

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
JUNE 8, 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; Jeff Beaman, Executive Communications Coordinator; Dennis Shaw, General Superintendent; Dave Proebstel, Chief Engineer

Others Present: Teri Martin, Cindy Kelly

On motion of Commissioner Haffner seconded by Commissioner Purser and carried, the Commission approved the minutes of the June 1, 2009 regular weekly meeting.

Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission adopted Resolution 1904-09 authorizing the disposal of surplus property.

Power Supply & Utility Services Manager Fred Mitchell reported on Bonneville Power Administration's (BPA's) request of the District to terminate its letter of credit acquired for the Flexible PF Rate. BPA's current rate was reduced due to the agreement by its customers to have a letter of credit available to it in order to reduce its reserve requirements. BPA's current financial position for the balance of the rate period does not need the credit letter and desires to save the fees associated with it for the final quarter of the rate period. Upon recommendation of staff and on motion of Commissioner Haffner seconded by Commissioner Purser and carried, the Commission authorized staff to give notice to terminate the letter of credit in favor of BPA.

On motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commissioners authorized staff to call for bids for a new utility line truck with aerial manlift to service the Sequim area.

On motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commissioners authorized staff to call for bids for a new utility line truck with aerial manlift and four wheel drive to be located in Carlsborg and used primarily by underground crews. In the winter, this vehicle will be an immediate responder as it will have four wheel drive capability.

General Manager Nass presented a letter that had been drafted to be sent to Senators Murray and Cantwell, and Representative Dicks in support of the 2008 Biological Opinion (BiOp) for the Federal Columbia River Power System. Commissioner Purser agreed to sign the letters as President of the Board of Commissioners.

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 amount of \$179,313.14 for June 8, 2009.

Commissioner Purser reported on the news that Jefferson PUD is moving forward with expanding to provide service to Puget Sound Energy customers in Jefferson County. General Manager Nass reported that he has offered to meet with them. Mr. Mitchell also received a call from Jefferson PUD's Manager, Jim Parker who would like to meet for operational discussion purposes.

Mr. Mitchell reported that the District is on BPA's short list for potential project partners in a Smart Grid Demonstration Project. The funding is a 50 percent match and there are several ways the funds may be matched. The next step would be a letter of commitment from partners.

Treasurer Controller Bunch provided an update on the Customer Classification project. Meter readers have gathered the data on the accounts and are at the point of ordering, calibrating and installing the meters. The two individuals on this project are also working on a substation project for SCADA that takes priority for the next two weeks. Mr. Bunch said that August 1 is a reasonable implementation date and will bring a resolution to the Commission for approval of new classifications, rates, and the start date.

Mr. Bunch also reported that for May, an invoice was paid to BHC Consultants for work performed in relation to the Carlsborg sewer feasibility study. An interfund loan will be made from Electric funds to Sewer until we are reimbursed for the invoice under our agreement with the County.

Attendance at meetings was approved.

The regular meeting recessed at 2:30 p.m. to go into executive session for personnel matters. The executive session adjourned at 3:24 p.m., and the regular meeting reconvened at that time.

There being no further business to come before the Commission, the meeting adjourned at 3:25 p.m. to meet again, Monday, June 15, 2009, at 1:30 p.m. in the Port Angeles office.