

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

Staff Present: Doug Nass, General Manager; Joshua Bunch, Treasurer Controller; Jana Robbins, District Auditor; Nicole Clark, Executive Assistant; Fred Mitchell, Power Supply & Utility Services Manager; Dennis Shaw, Support Services Manager; Roger Hosto, Operations Manager

Others Present: None

On motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved the minutes of the November 24, 2008 regular weekly meeting. On motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission approved the minutes of the November 26, 2008 Work Session.

There was an agenda revision to add a staff report scheduling a work session for discussion of the proposed Long Line Extension under section 8, item e.

Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission adopted Resolution 1885-08 amending the District's Investment Policy established in Resolution No. 1520-96.

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 \$429,561.01 for December 1, 2008. District Auditor Robbins reported that the vouchers included 97 rebates for conservation programs totaling \$23,212.88, including 4 rebates for Weatherization, 31 for Air Sealing/Duct Sealing, 1 for water heat recovery, 1 for hot water heaters, 1 for lighting, and 59 for appliances.

Commissioner Simpson reported that he attended the Port Angeles Business Association meeting at which Daniel Turissini, Project Coordinator of the Peak Leadership program, spoke. PEAK Leadership is a joint effort between Peninsula College and Washington State University Team Jefferson to provide leadership training to participants from Jefferson and Clallam counties.

Commissioner Haffner reported on the State Auditors exit conference. The review resulted in another year of no findings for the District.

Power Supply & Utility Services Manager Fred Mitchell gave a staff report on PURPA standards. The new federal standards added by the Energy Independence and Security Act of 2007 affected PURPA. The District must show that it has considered the standards and state in writing the reasons if it should decline to adopt any of them. Mr. Mitchell will bring a resolution to the next regular meeting that directs staff to begin consideration of the issues.

Mr. Mitchell also provided an update on the Radar Ridge Wind Project. The participants have been reviewing the proposed agreement and have concerns regarding Energy Northwest's (ENW) proposed development success fee. The participating utilities have come up with a definition of success to which to attach incentive pay.

Operations Manager Roger Hosto presented a staff update on major projects. The Sail River to Neah Bay Substation rebuild project was deferred to allow crew to assist in hurricane relief in Texas. Of interest was a distribution project in Neah Bay that provided for avian protection against phase to phase contact by birds with large wingspans. Bird protector insulating devices have also been installed. There was a special project that created a qualification exercise for the position of Operations Assistant Special Purpose Apprentice Lineman. This exercise allowed candidates to experience the type of work that would be required in order to be on a career path to be a journeyman lineman.

Support Services Manager Dennis Shaw presented a staff update on contracts status. Delivery on some assets may be earlier than anticipated due to factory cancellations from the depressed economy. This would be to the District's benefit. Some landscaping contracts will not begin until spring due to the seasonal nature of the work.

A work session was scheduled for Tuesday, December 16 at 10 a.m. to discuss the proposed Long Line Extension policy.

Attendance at meetings was approved

There being no further business to come before the Commission, the meeting adjourned at 3:31 p.m. to meet again, Monday, December 8, 2008, at 1:30 p.m. in the Port Angeles office.