

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
APRIL 5, 2004

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

Staff present were: Dennis Bickford, General Manager; Shelley Burgett, Treasurer/Controller; Ken Foster, Auditor; and Carol Biss, Executive Assistant.

Others present were: Cindy Kelly.

On motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission approved the minutes of the March 29, 2004 meeting as corrected.

Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission approved the removal of delinquent accounts from the active accounts receivable in the amount of \$4,405.60.

The Commissioners received a copy of a letter from Ken Canon, Executive Director of Industrial Customers of Northwest Utilities (ICNU), to Steve Johnson, Executive Director of the Washington PUD Association (WPUDA). The letter invited WPUDA managers and commissioners to attend ICNU's May meeting to share views on two topics. The first is a discussion of means to mitigate Bonneville Power Administration's near-term rate impacts and the future of public power. The second topic pertains to energy issues that are likely to surface once again in 2005. The meeting is scheduled for May 11, 2004, in Seattle. Commissioner Simpson noted that Mr. Canon made a presentation at a WPUDA meeting last month.

General Manager Bickford reported that the American Public Power Association called for resolutions to be considered by APPA's Legislative and Resolutions Committee. The Committee will meet on June 20, 2004, at APPA's National Conference in Seattle. Proposed resolutions must be submitted to APPA by May 3, 2004.

A list of claim vouchers as certified by the General Manager and Auditor was considered. On motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission approved payment of claim vouchers in the amount of \$90,950.68 for April 5, 2004. Auditor Foster reported that the claim vouchers included 49 rebates for conservation programs totaling \$14,042.33.

Commissioner Simpson reported on the result of a case heard by the U.S. Supreme Court, *Federal Communications Commission v. Missouri Municipal League, et al.* The Court upheld the State's right to limit municipalities' involvement in telecommunications. He also reported on a proposed pilot plan to reduce the summer spill at certain dams. Bonneville Power Administration, the U.S. Army Corps of Engineers, and the National Oceanic and Atmospheric Administration are accepting public comments on the proposal. Commissioner Simpson said that it has been reported that alternatives to the current spill program could achieve similar or better biological benefits for fish.

Mr. Bickford presented the General Manager's Report. He said that Energy Northwest is offering a wind power opportunity to public utilities. Energy Northwest has teamed with Renewable Energy Systems, the company that built Nine Canyon, to offer public power long-term contracts for energy from the output of the Hopkins Ridge Wind Project. The proposed Project offers different payment options than Nine Canyon. Mr. Bickford will attend an informational meeting on April 14, 2004, in Portland. He reported on projects at the Carlsborg Operations Center that will be bid under the Small Works Roster process. The projects include enclosing a covered storage area, putting asphalt on the west side of the existing materials yard, and constructing a concrete slab along the east side of an existing transformer storage area. He noted that financial disclosure statements are due April 15. The Northwest Public Power Association's Annual Conference is May 17-20 in Victoria. He discussed the March 30 letter that he sent to the City of Port Angeles in response to the City's Determination of Nonsignificance for constructing a fluoride feed facility. He reported on two planned water outages for maintenance and repair: April 6 in Gales Addition and April 7 in Sekiu.

Commissioner Simpson noted that Energy Northwest is the foremost public power entity in the region developing alternative energy resources or green power. He asked if there would be interest in scheduling

a time to discuss membership in Energy Northwest. After a brief discussion, it was decided that a work session would be scheduled at a future date to address this topic.

Attendance at meetings was approved.

There being no further business to come before the Commission, the meeting adjourned at 2:55 p.m. to meet again Monday, April 12, 2004, at 1:30 p.m. in the Port Angeles office.