

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
NOVEMBER 10, 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; Fred Mitchell, Power Resources and Utility Services Manager; Nicole Clark, Executive Assistant; Dennis Shaw, General Superintendent

Others Present: Cindy Kelly

On motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved the minutes of the November 3, 2008 regular weekly meeting, and the October 27, 2008 Work Session.

There was an agenda revision to add an executive session on personnel matters as Item 9a on the agenda.

Cindy Kelly reported that there will be workshops on WRIA 19 next week in Sekiu on Monday, November 17 in the Community Center at 6 pm, and in Joyce on Tuesday, November 18 at the Grange at 6 pm. There will be a couple of presentations and then the meetings will be opened for public comment and questions. General Manager Nass will ask Mr. Kitz and Mr. Martin to give an update to the Commission on WRIA 19 at the next regular Board meeting.

A list of claim vouchers as certified by the General Manager and District Auditor was considered. On motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission approved payment of claim vouchers in the amount of \$108,126.58 as amended for November 10, 2008. District Auditor Robbins reported that the vouchers included 12 rebates for conservation programs totaling \$6,971.84 .

Commissioner Purser reported that he attended the PPC meeting in Portland. He said it was interesting to see the amount of participation and the size of the group.

Commissioner Simpson attended a Port Angeles Business Association meeting where the interim City Manager talked about his interim role and what is going on in Port Angeles.

Power Resources and Utility Services Manager Mitchell reported on new developments with the Radar Ridge Wind Project. It is an attractive project due to winter peaking and its west side location reduces transmission issues. If the project is fully subscribed with the existing four members, participants would enter directly into a Development Agreement with Energy Northwest, bypassing the Pre-Development Agreement. Mr. Mitchell recommended that the District increase its interest and enter into the contract, stating that it's a Renewable Energy Credit (REC) opportunity and that the District could probably market excess power if needed. On motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission approved a 15 percent participation in the development of the Radar Ridge Wind Project.

Commissioner Purser mentioned that he heard about a biomass project in the Forks area and is concerned that the District may be perceived as not interested in such a project. Mr. Mitchell mentioned that the Forks school is putting in a wood-fired boiler. The boiler is not compatible with the type of steam pressure that the District would need to produce energy. Commissioner Simpson asked about getting the word out to the public about why this system does not work for the District.

The Bonneville Power Administration contract will be come up for a decision in the next couple of weeks.

Treasurer Controller Bunch reminded those present that there will be work sessions on the District's proposed 2009 budget over the next two Mondays, November 17 and 24, at 10 a.m. at the Port Angeles office.

General Manager Nass reported that Wednesday, November 12, is the Conditional Use Permit Hearing for the District's proposed purchase of the old Costco building. After the County's decision is made, the proposal will be finalized with the Board.

Attendance at the following meetings was confirmed: Fred Mitchell attended a WPAG meeting in Portland on November 4-7, and PPC and Smart Grid meetings in Portland on November 6-7; Jana Robbins attended the PURMS Operations meeting in Des Moines on November 5-6; and Judi Chapman attended the PURMS Semi-annual Operations Meeting in Seattle on November 5-6.

Attendance at meetings was confirmed and approved.

The regular meeting recessed at 2:37 p.m. to go into executive session for personnel matters. The executive session adjourned at 3:04 p.m., and the regular meeting reconvened at that time. There being no further business to come before the Commission, the meeting adjourned at 3:05 p.m. to meet again, Monday, November 17, 2008, at 1:30 p.m. in the Port Angeles office.