

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
May 9, 2011

The regular weekly meeting of the Board of Commissioners of Public Utility District No. 1 of Clallam County was held at the North Olympic Library – Clallam Bay Branch meeting room, 16990 Hwy. 112, on the above date commencing at 1:30 p.m.

Commissioners Present: W.E. Purser, Vice President; Hugh Haffner, Secretary

Commissioner Simpson was excused

Staff Present: Doug Nass, General Manager; Joshua Bunch, Treasurer Controller; David Papandrew, District Auditor; Nicole Clark, Executive Assistant; Michael Howe, Executive Communications Coordinator; Michael Kitz, Water & Wastewater Systems Superintendent; Tom Martin, Water & Wastewater Systems Assistant Superintendent; Fred Mitchell, Power Supply and Utility Services Manager

Others Present: N/A

On motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission approved the minutes of the May 2, 2011 regular meeting.

The water rates presentation, which was scheduled to be presented, was not held due to there being no members of the public in attendance. The presentation will again be offered at the May 16 regular meeting.

A list of claim vouchers as certified by the General Manager and District Auditor was considered. On motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission approved payment of claim vouchers in the amended amount of \$192,633.76 for May 9, 2011. There were 66 conservation rebates totaling \$52,001.84.

Commissioner Purser reported that he participated in a WPUDA water committee teleconference call. Commissioner Purser also attended a Pacific Northwest National Laboratory presentation by Dr. Charles Brandt on "Achieving Energy Security Through Sustainable Development of Coastal Renewable Resources."

Power Supply & Utility Services Manager Fred Mitchell provided an update on the Bonneville Residential Exchange Settlement Agreement. There is a timing issue in that the public utilities are being asked to sign the new Residential Exchange Settlement Agreement prior to Bonneville Power Administration completing a rate case showing that the public utilities would be better off under the settlement. The new agreement threshold for signers has been reduced from 91 percent to 75 percent. It is now anticipated that there is a guarantee that the threshold will be met since 81 percent approved the original settlement. Mr. Mitchell reviewed a draft letter that several of the WPAG utilities are going to send out to other utilities arguing against the settlement.

A special meeting was scheduled for Tuesday, May 31st at 10:00 to discuss the settlement agreement when all Commissioners can be in attendance.

Mr. Mitchell reported that staff has issued an RFP for a consultant to perform a Conservation Potential Assessment. Staff will bring a recommendation to the Commission for approval in the next weeks.

Mr. Mitchell also provided an update on a landfill gas project that has RECs that would fulfill the District's obligations for years 2015-2017. Staff is working on drafting a contract and exploring the broader REC market. Mr. Mitchell recommended that the landfill gas project allows the District to affordably meet its requirements in the short-term while providing for time to see if there will be regulatory or other changes that affect the renewable portfolio requirements.

Attendance at meetings was confirmed and approved.

There being no further business to come before the Commission, the meeting adjourned at 2:33 p.m. to meet again, Monday, May 16, 2011, at 1:30 p.m. in the Port Angeles office.