

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
May 31, 2011

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 10:00 a.m.

Commissioners Present: Hugh E. Simpson, Jr., President; W.E. Purser, Vice President; Hugh Haffner, Secretary

Staff Present: Doug Nass, General Manager; Joshua Bunch, Treasurer Controller; Nicole Clark, Executive Assistant; Michael Howe, Executive Communications Coordinator; Fred Mitchell, Power Supply and Utility Services Manager

Others Present: N/A

The purpose of the special meeting was to discuss whether to sign the revised Bonneville Residential Exchange Settlement Agreement ("Agreement".)

Power Supply & Utility Services Manager Fred Mitchell provided an overview of the changes in the current version of the Agreement. The only changes to the second offer are the dates by which signing needs to occur, and the threshold for approval has been lowered to 75%. It is assumed that the settlement agreement will be approved, which has altered the decision-making process regarding whether to sign. If the Agreement is approved, and somebody files suit, the odds of success are considered slim. Mr. Mitchell concluded that the Agreement is a reasonable offer and that there are other battles regarding preference that would be more effective heading down a long litigation path. A discussion was held on the consequences of opposing the Agreement and it was decided that signing would be the least expensive route for the ratepayers. Commissioner Simpson said that it should be understood that approval of signing should be considered to have been made under duress.

On motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission approved, and authorized the General Manager to sign, the Bonneville Residential Exchange Settlement Agreement. Commissioner Simpson voted against signing.

There being no further business to come before the Commission, the special meeting adjourned at 11:48 a.m.