

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
MARCH 9, 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; Joshua Bunch, Treasurer Controller; Jana Robbins, District Auditor; Nicole Clark, Executive Assistant; Judi Chapman, Human Resources Manager; Fred Mitchell, Power Supply & Utility Services Manager; Quimby Moon, Transmission and Substation Systems Manager; Tom Martin, Water & Wastewater Systems Assistant Superintendent; Mike Kitz, Water & Wastewater Systems Superintendent; Dennis Shaw, Support Services Manager

Others Present: Linda Rotmark; Jim Oakley; Cindy Kelly; Ken Morgan

On motion of Commissioner Haffner seconded by Commissioner Simpson and carried, the Commission approved the minutes of the March 2, 2009 regular weekly meeting.

There were agenda revisions to add staff reports on an Energy Northwest update, the Carlsborg sewer project, Port Townsend Paper, and a consultant contract.

Human Resources Manager Judi Chapman introduced Frank Ryan as the District's new Tree Trimming/Brushing Assistant. Mr. Ryan used to work for Asplundh, and has over 20 years of experience, in addition to having worked with District staff over the years.

Linda Rotmark, Executive Director of the Clallam County Economic Development Council (EDC), provided an update on EDC activities. First quarter efforts have primarily gone into business expansion and retention, followed by business development.

General Manager Doug Nass presented the proposed Travel Policy for the District. The new policy provides for a per diem rate of reimbursement for meals, and some minor incidentals. On motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commissioners approved Resolution 1898-09 establishing the District's Travel Policy and rescinding Resolution No. 1634-00.

Member Services Representative, Jim Oakley provided an update on the activities of Energy Northwest (ENW.) There is a new company that is a joint venture between AREVA and Duke Energy, focusing on converting woody biomass into electricity/biopower. ENW has signed an agreement with ADAGE to help them locate sites. The key element is the availability of lots of low cost fuel. The 50 megawatt plant would have to have eighty truckloads a day, 365 days a year to keep the plant operating. They are projecting creating 300 construction jobs in building the plant and then after operation begins, about 100 permanent jobs. ENW is getting ready for the Columbia refueling outage in May. They plan to hire about 3000 temp workers for this outage as there is a lot of preparatory work for the condenser tube changeout in 2011. The Radar Ridge wind project is on track. There has also been discussion of small nuclear plants. If permitted, ENW may consider purchasing a few of these plants.

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 amended amount of \$284,802.50 for March 9, 2009. There were 123 conservation rebates totaling \$13,893.

Water & Wastewater Systems Assistant Superintendent Tom Martin reported that the next Carlsborg Advisory Council meeting on the Carlsborg sewer project will be held Thursday, March 12 at 6:30 pm in the District's Carlsborg meeting room. The Water Department, along with the County continues to develop an application for Federal stimulus funds being administered by the Washington Department of Ecology SRF Program; however, this Department requires that the appropriate environmental studies and review be complete to be eligible for these funds. The District will show that the project is "shovel-ready," but for the State and Federal environmental review requirements. Mr. Martin reported that California is waiving some environmental review for similar wastewater recycling plants, but Washington is not at this time. Nevertheless, the SRF application form was revised to indicate that funding is only for construction and not preliminary planning and design tasks. The County intends to fund the three required studies, which are: archeological, biological, and hydrogeological. The State of Washington Public Works Board approved a District application for Carlsborg to be a targeted technical assistance community. Soon, many of the funding agencies will collaborate with the District to develop a financing strategy for Carlsborg. Also, the Water and Conservation Departments are researching a possible Bonneville Power Administration (BPA) funding source for Carlsborg as BPA is looking for a test site for vertical aeration technology.

Commissioner Simpson reported on a proposed technology to convert water during the high spring runoff from the Columbia River that could be stored as an ammonia mix until needed to offset wind shortages the rest of the year. The plants could be fairly small. There is a question of water rights.

Commissioner Haffner reported that he attended the Builder's Expo in Sequim. This year the Customer Service Representatives participated along with Utility Services staff at the PUD booth and the combination was very effective in relaying information to customers and was well received.

Mr. Mitchell reported on Port Townsend Paper. They are pursuing a number of options to continue to receive service at a level and price that allows them to continue to operate. The District would like to mitigate the effects of serving them on our customers and still help them stay in business.

Attendance at meetings was approved.

There being no further business to come before the Commission, the meeting adjourned at 3:48 p.m. to meet again, Monday, March 16, 2009, at 1:30 p.m. in the Port Angeles office.