

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY  
MINUTES OF THE REGULAR WEEKLY MEETING OF  
THE BOARD OF COMMISSIONERS  
AUGUST 8, 2005

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

Staff present were: Shelley Burgett, Interim General Manager; Ken Foster, District Auditor; Larry Morris, Operations Facilities Superintendent; Fred Mitchell, Telecommunications & Power Resources Manager; Patrick O'Connor, SCADA Administrator; Shawn Delplain, Systems Administrator; and Carol Biss, Executive Assistant.

Others present were: Brian Gawley, Bob Hoyle, Cindy Kelly, Linda Rotmark, William Simonsen, and Ed Tuttle.

On motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved the minutes of the July 25, 2005 regular weekly meeting as amended. On motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission approved the minutes of the August 1, 2005 regular weekly meeting as submitted.

Excellence in Performance awards were presented to SCADA Administrator O'Connor and Systems Administrator Delplain in recognition of their work in restoring important data from an Operations Department computer after the hard drive crashed.

Dates for a meeting with Clallam County Commissioners were discussed. District Commissioners are available to meet on August 15 and August 22, 2005, at 10 a.m. Interim General Manager Burgett will contact the County Administrator to schedule the meeting.

Telecommunications and Power Resources Manager Mitchell discussed a proposed campaign to influence Bonneville Power Administration's rates. The effort will focus on securing a rate target of \$27 per megawatt hour for the 2007-2009 rate period through a grass roots public relations campaign. Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission authorized participation in the "\$27 in '07" campaign in an amount not to exceed \$55,000.

Mr. Mitchell reported that AquaEnergy had requested that the District renew the Power Sales Agreement for the Wave Energy project in Makah Bay. The project is still in its permitting phase, which is part of preconstruction work. Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission authorized the Interim General Manager to renew the Power Sales Agreement with AquaEnergy for the Wave Energy project.

Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission approved removal of delinquent accounts from the active accounts receivable in the amount of \$4,170.95.

In response to questions from Mr. Brian Gawley, staff discussed the Bonneville Power Administration's wholesale power rates and the "\$27 in '07" campaign.

Mrs. Cindy Kelly provided copies of a 1999 study, "Preliminary Evaluation of Elwha Dam Removal Mitigation Alternatives and Integration with Regional Supply Objectives," conducted by the City of Port Angeles. She also provided copies of letters from the Dry Creek Water District and the Lower Elwha Klallam Tribal Council in response to that study.

The Commissioners received copies of the Public Review Draft of the Water Resource Inventory Area 19 Watershed Plan. (Hoko-Lyre)

Mr. Mitchell reported on an August 5, 2005 letter from Northwest Open Access Network (NoaNet) regarding proposed changes to the NoaNet bylaws, which will be considered at the August 10, 2005 meeting of the NoaNet Board.

A list of claim vouchers as certified by the Interim General Manager and District Auditor was considered. On motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved payment of claim vouchers in the amount of \$1,158,641.76 for August 8, 2005. District Auditor Foster reported that the claim vouchers for August 1, 2005 included 6 rebates

for conservation programs totaling \$4,737.00, and the claim vouchers for August 8 included 11 rebates totaling \$4,733.67.

Commissioner Haffner reported on the Joyce Daze Parade and complimented Larry and Patti Morris for their contribution to this event.

Commissioner Purser reported on activities of the Task Force for the Forks Biomass Energy Plant Feasibility Study. A second version of the request for proposals was drafted to include a financial assessment. Ms. Burgett said that she had talked to Mr. Mitchell, the District's technical resource for the Task Force, about the Rural Economic Development Revolving Fund Board's intention to not limit the scope of the study to energy production, but to be looking for the development of other possible products such as ethanol if it is more economically feasible.

Ms. Burgett presented the Interim General Manager's Report. She said that the District received a letter complimenting employees at the Carlsborg Operations Center for being helpful and courteous to some members of the Peninsula Long Rifles group. She reported on activities related to the strategic planning process. The managers group held several meetings in April and May to work on drafting the Strategic Plan 2005. In July, they met with work groups to get employees' comments on the Plan. Last week the managers met again to share the employees' comments, which will be prioritized at the next meeting. She said that the employees made good suggestions and voiced concerns in addition to the ones the managers had identified.

Attendance at meetings was confirmed and approved.

The regular meeting recessed at 2:49 p.m., and the executive session for legal matters began at 3:11 p.m. The executive session adjourned at 3:45 p.m., and the regular meeting reconvened at that time. There being no further business to come before the Commission, the meeting adjourned at 3:46 p.m. to meet again Monday, August 15, 2005, at 1:30 p.m. in the Port Angeles office.