

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
JUNE 20, 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: Dennis Bickford, General Manager; Ken Foster, District Auditor; Dave Proebstel, Chief Engineer; and Carol Biss, Executive Assistant.

Others present were: John Calhoun, Brian Gawley, Bob Hoyle, and Cindy Kelly.

On motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission approved the minutes of the June 13, 2005 regular weekly meeting as submitted.

Port of Port Angeles Commissioner John Calhoun presented information about the Biomass Power Plant Task Force. The purpose of the Task Force is to assess the feasibility of establishing a wood-fired biomass electrical generation plant near Forks within two years. The project was proposed as a solution for disposing of cedar waste. He said that the current practice of burning wood waste will not meet air quality standards in the near future, and other options such as hauling the wood waste and retrofitting the existing mills would not be cost-effective. At a meeting last week, the Task Force agreed to apply for a \$50,000 grant from the Washington State Department of Community, Trade and Economic Development (CTED) to fund a feasibility study for the project. Mr. Calhoun said the CTED grant requires matching funds, and asked the Commission to approve funding toward the feasibility study. Commissioner Simpson said the Commissioners would consider the matter at a later date and notify Mr. Calhoun of their decision before the next Task Force meeting on June 30, 2005.

A list of claim vouchers as certified by the General Manager and District Auditor was considered. On motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission approved payment of claim vouchers in the amount for \$456,422.13 for June 20, 2005. District Auditor Foster reported that the claim vouchers included one conservation program rebate of \$500.

Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission awarded the bid for line crew and equipment for distribution reconductor projects to Hawkeye Construction, Inc. in the amount of \$281,450.04, including Washington State sales tax. (Bid Number 050802)

In response to questions from Brian Gawley of the Peninsula Daily News, General Manager Bickford said that a group of utilities and the Bonneville Power Administration (BPA) are appealing U.S. District Court Judge Redden's decision regarding the summer spill.

Mr. Bickford discussed two recent newspaper articles pertaining to BPA contracts for consulting services.

The regular meeting recessed at 2:16 p.m. to go into executive session regarding personnel matters. The executive session adjourned at 3:10 p.m., and the regular session reconvened at 3:18 p.m.

Commissioner Purser reported on a Clallam County Economic Development Council board meeting. The Building Trades Cluster will begin regular meetings as part of the Industry Clusters of Clallam netWorks. The EDC Board heard arguments in support of and against a proposed Buyer's Excise Tax. Funds from the tax would be used to purchase and maintain agricultural lands. Commissioner Purser said he had been contacted about the District's continued sponsorship of the KONP Home Show.

Mr. Bickford presented the General Manager's Report. The Commissioners received an invitation from Energy Northwest to attend a meeting to hear information about a proposed integrated gasification combined cycle power plant. The meeting will be held at Mason PUD No. 3 in Shelton on July 12, 2005, at 11 a.m. Mr. Bickford reviewed a safety message that was published in last year's program for the Babe Ruth Softball Tournament, and the Commissioners agreed that they would like to submit the same message for the 2005 program.

Attendance at meetings was confirmed and approved.

There being no further business to come before the Commission, the meeting adjourned at 3:34 p.m. to meet again Monday, June 27, 2005, at 1:30 p.m. in the Port Angeles office.