

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY  
MINUTES OF THE REGULAR WEEKLY MEETING OF  
THE BOARD OF COMMISSIONERS  
JULY 16, 2007

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 were: Hugh E. Simpson, Jr., Vice President and W.E. Purser, Secretary. Commissioner Haffner was excused.

Staff present were: Mike Kitz, Acting Manager; Joshua Bunch, Treasurer Controller; Ken Foster, District Auditor; Larry Morris, Services Manager; Fred Mitchell, Power Supply & Utility Services Manager; and Carol Biss, Executive Assistant.

Others present were: Brian Gawley, Cindy Kelly, and Teri Martin.

On motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved the minutes of the July 9, 2007 regular weekly meeting as submitted.

Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission authorized staff to call for bids for a truck with articulating crane. (Bid No. 070802) Bids will be opened August 1, 2007.

Upon motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved removal of delinquent accounts in the amount of \$8,480.86 from the active accounts receivable.

Acting General Manager Kitz said the Dungeness Executive Committee will meet at the District's main office on July 18, 2007, at 1 p.m.

The PUD and Clallam County Commissioners will meet at the County Courthouse in a work session on Monday morning, July 23, 2007 to provide final comments for the "Sewer Feasibility Study for the Carlsborg UGA" and to evaluate the Sequim option. The time of the work session will be determined later.

A list of claim vouchers as certified by the District Auditor was considered. On motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved payment of claim vouchers in the amount of \$1,433,804.45 on July 16, 2007. District Auditor Foster reported that the claim vouchers included 20 rebates for conservation programs totaling \$5,233.00.

Commissioner Purser reported on meetings for the Sequim Dungeness Chamber of Commerce Board, the North Olympic Peninsula Resource Conservation and Development Council (RC & D), and the Clallam Jefferson Peninsula Development Association. (PDA). A subcommittee of RC&D met last week regarding the \$1.6 million NASA grant, which was used to develop a project for monitoring snowpack. The RC&D is supposed to provide annual maintenance and will be requesting cost sharing from the members that benefit from the project. At the last meeting of the Clallam Jefferson PDA, the group concluded that they should continue to meet, reorganize, and have a staff person and an office. The purpose of the PDA is to obtain funding from the federal Economic Development Association for regional projects.

Treasurer Controller Bunch presented the Treasurer's Report for the month of June 2007. Interest for June totaled \$98,571.73, cash totaled \$2,337,598.29, and the total amount invested was \$20,510,706.75.

Power Supply and Utility Services Manager Mitchell reported that the District has not received any comments on a time-based metering and communication standard during the comment period that began September 1, 2006. The District contracted with EES Consulting to conduct a cost-benefit analysis of time-of-use rates for District customer classes. The study found minimal benefit and significant cost to implement time-based metering and communications for residential and commercial customers and recommended that large power customers be considered on a case-by-case basis. The Commissioners reviewed a draft resolution regarding their determination of time-based metering and communications standard. They will consider a resolution after the public comment period which ends July 20, 2007.

Mr. Mitchell said that the District had expressed interest in the White Creek Wind project in conjunction with extending the agreement for the Klickitat Landfill Gas project. The Klickitat PUD Commissioners have decided to do something different with the White Creek Wind project and may not have the six megawatts to sell to the District under a power purchase agreement. He will have more information at a future meeting. The District will be given the option of continuing purchases from the Klickitat Landfill Gas project for another year. Mr. Mitchell discussed a joint operating agency formed 25 years ago that includes Kittitas and Grant PUDs and the possibility of that group being able to firm renewable power. He also reported on residential exchange workshops and meetings.

Attendance at a meeting was approved.

There being no further business to come before the Commission, the meeting adjourned at 2:11 p.m. to meet again, Monday, July 23, 2007, at 1:30 p.m. in the Port Angeles office.