reported that the vouchers included 36 rebates for conservation programs totaling \$39,170.76.

Commissioner Purser reported on a Sequim-Dungeness Chamber of Commerce Board meeting where Sequim Mayor Walt Schubert talked about the Green Sequim Initiative. A committee has been formed to study the potential for taking steps within the City of Sequim to mitigate global climate change. The committee will investigate and evaluate options before making recommendations to the Sequim City Council. Commissioner Purser said he was asked what the District is doing to reduce energy usage and greenhouse gases and suggested that staff look at this issue. Marny Hannan is retiring as Director of the Sequim- Dungeness Chamber of Commerce, and Lee Lawrence has been selected as the new Director.

Commissioner Simpson reported on a site visit to the Clallam Bay Sekiu area to see the work that Wilson Construction is doing for the District to rebuild existing electrical transmission. Part of the project involves installing new fiberglass poles. He also toured the Lower Elwha Dam with a commissioner from Mason PUD No. 1.

Commissioner Haffner reported on the exit interview with the State Auditors. He read excerpts of a letter from State Auditor Brian Sonntag congratulating the District on 20 consecutive years of audits without a finding. He said "this significant accomplishment shows the District's dedication to sound financial operations and reporting." He expressed appreciation for the close working relationship with District officials and said that "The entire District staff has consistently expressed sincere interest in the results of our audit work and has been cooperative and friendly throughout the process." Commissioner Haffner said this is a compliment to District employees who work with the State Auditors, listen to what they have to say, and follow through on their recommendations.

Power Resources and Utility Services Manager Mitchell reported on ongoing activities with the landfill gas contract and the White Creek Wind project. Based on previous discussions with the Commission about Klickitat PUD's proposal to require a significant upfront payment, he told Klickitat PUD's General Manager that the District preferred an output contract for the Wind project. Mr. Mitchell said that he also indicated that the District is interested in an output contract for the landfill gas project that has a longer term and includes the renewable attributes in the price the District pays. There is one megawatt of output available to the District and no additional capacity at this time. Mr. Mitchell expects to receive an amended contract for output from the landfill gas project in the near future.

Attendance at meetings was approved.

The regular meeting recessed at 2:25 p.m. to go into executive session for real estate matters. The executive session adjourned at 3:17 p.m., and the regular meeting reconvened at that time. There being no further business to come before the Commission, the meeting adjourned at 3:18 p.m. to meet again, Monday, August 20, 2007, at 1:30 p.m. in the Port Angeles office.