

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY  
MINUTES OF A WORK SESSION OF  
THE BOARD OF COMMISSIONERS  
FEBRUARY 16, 2005

A work session 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 10 a.m. The purpose of the work session was to discuss the District's future relationship with Bonneville Power Administration.

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

Staff present were: Dennis Bickford, General Manager; Shelley Burgett, Treasurer/Controller; Fred Mitchell, Telecommunications & Power Resources Manager; and Carol Biss, Executive Assistant.

Others present were: Loren Baker and Jeff Fuller.

Mr. Loren Baker and Mr. Jeff Fuller of Power Resource Managers were present to facilitate the discussion for today's work session, which is the third in a series of four work sessions on the District's future relationship with Bonneville Power Administration (BPA). The objective of this series is to begin providing a framework for the District to make strategic decisions as BPA's role in the region changes. Today's session is an overview of risk management.

Mr. Baker described the key elements of a risk management program and presented examples of risk policies to be included in a policy document. The discussion included the role of the Commissioners, the role of a risk management committee, and financial models. Mr. Fuller described different risks the District would encounter as a Slice customer of BPA and noted that hydro generation variability would be the biggest risk. Methods and products available for mitigating risk were presented and a risk analysis of non-BPA resource alternatives was reviewed.

The work session adjourned at 12:27 p.m. The next work session with Power Resource Managers is scheduled for March 16 at 1 p.m. at the District's Port Angeles office.