

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
DECEMBER 27, 2005

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 9 a.m.

Commissioners present were: Hugh E. Simpson, Jr., President
 W.E. Purser, Vice President
 Hugh Haffner, Secretary

Staff present were: Shelley Burgett, General Manager
 Ken Foster, District Auditor
 Fred Mitchell, Telecommunications & Power Resources Mgr.
 Carol Biss, Executive Assistant

Others present were:

The regular meeting recessed at 9:01 a.m., and the budget hearing that began on October 3, 2005, reconvened at that time. General Manager Burgett reviewed the proposed budgets for 2006 for the Electric, Water, and Sewer Departments, comparing them to the 2005 budgets. The budget hearing adjourned at 9:19 a.m., and the regular meeting reconvened at that time.

Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved Resolution 1800-05, adopting the Electric, Water, and Sewer Department Operating Fund Budgets for 2006 as finally determined.

The Commissioners received copies of a letter from Steve Wright, Administrator and CEO of Bonneville Power Administration (BPA), informing them that he had sent a letter directly to District customers who endorsed the \$27 in '07 campaign. In the letter to retail customers, he outlined the factors affecting BPA wholesale power rates, encouraged retail customers to review the materials from the Power Function Review conducted earlier in the year, and asked them to participate in the follow-up process that that will begin in 2006.

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 for \$2,845,978.99 for December 27, 2005. District Auditor Foster reported that the claim vouchers included 43 rebates for conservation programs totaling \$40,245.51.

General Manager Burgett reported on conditions in Morse Creek. Due to high turbidity in the water, notices were sent to Fairview Water System customers asking them to conserve water. She also reported that she and a group of other managers visited District warehouses and offices last week and hosted lunches for employees.

Telecommunications and Power Resources Manager Mitchell reported that installations for the Direct Load Control (DLC) program have effectively stopped. He said that, based on information from the heating, ventilation, and air conditioning installers, he and the local HVAC community are not convinced that heat pumps should be controlled as proposed in the DLC program. He has asked BPA to provide additional information. Although BPA's goal for the program was to shift the load to off-peak hours, retail customers may have volunteered to participate in the program with the expectation that they would reduce their overall energy consumption. BPA has not sent a signal to any of the control devices as of this date.

There being no further business to come before the Commission, the meeting adjourned at 9:59 p.m. The next regular weekly meeting will be held on Tuesday, January 3, 2006, at 1:30 p.m. in the Port Angeles office, because Monday, January 2 is a holiday.

President

ATTEST:

Vice President

Secretary