

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY  
MINUTES OF THE REGULAR WEEKLY MEETING OF  
THE BOARD OF COMMISSIONERS  
AUGUST 11, 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; Jana Robbins, District Auditor; Joshua Bunch, Treasurer Controller; Dennis Shaw, Support Services Manager; Roger Hosto, Operations Manager; Fred Mitchell, Power Resources and Utility Services Manager; Larry Morris, Support Services and Safety Manager; Judi Chapman, Human Resources Manager; Jon Purnell, Engineering Rep. Transmission & Substations; and Carol Biss, Executive Assistant.

Others present were: Bob Jensen, Cindy Kelly, and Teri Martin.

On motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved the minutes of the July 28, 2008 regular weekly meeting. On motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission approved the minutes of the August 4, 2008 meeting as amended.

The Commissioners welcomed Jon Purnell, who was selected to fill the position of Engineering Representative, Transmission and Substations.

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 \$262,847.76 for August 11, 2008. District Auditor Robbins reported that the vouchers included 33 rebates for conservation programs totaling \$13, 878.50.

Commissioner Purser reported that a consultant for the Department of Ecology is interviewing members of the Dungeness Water Executive Committee. He reported that plans to build a large water desalination plant in California were approved last week. The plant, located north of San Diego, would produce 10 percent of that county's water supply from ocean water. He noted that the Federal Energy Regulatory Commission issued a preliminary permit allowing Grays Harbor Ocean Energy the right to conduct a feasibility study for power generation from wind and tidal wave energy over 28 miles of coastline.

Commissioner Simpson reported on a Port Angeles Business Association meeting where a presentation was made by Howard Sprouse from The Remediators, Inc. The company uses fungus for biological cleanup of land affected by oil spills and other contaminants.

Commissioner Haffner reported on a Rotary Club event and a Port Angeles Chamber of Commerce meeting where candidates for County Commissioner participated in a debate.

Operations Manager Hosto distributed proposed changes to the District's Electric Service and the District's Facility Access Policy and said staff was presenting them this week for discussion and will bring them back for further discussion and consideration at next week's meeting. Commissioners and staff discussed ways to make customers and electrical contractors aware of the regulations.

Power Resources and Utility Services Manager Mitchell reported on a Public Power Council meeting. He said that the Regional Dialogue process has closed and the formal rate case will begin next week. Power sales contract templates are scheduled to be released on August 18. BPA's general product offerings will be Load Following and Slice Block, and BPA customers will need to select a product at the time they sign new long-term power sales contracts, which are due December 1, 2008.

Mr. Mitchell also reported on a meeting he and General Manager Nass attended at Lewis PUD and discussed the strengths/opportunities and weaknesses/threats of Slice and Load Following products. If the District is interested in Slice, it must indicate that by August 27. The Energy Authority would be available to conduct a workshop for the Commissioners next week. The Commissioners agreed to hold a work session on Tuesday, August 19, at 10 a.m. to review BPA products.

Attendance at meetings was confirmed and approved.

The regular meeting recessed at 2:49 p.m. to go into executive session for real estate matters. The executive session adjourned at 3:20 p.m., and the regular meeting reconvened at that time. There being no further business to come before the Commission, the meeting adjourned at 3:21 p.m. to meet again, Monday, August 18, 2008, at 1:30 p.m. in the Port Angeles office.