

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY  
MINUTES OF THE REGULAR WEEKLY MEETING OF  
THE BOARD OF COMMISSIONERS  
AUGUST 25, 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; Hugh E. Simpson, Jr., Vice President; and W.E. Purser, Secretary.

Staff present were: Doug Nass, General Manager; Joshua Bunch, Treasurer Controller; Jana Robbins, District Auditor; Fred Mitchell, Power Supply and Utility Services Manager; Roger Hosto, Operations Manager; Ken Haman, Operations Superintendent; Larry Morris, Support Services and Safety Manager; Ruth Kuch, Financial Analyst; John Purvis, Distribution Engineer; Dennis Shaw, Procurement and Contracts Manager; and Donna Hansen, Acting Executive Assistant.

Others present were: Jim Casey.

On motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved the minutes of the August 18, 2008 regular weekly meeting.

The Commissioners reviewed the Preliminary budgets for 2009 for the Electric, Sewer and Water Departments. Electric Department revenue and funds available were \$69,494,009 and expenditures were \$59,242,162 with an estimated cash balance at the end of the year of \$10,251,847. Water Department revenue and funds available were \$4,239,670 and expenditures were \$4,050,152, leaving a balance of \$189,518. Wastewater revenue and funds available were \$58,680 and expenditures were \$27,750, leaving a cash balance of \$30,930. These are preliminary figures based on expenditures submitted by staff. The preliminary budgets will receive additional review prior to the October 6, 2008 budget hearing.

Operations Manager Roger Hosto discussed the need for a forestry aerial truck and hydraulic articulating over-center aerial man-lift for the District's vegetation management/tree trimming crew. Upon recommendation of staff and on motion of Commissioner Simpson seconded by Commissioner Purser and carried, the Commission authorized the staff to call for bids for a forestry aerial truck and man-lift. (Bid No. 080806).

Power Supply and Utility Services Manager Mitchell reviewed the Bonneville Power Administration's Good Faith Estimate notice of range of Slice purchases under the new Regional Dialog contracts. The District is working with other utilities on issues related to Slice purchases, including the proposed 25% cap. Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission authorized the General Manager to provide to Bonneville the District's non-binding Good Faith Estimate of Slice purchases of: 70% Maximum Slice purchases; 70% Optimum Slice purchases and 60% Minimum Slice purchases. Commissioner Haffner thanked Mr. Mitchell for the work session that covered these issues.

Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission adopted Resolution 1880-08, adding the position of Materials Superintendent in Salary Grade 16 to the list of Titles and Monthly Salary Ranges for Staff Employees.

A proposed cover letter to attach to Electric Service Regulations was furnished for Commissioners' review; comments will be incorporated into the letter.

Distribution Engineer John Purvis reported on a scheduled outage for the Diamond Point area. Damage was discovered during maintenance which warranted immediate re-route and replacement of cable last week. Outage notifications have been given to customers and the crew will put the new cable in service tomorrow.

Mr. Purvis also reported on two power outages this past weekend; one in the Agnew area caused by a dead crow and one in the Laird's Corner to Joyce substation area due to a tree falling into transmission line off Sleepy Hollow.

Commissioner Simpson acknowledged a job well done by crews on a line extension project in the Place Road area.

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 amended amount of \$102,021.76 for August 25, 2008. District Auditor Robbins reported that the vouchers included three rebates for conservation programs totaling \$3,909.72.

Commissioner Purser reported on an invitation from Energy Northwest for a membership forum on conservation in October.

Treasurer Josh Bunch presented the Treasurer's Report for July 2008. Interest for the month was \$78,338.32, cash totaled \$4,228,367.56 and the investments balance was \$23,442,743.68.

Power Supply and Utility Services Manager Mitchell explained that House Bill 1010 passed in 2006 required all utilities to develop resource plans and submit to State of Washington Council of Trade and Economic Development (CTED) by September 1, 2008. The recommended Power Planning Council methodology was used considering the best information now available and the appropriate form will be completed on CTED's website before the deadline. A conservation potential assessment to be conducted in the future will be used to update the plan to more accurately reflect the District's needs.

Attendance at meetings was approved.

There being no further business to come before the Commission, the meeting adjourned at 3:17 p.m. to meet again, Monday, September 8, 2008, at 1:30 p.m. in the Port Angeles office.