

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY  
MINUTES OF THE REGULAR WEEKLY MEETING OF  
THE BOARD OF COMMISSIONERS  
DECEMBER 10, 2007

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; Ken Foster, District Auditor; Jana Robbins, District Auditor; Joshua Bunch, Treasurer Controller; David Proebstel, Chief Engineer; Roger Hosto, Operations Superintendent; Fred Mitchell, Power Resources & Utility Services Manager; and Carol Biss, Executive Assistant.

Others present were: Cindy Kelly and Teri Martin.

On motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved the minutes of the December 3, 2007 regular weekly meeting as submitted.

Chief Engineer Proebstel said that on December 3, 2007, a severe storm caused outages and damage to the District's Electrical System. Multi-day repairs were predicted in order to restore power to the large number of District customers affected by the outage. To address the situation, the District enlisted the services of Michels Power Corporation to assist District's crews. Upon motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission adopted Resolution 1850-07 declaring an emergency and authorizing certain emergency work on the District's Electric System without a formal call for bids.

Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission authorized the Treasurer Controller to transfer funds from the Electric System Operating Fund to the District's Rural Economic Development Revolving Fund in the amount of \$50,000.

Staff reported on last week's storm that brought extremely high winds and heavy rain. Operations Superintendent Hosto reported on outages beginning December 3 and damage to District facilities, especially in the West End. He also reported on some of the procedures that were implemented to contribute to increased efficiency. In spite of the severe weather and road closures, power to most customers was restored by December 5. Services Manager Morris reported that the linemen expressed appreciation for the in-house tree trimming crew's work during and after the storm. He said that coordinating the efforts of the linemen and tree trimming crew allowed the District to respond more efficiently to outages. Information Technology Manager Schopfer reported on the status of the call handling system. User acceptance testing is being done today and tomorrow, and later this week, training will be provided for the employees who take the calls.

On motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission adopted Resolution 1851-07 establishing compensation for the General Manager.

Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved the removal of delinquent accounts in the amount of \$5,977.74 from the active accounts receivable.

There is a holiday luncheon for District retirees scheduled for December 18 at 1:30 p.m.

The Commissioners received a letter from a customer commending Lineman Rolf Mitchell. Commissioner Purser asked that staff convey the Commissioners' appreciation to Mr. Mitchell for the excellent customer service he provided.

General Manager Nass reported that the Peninsula Daily News published three "Raves" from customers expressing appreciation for the work done by District employees to restore power after the storm.

A list of claim vouchers as certified by the General Manager and District Auditor was considered. On motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved payment of claim vouchers in the amount of \$265,334.58 for December 10, 2007. District Auditor Robbins reported that the vouchers included six rebates for conservation programs totaling \$2,368.40.

Commissioner Purser reported on the Innovation Partnership Zone (IPZ) Celebration and sign unveiling. The event celebrated the recent designation of Battelle Sequim Marine Research Operations Campus as one of the State's Innovation Partnership Zones. The Sequim IPZ consists of Battelle, Pacific Northwest National Laboratories, Peninsula College, and Clallam County Economic Development Council. Elected officials and community leaders attended the event and spoke about potential opportunities resulting from bringing together research and higher education, innovation and economic activity. The Sequim IPZ will be looking for grants and sources of funding.

Commissioner Simpson reported on the Washington PUD Association's Annual Meeting. He talked about the organizational meeting of WPUDA's new Energy Committee. He also reported on a keynote address by Dr. Patrick Moore on the future of renewable energy, including nuclear power and carbon strategies. Presentations were also made by Jay Manning, Director of the State Department of Ecology, and Alan Hamlet of the University of Washington Climate Impacts Group.

Commissioner Haffner also reported on the Washington PUD Association's Annual Meeting. He talked to elected and appointed officials, including the Chair of the State Senate Utility Committee, about the State's economy and also discussed issues related to the renewable portfolio standards. He said the rising cost of renewable energy will affect customer rates as utilities look for renewable energy to meet the new standards.

Treasurer Controller Bunch reviewed a timeline of events for the District and Seattle-Northwest Securities Corporation for preparation of an electric revenue bond.

Attendance at meetings was confirmed and approved.

There being no further business to come before the Commission, the meeting adjourned at 3:37 p.m. The next regular weekly meeting will be Monday, December 17, 2007, at 1:30 p.m. in the Port Angeles office.