

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
JUNE 29, 2009

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: W.E. Purser, President; Hugh Haffner, Vice President; Hugh E. Simpson, Jr., Secretary

Staff Present: Doug Nass, General Manager; Jana Robbins, District Auditor; Nicole Clark, Executive Assistant; Dennis Shaw, General Superintendent; Mike Hill, Engineer; Fred Mitchell, Power Supply & Utility Services Manager; Jeff Beaman, Executive Communications Coordinator

Others Present: Cindy Kelly

On motion of Commissioner Haffner seconded by Commissioner Simpson and carried, the Commission approved the minutes of the June 22, 2009 regular weekly meeting.

On motion of Commissioner Simpson seconded by Commissioner Haffner and carried, the Commission approved the minutes of the June 24, 2009 work session.

There was an agenda revision to remove personnel matters from the Executive Session.

General Superintendent Dennis Shaw reported that staff is ready to go out for bid to convert the old Costco building to the District's new Carlsborg Operations Warehouse. Work will include renovations to be done to portions of the warehouse and also site work outside the building including landscaping and installing a security fence. An emergency generator has been added as part of the conversion. Operations staff worked with Utility Services staff to come up with a plan to retrofit the existing lighting with energy efficient T-5 high output lighting. The retrofit will give the District a five year payback on the cost of installation. The total warehouse and site conversion is expected to be completed by October. Commissioner Haffner asked about the condition of the roof. There are isolated leaks to be repaired. A contractor has been hired to make sure the septic system is functioning properly, per county requirements. Commissioner Purser asked about the heating and cooling system. The warehouse area will only be heated to 50 degrees, and cooling isn't necessary. There will be space heating and cooling in the office areas. On motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commissioners authorized staff to call for bids for work to be performed in relation to converting the old Costco building to prepare it to become the District's Carlsborg Operations Warehouse, Bid #090807.

Mr. Shaw presented Contract #081015 with Michels Corporation, for replacement of six wood transmission poles with fiberglass poles, for completion. On motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commissioners approved Contract No. 081015 with Michels Corporation as complete in the amount of \$103,606.55 including Washington State Sales Tax.

General Manager Nass informed those present that the State Auditor's Exit Conference would be held July 20 at 1:00 p.m. Commissioner Haffner was designated to be the attendee on behalf of the Commission.

The regular Commissioner's meeting of July 13 was canceled due to a lack of a quorum as two Commissioners will be unable to attend.

There will be a Communication Work Session on July 22 at 9:00 a.m. in order to prioritize District communication and public education needs with the new Executive Communications Coordinator.

A list of claim vouchers as certified by the General Manager and District Auditor was considered. On motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission approved payment of claim vouchers in the amount of \$452,435.89 for June 29, 2009. There were 40 conservation rebates totaling \$10,851.

Commissioner Simpson reported that he attended a Port Angeles Business Association meeting and also the Carlsborg Sewer Project Work Session.

Commissioner Haffner reported that he attended the Carlsborg Sewer Project Work Session, and also the PURMS Semi-Annual Board Meeting. There will probably be an assessment between now and the end of the year as PURMS is trying to increase the liability pool. On the health insurance side, the District can expect to see increasing costs as all the PUDs have an aging population. Despite this, the increases have historically been less than what other plans experience.

Commissioner Purser reported that he also went to the Carlsborg Sewer Project Work Session.

Power Supply & Utility Services Manager Fred Mitchell reported on a potential Energy Northwest (ENW) wind project on Mustang Ridge in Benton City. The District's load forecast indicates a shortage in some years, even including our participation in the Radar Ridge wind project. ENW has become aware of another project in Benton City. ENW has acquired lease to the property along the ridge. Clipper Windpower has also acquired lease rights along the property. Clipper Windpower is one of two entities that manufacture wind turbines in the United States. The timeline for the District to submit a nonbinding letter of interest is July 17. Dave Kobus from ENW has agreed to come up on July 20 to present more information at the Commissioner's meeting. Mr. Mitchell recommended that the District express interest in the 10 to 15 percent range which might provide 5 megawatts towards our renewable requirements under I-937. The Commission agreed and Mr. Mitchell will prepare the letter of interest for submission.

General Manager Nass reported that he and Mr. Mitchell met with Judith Morris from Congressman Norm Dicks' office to discussing the District's projects and priorities.

Attendance at meetings was approved.

The regular meeting recessed at 2:40 p.m. to go into executive session for legal and personnel matters. The executive session adjourned at 3:11 p.m., and the regular meeting reconvened at that time.

There being no further business to come before the Commission, the meeting adjourned at 3:12 p.m. to meet again, Monday, July 6, 2009, at 1:30 p.m. in the Port Angeles office.