

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY  
MINUTES OF THE REGULAR WEEKLY MEETING OF  
THE BOARD OF COMMISSIONERS  
December 21, 2009

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

Commissioner Purser was excused

Staff Present: Mike Kitz, Acting General Manager; Joshua Bunch, Treasurer Controller; Jana Robbins, District Auditor; Nicole Clark, Executive Assistant; Jeff Beaman, Executive Communications Coordinator; Fred Mitchell, Power Supply & Utility Services Manager; Quimby Moon, Transmission and Substation Systems Manager; Dennis Shaw, General Superintendent; Vicky Alward, Water & Wastewater Systems Representative; David Traub, Engineering Representative; Charlie McCaughan, Materials Superintendent

Others Present: Teri Martin; Cindy Kelly; Linda Rotmark

On motion of Commissioner Simpson seconded by Commissioner Haffner and carried, the Commission approved the minutes of the December 14, 2009 regular weekly meeting.

There was an agenda revision to add a staff report and to move the EDC Partner Contract business item to the last business item on the agenda.

Mr. Mitchell also reported on the District's CFL Distribution Services Request for Proposal. A significant share of the District's 2010 conservation target is expected to come from a comprehensive compact fluorescent light distribution program. Staff seeks to have vendors provide proposals for this distribution service. Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission authorized staff to solicit proposals for CFL distribution services.

Water and Wastewater Systems Superintendent/Acting General Manager Mike Kitz presented the proposal for the acquisition of the Southern View Estates Sewer/Septic System. Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission approved the agreements to acquire the Southern View Estates Sewer/Septic systems and authorized the Acting General Manager (on behalf of the General Manager) to sign the Declaration of Covenants, Conditions, Restrictions and Easements for Plat of Southern View Estates and complete the acquisition of the system.

Transmission and Substation Systems Manager Quimby Moon presented the SCADA Relay Panels Invitation to Bid for consideration. Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission authorized staff to call for bids for thirty-one (31) self-supporting switchboard units to serve as SCADA relay panels. (Bid No. 090810)

General Superintendent Dennis Shaw presented Contract Change Order #4 for the PUD Warehouse Conversion. The change order is to replace glazing with insulated metal panels in doors, door hardware replacement, replace a cracked toilet, and installing an earthquake strap on the hot water heater. Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission approved Change Order #4 to contract 090807 with Drury Construction Co., Inc., increasing the not-to-exceed amount by \$2,810.60 to a total of \$1,433,538.57.

Mr. Shaw also presented Surplus Property Resolution No. 1913-09 for timber that will be cleared to make room for the construction of the Silverado Substation. Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission adopted Resolution 1913-09 authorizing the disposal of surplus property.

Treasurer Controller Joshua Bunch presented the proposed changes to the Schedule of Deposits and Charges and Electric Line Extension Unit Prices. Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission adopted Resolution 1914-09 amending the Schedule of Deposits and Charges and approving new Electric Line Extension Unit Prices.

Mr. Bunch also presented a resolution establishing Regulations and Capital Maintenance Funds for the District's Sunshine Acres and View Ridge Sewer Systems. Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission adopted Resolution 1915-09 establishing Regulations and Capital Maintenance Funds for the District's Sunshine Acres and View Ridge Sewer Systems and Rescinding Resolution 1568-98.

Power Supply and Utility Services Manager Fred Mitchell presented the Partner Contract with Clallam County Economic Development Council (EDC) for consideration. Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission authorized the General Manager to sign the 2010 EDC Partner Contract.

A list of claim vouchers as certified by the General Manager and District Auditor were considered. On motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission approved payment of claim vouchers in the amount of \$1,206,169.77 for December 21, 2009. There were 20 conservation rebates totaling \$16,511.

Commissioner Simpson reported that he attended the Port Angeles Business Association meeting. Commissioner Simpson also presented the bill that Representative Van De Wege is sponsoring to exempt certain wells from metering.

Commissioner Haffner reported that he attended the Clallam EDC board meeting.

Treasurer Controller Bunch presented the Treasurer's Report for November 2009. Interest for the month totaled \$6,771.36; cash totaled \$7,639,588.29; and the total amount invested was \$25,733,091.05.

Power Supply & Utility Services Manager Fred Mitchell provided an update on renewable energy projects. All of the environmental work is done on the Radar Ridge project and is ready to be submitted to the Department of Fish & Wildlife. There has been some interest in having Bonneville Power Administration take the lead on the environmental work because they have an abbreviated process. There are two other solar projects in which to consider participating. One is an Energy Northwest project in Southern Oregon. There are Oregon Business Energy Tax Credits (BETC) that make this an attractive project. Also through CWPA there is a solar project proposed for Benton, Franklin or Grant County. Mr. Mitchell also discussed possible options for meeting additional portions of the District's renewable requirements through REC purchases. Mr. Mitchell discussed an opportunity for a long term REC purchase and expressed the value of having REC's as a long term strategy for meeting the District's renewable portfolio standards. The Board expressed an interest in additional REC purchases.

Attendance at meetings was confirmed and approved.

There being no further business to come before the Commission, the meeting adjourned at 3:38 p.m. to meet again, Monday, January 11, 2010, at 1:30 p.m. in the Port Angeles office.