

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
APRIL 30, 2007

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; Ken Foster, District Auditor; Linda King, Customer Information Systems Manager; Michael Kitz, Water and Wastewater Systems Superintendent; Tom Martin, Water and Wastewater Systems Assistant Superintendent; Fred Mitchell, Telecommunications & Power Resources Manager; Steve Schopfer, Information Systems Manager; Dennis Shaw, Procurement Manager; Janet Sundby, Customer Services Supervisor; and Donna Hansen, Acting Executive Assistant.

Others present were: Ron Browning, Brian Gawley, Cindy Kelly, Teri Martin, and Patti Morris.

On motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved the minutes of the regular weekly meeting as submitted.

General Manager Doug Nass explained the steps taken to select the architect team for the District facilities planning project. A PUD review board was established and received presentations from four of the architect teams who responded to the District's Request for Qualifications. The Driftmier team was selected and asked to give us a short presentation to demonstrate their qualifications as well as share their thoughts on modification of existing buildings vs. new construction of District facilities. Rick Driftmier, the architect, and Doug Smith, the mechanical engineer with Interface Engineering, explained that an advantage of the teamwork they provide would be the consideration of energy conservation measures from the beginning of the planning process.

Customer Services Supervisor Janet Sundby explained staff's recommendation for amending the Low-Income Senior and Disabled Discount Programs. The proposed changes would increase the maximum income levels allowed, opening up the program to more participants, and establish a flat discount dollar amount to control costs. Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission adopted Resolution No. 1837-07 amending the District's Electric System Rate Schedules E-4 and R-4, updating the Low-Income Senior and Disabled Discount Programs as shown on attachments to Resolution No. 1837-07. The Commission thanked Customer Services Supervisor Sundby for her work on putting this together.

General Manager Nass discussed the correspondence regarding the District's representation on the Energy Northwest's Columbia Generating Station Participants Review Board. Commissioner Simpson will remain the delegate for that board.

The Commission added its appreciation and agreement with the letter written to the U.S. Coast Guard for their assistance in the District's recent Power for the Future Student Science Competition.

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 \$441,608.97 for April 30, 2007. District Auditor Foster reported that the claim vouchers included eight rebates for conservation programs totaling \$375.00.

Commissioner Purser reported on discussion at the Peninsula Development Association meeting about the legislation impacting the Port. He received a request for the Commission to approve a \$100 sponsorship to the North Olympic Peninsula Resource Conservation and Development Council's energy forum to be held June 19th. It was approved.

Commissioner Simpson reported on the fish health discussion presented at the Port Angeles Business Association. He also reported on the Chamber of Commerce meeting where Representative Kessler spoke of recent successes, especially in education.

Commissioner Haffner reported on the State Auditors Entrance conference.

Treasurer Controller Joshua Bunch reported on the Storm damage follow up paperwork. Several people in Accounting put in many hours to submit a request for \$364,941.03. FEMA reimburses 75 percent of the request and the State also provides some funds so reimbursement should be about 90 percent. He discussed the State Auditor entrance conference and the performance audits for public utility districts that will be looked at in the coming years. He also reported on online bill pay arrangements and migration from manual banking to more online banking.

Water and Wastewater Systems Assistant Superintendent Kitz reported on Senate Bill 6117 and how it could affect the District. The bill addresses issues such as encouraging and expanding reuse of

reclaimed water by reducing regulatory barriers and providing State grant funding. An issue of particular importance is that owners of reclamation facilities would retain ownership of reclaimed water. They would have a right to recover any reclaimed water from storage for reuse. The bill could have beneficial results, if PUD pursues construction and operation of a sewer system in Carlsborg. Mr. Kitz reported that the consultants working on the Carlsborg Sewer Feasibility Study are preparing the final draft report, and it will soon be available to the Commissioners for their review. A public meeting is being planned for presentation of the final report.

Attendance at meetings was approved.

There being no further business to come before the Commission, the meeting adjourned at 3:19 p.m. to meet again, Monday, May 7, 2007, at 1:30 p.m. in the Port Angeles office.