

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
JUNE 11, 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 Haffner, President; Hugh E. Simpson, Jr., Vice President; and W.E. Purser, Secretary.

Staff present were: Doug Nass, General Manager; Joshua Bunch, Treasurer Controller; Ken Foster, District Auditor; Dennis Shaw, Support Services Manager; Roger Hosto, Operations Superintendent; Larry Morris, Services Manager; Quimby Moon, Substation, Meter, and SCADA Systems Manager; Fred Mitchell, Power Supply & Utility Services Manager; and Steve Schopfer, Information Technology Manager

Others present were: Bob Hoyle, Cindy Kelly, and Teri Martin.

On motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved the minutes of the June 1, 2007 work session as revised after mailing. On motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission approved the minutes of the June 4, 2007 regular weekly meeting as revised after mailing.

Power Supply and Utility Services Manager Mitchell reviewed a report that researched and analyzed the costs and benefits of smart metering and time-of-use rates for the District's customer classes. The Energy Policy Act of 2005 required utilities to conduct an investigation and issue a decision as to whether or not smart meters should be installed for customers. EES Consulting was retained by the District to perform a cost-benefit analysis of time-of-use meters and rates. Costs and benefits were analyzed for the District's residential, commercial, municipal, and large power customers. The conclusions were that time-of-use programs do not result in a net benefit to the District or the customer when time-of-use rates are set based on power costs in the Northwest. There may be some benefit for large power customers, but that would need to be considered on a case by case basis. The report EES prepared, "Assessment of TOU Meters and Rates January 2007," will be posted on the District's web site during the public comment period, which ends in mid July.

Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission authorized staff to call for bids for personnel and equipment to rebuild existing electrical transmission lines with distribution underbuild in the Sappho, Sekiu, and Clallam Bay areas. (Bid No. 070803)

Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved removal of delinquent accounts in the amount of \$5,722.77 from the active accounts receivable.

The Commissioners reviewed a draft letter of understanding with IBEW Local 997 to amend the Collective Bargaining Agreement. Staff provided information about the proposed amendments, including the addition of position titles, the revision of the two position wage rates, and changes to the Clothing and Tool Allowance Administration. Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission authorized the General Manager to sign Letter of Understanding No. 07-01 with IBEW Local 997, amending Exhibits A and D of the Collective Bargaining Agreement. The Letter of Understanding added the position titles of Tree Trimming Foreman, Tree Trimming/Brushing Assistant, Substation Supervisor, Substation Technician, Meter Supervisor, and Meter Technician.

Mr. Bob Hoyle expressed his concerns regarding proposed County requirements for septic inspections and requested that the District withdraw its representative from the On-Site Septic System Work Group. General Manager Nass stated the staff will obtain additional information and report back to the Commission during a regular weekly meeting.

There is a planned power outage for June 24, 2007, from 12:01 to 6 a.m. in the Joyce area west of Wasankari Road. Customers have been notified.

A list of claim vouchers as certified by the General Manager and 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 \$541,379.92 for June 11, 2007. District Auditor Foster reported that the vouchers included 12 rebates for conservation programs totaling \$2,758.40

Commissioner Purser reported that he had asked the General Manager to provide the Port Commission with a draft copy of the *Sewer Feasibility Study for the Carlsborg UGA*.

Commissioner Simpson reported that he had talked to Representative Van de Wege at a Port Angeles Chamber of Commerce meeting and thanked him for his support in opposing the pole attachment bill in

the last legislative session. He noted that in a recent "Looking Back" column, the Peninsula Daily News reported that 50 years ago the District energized the transmission line to Neah Bay.

Operations Superintendent Hosto reported on apprenticeship programs. The District's Apprenticeship Committee has been looking for a program for a few years for Substation and Meter Technician training and recently found a program offered by Seattle City Light, which closely matches the District's training requirements. The District has been approved to send one employee to the training. In September, two employees are scheduled to begin classroom training in Tacoma for the Apprentice Lineman program. Mr. Nass agreed to have staff contact Peninsula College regarding internet classroom capability.

Information Technology Manager Schopfer reported on the status of the Outage Management System. In preparation for implementing a call answering system, staff is working on updating customer telephone numbers. A form is being sent with June bills asking customers to verify the telephone number(s) they want to link to an address. Customers may also update the information on the District's web site or by telephone. During outages, customers will have the option to speak to a person or use the automated system.

General Manager Nass said that he has asked staff to provide monthly reports to the Commissioners in the future: one on the progress of major projects and one on the status of contracts.

Attendance at meetings was approved.

The regular session recessed at 3:14 p.m. to go into executive session for personnel matters. The executive session adjourned at 4:01 p.m., and the regular meeting reconvened at that time. There being no further business to come before the Commission, the meeting adjourned at 4:02 p.m. to meet again, Monday, June 18, 2007, at 1:30 p.m. in the Port Angeles office.