

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY  
MINUTES OF THE REGULAR WEEKLY MEETING OF  
THE BOARD OF COMMISSIONERS  
OCTOBER 27, 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; Joshua Bunch, Treasurer Controller; Jana Robbins, District Auditor; Fred Mitchell, Power Resources and Utility Services Manager; Mike Hill, Engineer; Tom Martin, Water & Wastewater Systems Assistant Supt.; Nicole Clark, Executive Assistant; and Carol Biss, Executive Assistant

Others present were: Cindy Kelly

On motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved the minutes of the October 20, 2008 regular weekly meeting as amended. The word "is" was deleted in the sixth line from the bottom of page 1. Commissioner Simpson commented on the last sentence in the last full paragraph on page 1 of the October 20 minutes and suggested that the Commissioners have a discussion in the future about the Department of Ecology's request for help in developing language for a new regulation. Commissioner Purser noted that he had told DOE that the District is not a regulatory agency and would not want to take the lead in providing definitions for terms in the proposed regulation.

The Commissioners welcomed Nicole Clark, who started work at the District today in the Executive Assistant position.

Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission accepted Contract No. 080809 with Shakespeare Composites Structures as complete in the amount of \$200,295 plus freight charges and Washington State sales tax.

Engineer Hill reported on a transmission line rebuild along Highway 112 from Maud Smith Hill to the Sekiu Substation. A portion of this project included moving poles out of the easement on the Sadilek property and into the highway right-of-way. Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved the quit-claim deed for release of an easement in Clallam Bay to Kenneth and Louise Sadilek.

Cindy Kelly said that the County Commissioners had a work session on Water Resource Inventory Area 19 (WRIA 19) today and said it was assumed that the initiating governments support the instream flow rulemaking process. Commissioners and staff noted that they have clearly stated the District's concerns about the instream flow rulemaking process. The next public meeting regarding WRIA 19 will be November 5 in Sekiu at 6 p.m.

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 \$145,607.35 for October 27, 2008.

Commissioner Purser reported on Energy Northwest meetings he attended last week. Much time was spent discussing the condenser replacement. The price of the condenser has gone up; the lowest bid was \$136 million. Energy Northwest proposed a carbon-free park at the Hanford site utilizing solar energy. There was a discussion on various ways of meeting renewable energy requirements including solar, biomass, and conservation. Arriva is considering building eight biomass plants in Washington. The plants, ranging in size from 5 to 15 megawatts, would utilize forest products for fuel. At the Energy Northwest Executive Board Meeting, a consultant presented a report on the executive board effectiveness, which he found favorable and suggested improvements in the long range planning process. The City of Port Angeles and the Clark County PUD have just joined Energy Northwest.

Commissioner Simpson attended the Port Angeles Business Association meeting where candidate for U.S. Representative, Doug Cloud, was the presenter. Commissioner Simpson reported on Columbia River streamflow conditions which have been reported as having gone from above average in June to below critical in September.

Commissioner Haffner commented on that day's work session on Bonneville Power Administration's Load Following contract. He said the presentation was informative and objective. On November 10 at 10 a.m., the Commissioners will hold a work session to discuss BPA's Slice contract with Terry Mundorf of the Washington Public Agencies Group.

Water and Wastewater Systems Assistant Superintendent Tom Martin reported on the WRIA 19 Planning Unit meetings. The day before the October 22 Planning Unit meeting, representatives of the timber industry met with PUD staff to announce that they are withdrawing from the WRIA 19 Planning Unit. Their concerns are in regards to how the Watershed Planning Act overlaps with the Forest and Fish Rule. The homeowners group in the Planning Unit is pushing for even more restrictions than are currently in the Rule. Other timber industry concerns are related to instream flow studies. Mr. Martin agrees with the timber industry position that adequate data have not been collected to recommend instream flows. At the

Planning Unit meeting, the District encouraged cooperation with the timber industry on common ground issues, such as the need to restore river channels. The District is already on record stating its concerns about the need for cooperation and future water supplies for people. The Commissioners and staff agreed to send a letter to the initiating governments of the planning unit in support of the need for further data collection on instream flow and of collaboration on common ground issues.

The Commissioners agreed to nominate Fred Mitchell, Power Resources and Utilities Services Manager, to the Public Power Council Executive Committee. The nomination letter will be sent to the PPC Executive Director, Scott Corwin.

Treasurer Controller Bunch reported that the implementation date for the Fair and Accurate Credit Transactions Act 2003 and utilities' requirement to implement an Identity Theft Prevention Policy had been postponed for six months until April 1, 2009. Staff will use the additional time to establish procedures for the Policy and select a credit reporting agency.

Attendance at meetings was confirmed and approved.

There being no further business to come before the Commission, the meeting adjourned at 2:45 p.m. to meet again, Monday, November 3, 2008, at 1:30 p.m. in the Port Angeles office.