

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

Commissioner Simpson was excused.

Staff Present: Doug Nass, General Manager; Jana Robbins, District Auditor; Nicole Clark, Executive Assistant; Joshua Bunch, Treasurer-Controller; Fred Mitchell, Power Supply & Utility Services Manager; Quimby Moon, Transmission and Substation Systems Manager; Tom Martin, Water & Wastewater Systems Assistant Superintendent; Jeff Beaman, Executive Communications Coordinator; Dennis Shaw, General Superintendent

Others Present: Jim Oakley; Teri Martin

On motion of Commissioner Haffner seconded by Commissioner Purser and carried, the Commission approved the minutes of the May 11, 2009 regular weekly meeting.

There was an agenda revision to add a staff report on a Bonneville Power Association update.

Transmission and Substation Systems Manager Quimby Moon discussed a proposed project that would include site preparation, construction, installation, and assembling of components pursuant to the operation of a new substation in the Joyce are. Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission authorized the General Manager to sign a Determination of Nonsignificance for construction of the new Silverado substation in the Joyce area.

Treasurer Controller Bunch presented delinquent accounts. Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission approved removal of delinquent accounts from the active accounts receivable in the amount of \$17,262.81, including a collection fee of \$2,220.76 for the month ending May 31, 2009.

Energy Northwest Senior Member Relations Representative, Jim Oakley, gave an update on activities at Energy Northwest (ENW.) Energy Northwest is evaluating member interest in a potential 340 megawatt natural gas plant project in Kalama. ENW is also currently receiving feedback on member funding of an in-depth study of a NuScale Modular Nuclear Plant project in the Tri-cities. The project is unique in that the plant would consist of separate 40 megawatt nuclear units. ENW is asking for \$25,000 per utility. ENW is currently in the middle of their planned refueling outage which also involves work to prepare for the 2011 outage

Power Supply & Utility Services Manager Fred Mitchell reported on the District's projected Load Forecast, taking into consideration the District's requirements under I-937. These projections may be applied to decisions about participation in other energy projects in the future. This information will be brought back to the Commissioners when all are present in order that the District may respond to Energy Northwest's request for funding by the June 23 deadline.

Water & Wastewater Systems Assistant Superintendent Tom Martin reported on upcoming meetings. On June 11 there will be a workshop for on-site septic system owners in the marine recovery area. This area covers most of the Lower Dungeness Watershed to East Sequim Bay. The purpose of the workshop will be to explain to on-site septic owners how their systems impact the area and about the new regulations that will affect their systems. Every pressurized septic system will have to be inspected annually, and conventional systems once every three years. The presenter will explain the difference between the types of systems and how treatments vary by locale. Mr. Martin also reported that he received the draft facilities plan for the Carlsborg Sewer project from the consultants. On June 18 at 6:00 pm at Greywolf Elementary School there will be a public meeting to review the Carlsborg Sewer Facilities Plan. Prior to that on June 15 the County Commissioners will be holding a work session at 10:30 am at the county courthouse. The District Commissioners asked to have a work session meeting with the project engineers after the public meeting on June 24 at 9:00 am. Mr. Martin will confirm the availability of the engineers and County Commissioners to attend.

Three lists of claim vouchers as certified by the General Manager and District Auditor were considered. On motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission approved payment of claim vouchers in the amount of \$394,793.20 for May 18, 2009, \$1,962,229.72 for May 26, 2009, and \$124,838.81 for June 1, 2009.

Commissioner Haffner reported that he attended the Clallam Economic Development Council board meeting. He said that Mr. Martin and the hydrologist did a good job explaining the Carlsborg Sewer Project.

Commissioner Purser went to the NWPPA Annual Membership Meeting. There were many speakers addressing the topic of global warming. John Doggett spoke on the global business outlook and presented startling statistics on the projected growth rate and the natural resources needed to sustain such growth.

Treasurer Controller Bunch presented the Treasurer's Report for March 2009. Interest for the month totaled \$18,849.82; cash totaled \$6,233,195.85; and the total amount invested was \$23,991,301.85. At a meeting with Bank of America, Bank of America representatives suggested that the Local Government Investment Pool was probably the District's best and safest place to invest.

Mr. Mitchell reported that last week Bonneville Power Administration (BPA) and the District reached a consensus on the District's load growth forecast. On Friday May 30th BPA finalized Above-RHWM (Rate

Period High Water Mark) load amounts for its public utility and Federal agency customers for the initial years under their Regional Dialogue Contracts. These figures indicate the amount of Tier 2 power the District would need to purchase from BPA or another supplier. By November 1 of this year the District will need to designate to BPA how the District will supply this power.

Attendance at meetings was confirmed and approved.

The regular meeting recessed at 3:25 p.m. to go into executive session for personnel matters. The executive session adjourned at 3.39 p.m., and the regular meeting reconvened at that time.

There being no further business to come before the Commission, the meeting adjourned at 3:40 p.m. to meet again, Monday, June 8, 2009, at 1:30 p.m. in the Port Angeles office.