

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY  
MINUTES OF THE REGULAR WEEKLY MEETING  
OF THE BOARD OF COMMISSIONERS  
JANUARY 5, 2004

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: Will Purser, President; Hugh Haffner, Vice President; and Hugh Simpson, Jr., Secretary.

Staff present were: Dennis Bickford, General Manager; Shelley Burgett, Treasurer/Controller; Ken Foster, Auditor; Ken Morgan, Transmission & Substation Systems Manager; Dave Proebstel, Distribution Systems Manager; Fred Mitchell, Telecommunications/Power Resources Manager; Larry Morris, Operations Facilities Superintendent; Linda King, CIS/Billing Supervisor; and Carol Biss, Executive Assistant

Others present were: Cindy Kelly; Brian Gawley

On motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission approved the minutes of the December 22, 2003 meeting as presented.

Distribution Systems Manager Proebstel reported on recent outages and equipment failures at the Blyn Substation. Due to exceptionally cold weather, the substation was operating at peak load for the season.

Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission adopted Resolution 1739-04, authorizing building a 115 kV/69kV Port Townsend Paper electrical substation, and authorized the preparation of a Notice of Action.

Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission authorized the General Manager to submit an offer to purchase bill inserter equipment from the City of Prosser.

Upon motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission approved the slate of candidates for the Clallam County Economic Development Board of Directors for 2004 and voted against a proposed amendment to the EDC By-Laws, Article IV, Section 2, Item D.

Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission approved removal of delinquent accounts from the active accounts receivable in the amount of \$8,014.55.

In response to questions from Mr. Brian Gawley of the Peninsula Daily News, Transmission/Substation Systems Manager Morgan provided additional information about the construction of the Port Townsend Paper electrical substation. In response to Mr. Gawley's question about the BPA Settlement Offer, General Manager Bickford reported that BPA has polled most of the public utilities about their positions, but the results of the poll have not been made public. Commissioners Haffner and Purser noted that the District's customers have indicated that they support the Commissioners' position of rejecting the Settlement Offer.

Commissioner Purser discussed the comments he received from some customers who called the District by telephone during recent outages. Mr. Bickford said that staff has been evaluating options to handle a large volume of calls during major outages.

The Commissioners received a memo from the American Public Power Association inviting nominations for APPA treasurer. Nominations are due January 23, 2004.

Claim voucher lists as certified by the General Manager and Auditor were considered. On motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission approved the payment of vouchers in the amount of \$869,991.70 for December 29, 2003. Auditor Foster reported that the vouchers for December 29 included 32 rebates for conservation programs totaling \$15,111.37. On motion of Commissioner Haffner, seconded by Commissioner Simpson and carried, the Commission approved the payment of vouchers in the amount of \$72,153.86 for January 5, 2004. Auditor Foster reported that the vouchers for January 5 included 13 rebates for conservation programs totaling \$9,211.25.

The Commissioners received copies of reports from the Washington State Auditor's Office: Report on Financial Statements Audit for 2002 and Accountability Audit Report for 2002.

Mr. Bickford presented the General Manager's Report. He reported that he had contacted the Washington PUD Association staff to request additional information regarding the proposal to construct a WPUA office building in Olympia. At the January WPUA Board Meeting, more information about the proposal will be presented, and a decision on the matter will be delayed until the February 2004 meeting. The work

done by CIS/Billing Supervisor King to scrub and barcode the District's customer database has resulted in faster mail delivery and postage savings of 7.4 cents per bill, which saves the District about \$20,000 a year in postage. High Ridge Construction completed work to build a pole barn in the Port Angeles Warehouse area. Nominations for Northwest Public Power Awards are due January 15, 2004, and proposed resolutions are due by January 30, 2004.

Attendance at meetings was approved.

There being no further business to come before the Commission, the meeting adjourned at 3:12 p.m. to meet again Monday, January 12, 2004, at 1:30 p.m. at the District's Port Angeles Office, 2431 E. Highway 101.