

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
JUNE 9, 2008

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; Jana Robbins, District Auditor; Joshua Bunch, Treasurer Controller; Fred Mitchell, Power Supply and Utility Services Manager; and Carol Biss, Executive Assistant.

Others present were: Jack Baker, Cindy Kelly, and Jim Oakley.

On motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved the minutes of the June 2, 2008 regular weekly meeting as submitted. On motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission approved the minutes of the December 10, 2007 informational meeting as amended. On motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved the minutes of the November 26, 2007 budget work session as submitted.

Jack Baker, Vice President of Energy/Business Services, and Jim Oakley, Staff Assistant to the Vice President Energy/Business Services, both of Energy Northwest, were present to update the Commissioners on Energy Northwest activities and answer questions. Mr. Baker reported on the Columbia Generating Station activities, planned maintenance on the nuclear plant, and work on a license extension. He also discussed renewable energy projects that Energy Northwest is looking at, including wind and solar, and answered questions about Energy Northwest generation projects. He thanked the Commissioners for joining Energy Northwest.

Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission adopted Resolution 1871-08 adding the position of Executive Communications Coordinator to the list of Titles and Monthly Salary Ranges for Staff Employees.

The Commission will hold a work session on Monday, June 16, 2008, at 10:30 a.m. at the Port Angeles office. Two account executives from Bonneville Power Administration will attend the work session to provide information about BPA's SLICE/Bloc products.

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 \$631,490.53 for June 9, 2008. District Auditor Robbins reported that the claim vouchers included 72 rebates for conservation programs totaling \$31,539.20.

Commissioner Purser reported on a presentation by Energy Northwest on a proposed 82-megawatt capacity wind project in Western Washington. He reviewed some of the environmental testing that is required for the project and issues related to selecting the turbines. A non-binding letter of interest will be required by June 20, 2008.

Commissioner Simpson reported on a Port Angeles Business Association meeting, which included a presentation by Larry Little, Executive Director of Volunteers in Medicine of the Olympics. Commissioner Simpson received an e-mail from someone suggesting that the District look at an eco-friendly hydro system on the Lyre River.

Power Supply and Utility Services Manager Mitchell reported on the Regional Dialogue, the Bonneville Power Administration (BPA) rate case, and the Central Washington Power Agency (CWPA). The Regional Dialogue is a BPA process leading to new 20-year wholesale power contracts, and the process is in the final four to six weeks. A group of public power attorneys and BPA are drafting template language for the contracts, which are expected to be sent out for review in mid-August. One unresolved issue is BPA's role in conservation. Mr. Mitchell said that CWPA looked at statutes pertaining to joint operating agencies and pooling. After recognizing that pooling was an option for the group of 15 utilities, the next step in CWPA analysis will be to look at opportunities for meeting renewable requirements or BPA's Tier II service.

General Manager Nass reported that the District is looking at proceeding with fire retardant clothing. He briefly discussed staff salary increases and performance reviews.

Attendance at the following meeting was confirmed and approved.

There being no further business to come before the Commission, the meeting adjourned at 3:26 p.m. to meet again, Monday, June 16, 2008, at 1:30 p.m. in the Port Angeles office.