

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
DECEMBER 8, 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: Hugh Haffner, President; Hugh E. Simpson, Jr., Vice President; W.E. Purser, Secretary

Staff Present: Doug Nass, General Manager; Joshua Bunch, Treasurer Controller; Jana Robbins, District Auditor; Nicole Clark, Executive Assistant; Fred Mitchell, Power Supply & Utility Services Manager; Dennis Shaw, Support Services Manager; Quimby Moon, Transmission and Substation Systems Manager

Others Present: Patti Morris; Rob Ollikainen

On motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved the minutes of the November 1, 2008 regular weekly meeting.

General Manager Nass presented the 2009 Partner Contract between the District and the Clallam County Economic Development Council (EDC) for consideration by the Commission. On motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved authorizing the General Manager to sign the contract as presented with the Clallam EDC.

Mr. Nass also presented for consideration the 2009 Professional Services contract with the District's prior Auditor, Ken Foster. On motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission approved authorizing the General Manager to sign the 2009 Professional Services contract with Ken Foster.

Mr. Nass reported on the status of the acquisition of property in Carlsborg. The District received approval from the Clallam County Hearing Examiner on December 2. Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission adopted Resolution 1889-08 authorizing the General Manager to execute the necessary documents to complete the real estate transaction, purchasing the property commonly known as the "Costco property" in Carlsborg.

Power Supply & Utility Services Manager Fred Mitchell presented revised Deposits and Charges reflecting the change of the net metering installation fee of AMR meters to be the same as Standard/CT meters. Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission adopted Resolution 1886-08 amending Resolution 1864-08 and amending the current schedule of Deposits and Charges.

Mr. Mitchell also provided a resolution that would document the initiating of consideration of new PURPA standards. Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Simpson and carried with the amendment that the number "4" be placed next to the 4th item in the list of federal standards, the Commission adopted Resolution 1887-08 PURPA Standards initiating consideration of new PURPA standards as amended by the Energy Independence and Security Act of 2007.

Mr. Mitchell presented a draft agreement between the District and the Bonneville Environmental Foundation regarding the sale and purchase of Renewable Energy Credits (RECs.) Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission adopted Resolution 1888-08 authorizing the execution of contracts for the purchase of renewable energy credits.

Support Services Manager Dennis Shaw presented an invitation to bid for tree trimming. On motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved authorizing staff to announce the invitation to bid.

Transmission and Substation Systems Manager Quimby Moon presented contract No. 070810 for completion. On motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission approved as complete contract No. 070810 with Olympic Electric Company, Inc. in the amount of 433,990.63 which includes Washington State sales tax.

Treasurer Controller Bunch presented delinquent accounts. Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission approved removal of delinquent accounts from the active accounts receivable in the amount of \$7,287.95, including a collection fee.

The Department of Ecology, Fish & Wildlife, the Makah tribe, and the Lower Elwha Klallam tribe would like to hold a work session on WRIA 19 with the Commission, General Manager, and the Water and Wastewater Systems Superintendent. January 14 at 9 or 10 am was suggested. The Commissioners asked to ensure that all participants to the planning process be invited.

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 amount of \$162,468.74 for December 8, 2008. District Auditor

Robbins reported that the vouchers included 31 rebates for conservation programs totaling \$10,185.00, including 2 rebates for Weatherization, 24 for Air Sealing/Duct Sealing, and 5 for appliances.

Commissioners Purser and Simpson reported on attending the Washington PUD Association meeting and NoaNet meeting, respectively.

Mr. Bunch presented a 2009 budget update. The budget hearing will reconvene at next week's meeting and will conclude with the adoption of the budget. A work session on customer classification will be held Jan 7 from 9 am to 1 pm.

Mr. Mitchell provided an update on the Radar Ridge Wind Project. An agreement was reached on the incentive pay criteria and amount for successful completion. Energy Northwest would like to have the development agreements signed by the end of the year. Mr. Mitchell will bring a resolution to the next meeting authorizing the District to enter into the agreement.

A work session is scheduled for Tuesday, December 16 at 10 a.m. to discuss the proposed Long Line Extension policy.

Attendance at meetings was confirmed and approved.

The regular meeting recessed at 3:51 p.m. to go into executive session for personnel matters. The executive session adjourned at 4:05 p.m., and the regular meeting reconvened at that time. There being no further business to come before the Commission, the meeting adjourned at 4:06 p.m. to meet again, Monday, December 15, 2008, at 1:30 p.m. in the Port Angeles office.