

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY  
MINUTES OF THE REGULAR WEEKLY MEETING OF  
THE BOARD OF COMMISSIONERS  
April 5, 2010

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

Staff Present: Doug Nass, General Manager; Joshua Bunch, Treasurer Controller; Nicole Clark, Executive Assistant; Dennis Shaw, General Superintendent; Quimby Moon, Transmission and Substation Systems Manager; Judy Packwood, Power Analyst; John Purvis, Distribution Systems Manager; Jeff Beaman, Executive Communications Coordinator; Donna Hansen, Human Resources Coordinator

Others Present: Teri Martin; Cindy Kelly; Thomas Krueger; John Steigers; Steve Hall

On motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission approved the minutes of the March 29, 2010 regular weekly meeting.

Human Resources Coordinator Donna Hansen introduced Tod Eichacker who is the new Lineman located at Carlsborg.

Representatives from Energy Northwest (ENW) were present to speak about the Sage solar project in Christmas Valley, Oregon. The Sage project would be a 5 megawatt project; one of three solar projects being developed by Obsidian Renewables with Energy Northwest as the co-developer. Development of the project is time sensitive in order to maximize certain incentives. The Sage project is in a location that is the best solar resource within Bonneville Power Administration's service area. All of the contracts are in place and the project is permitted. The technology to be used in the project is the best established technology available. Obsidian and ENW are working to confirm if the project can qualify for an Oregon BTEC (Business Energy Tax Credit. The owner is responsible for any development risk. During the first five years, the District would have a power purchase agreement with ENW, after which there would be an option to purchase the project. Power Supply and Utility Services Manager Fred Mitchell said that he hopes to discuss the project and the District's potential involvement with the Commission within the next month and prepare a response to ENW.

Upon recommendation of staff, and on motion of Commissioner Haffner seconded by Commissioner Simpson and carried, the Commission accepted Contract No. 090808 with Potelco, Inc. as complete in the amount of \$445,431.86.

Upon recommendation of staff, and on motion of Commissioner Haffner seconded by Commissioner Simpson and carried, the Commission approved the prequalifications of contractors on the list dated April 5, 2010 for inclusion on the Small Works Roster.

General Superintendent Dennis Shaw reviewed Contract #100802 with Siemens Energy. When the District sent the contract to them, they converted it into their standard agreement and conditions which differed from the original bid terms. Mr. Shaw asked for direction on proceeding with awarding the bid to the next lowest bidder or putting the contract out for bid again. The Commissioners directed staff to follow the state statutes and notify Siemens that they have the option of accepting the contract as originally bid, or forfeiting their bid bond.

General Manager Nass presented Resolution 1920-10, a resolution amending the District's healthcare plan. This resolution would increase the age of coverage for dependents to be included on their parents' healthcare plan to age 26. Upon recommendation of staff, and on motion of Commissioner Purser seconded by Commissioner Simpson and carried, the Commission adopted Resolution 1920-10 amending the District's healthcare plan.

General Manager Nass reminded those present of the joint Commissioners meeting on the Radar Ridge wind project on Wednesday in Shelton.

A list of claim vouchers as certified by the General Manager and Acting District Auditor were considered. On motion of Commissioner Haffner seconded by Commissioner Simpson and carried, the Commission approved payment of claim vouchers in the amount of \$487,515.59 for April 5, 2010. There were 40 conservation rebates, totaling \$5,888.20.

Commissioner Simpson reported that he attended the Port Angeles Business Association meeting. He also attended the Phase I Clallam County Economic Development Summit public meeting.

Commissioner Haffner reported that he also attended the Economic Development Summit public meeting. He also attended the Phase II Summit interviews with General Manager Nass.

Commissioner Purser reported that he met with Shawn O'Neill of Senator Hargrove's office regarding WRIA 18.

On motion of Commissioner Haffner seconded by Commissioner Simpson and carried, the Commission authorized the General Manager to proceed with notifying NoaNet of acceptance of the terms of the BTOP award and to continue working with NoaNet on the projects included therein.

Nippon has asked the District if it would be interested in purchasing power from their potential biomass project. Mr. Mitchell is reviewing the potential and is also assessing other PUDs' interest.

The regular meeting recessed at 4:20 p.m. to go into executive session for legal matters.

Attendance at meetings was confirmed and approved.

There being no further business to come before the Commission, the meeting adjourned at 4:25 p.m. to meet again, Monday, April 12, 2010, at 1:30 p.m. in the Port Angeles office.