

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
MAY 1, 2006

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: Shelley Burgett, General Manager; Ken Foster, District Auditor; Larry Morris, Operations Facilities Superintendent; Fred Mitchell, Telecommunications & Power Resources Manager; Judi Chapman, Human Resources Manager; Steve Schopfer, Information Systems Manager; Tom Martin, Water and Wastewater Systems Assistant Superintendent; and Carol Biss, Executive Assistant.

Others present were: Brian Gawley, Cindy Kelly, Patti Morris, and Linda Rotmark.

On motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved the minutes of the April 24, 2006 regular weekly meeting as amended.

Human Resources Manager Chapman introduced two new employees who began work at the District today. The Commissioners welcomed Steve Schopfer, Information Systems Manager, and Tom Martin, Water and Wastewater Systems Assistant Superintendent.

Telecommunications and Power Resources Manager Mitchell reviewed the Bonneville Power Administration's (BPA) Pre-Pay program. BPA customers that participate in the program would make liquidity cash available to BPA on a temporary basis by pre-paying up to three months of their power bills. Customers would only be asked to pre-pay once during BPA's fiscal year, and the request would probably be in the March through May timeframe. Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission approved the District's participation in Bonneville Power Administration's Pre-pay Program and authorized staff to send a letter indicating the District's commitment.

Mr. Mitchell reported on renewable energy certificates (RECs) from the Raft River Geothermal Power Plant, Unit 1. The opportunity to express interest in securing all or a portion of the RECs from the 10-megawatt project expires today. If the District signs a Bid and Notice of Intent, it would be third in line. Upon recommendation of staff and on motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission authorized the General Manager to sign a Bid and Notice of Intent to Purchase with U.S. Geothermal, Inc. for renewable energy certificates from the Raft River Geothermal Power Plant, Unit 1.

Ms. Linda Rotmark, Executive Director of the Clallam County Economic Development Council (EDC) reported on a Governor's Ocean Policy Workgroup that will visit Clallam County on May 10 and 11. One of the topics that will be discussed is coastal energy. The EDC will facilitate a panel discussion on the topic on May 11 at 9 a.m. at the county courthouse. Commissioner Haffner will represent the District. There will be another panel discussion on coastal energy on May 10 in the evening in Forks.

A list of claim vouchers as certified by the General Manager and District Auditor was considered. On motion of Commissioner Purser, seconded by Commissioner Haffner and carried, the Commission approved payment of claim vouchers in the amount of \$2,002,808.47 for May 1, 2006. District Auditor Foster reported that the claim vouchers included 15 rebates for conservation programs totaling \$4,449.97.

Commissioner Haffner reported on the April 26 work session on renewable energy resources. He said the presentation was very good and it helped him identify and analyze the direction the District should take in the future. He emphasized the importance of having a plan in place prior to the adoption of renewable portfolio standards.

Commissioner Purser agreed that the presentation at the April 26 work session was good and said it helped the Commission develop a philosophy about renewable resources, which was evident in today's decision about purchasing RECs from the Raft River Geothermal Power Plant. He also reported on a meeting of Diamond Point Homeowners and said that most were not aware that the District had developed estimated costs for forming an LUD for an underground conversion in that area. He discussed ways in which that information might be distributed to homeowners.

Commissioner Simpson concurred with the other Commissioners' comments about the renewable resources work session. He reported on a meeting he attended at which the Lower Elwha Tribe gave a presentation on the Tribe's future. The discussion included what the Tribe intends to do in preparation for the removal of the dams on the Elwha River. Commissioner Simpson reported on a meeting he attended at which the future of Clallam Bay was discussed and local residents shared their concerns and ideas for improving the community. He also reported that, at a Port Angeles Chamber of Commerce meeting today, Mr. Tom Keegan, President of Peninsula College, spoke about the availability of a four-year degree at the college.

Operations Facilities Manager Morris reported on the property the District recently purchased in Carlsborg, adjacent to the Carlsborg Operations Center. There was an open house on April 17 and 19 for employees. He outlined a proposal the staff developed to relocate work groups to alleviate overcrowding at the Port Angeles office and utilize space in the facility the District just purchased. He noted that this proposal was developed as a short-term solution, and that staff would continue to work on a long-term plan.

Attendance at meetings was approved.

The regular session recessed at 2:54 p.m. to go into executive session for personnel matters. The executive session recessed at 4:10 p.m., and the regular meeting reconvened at that time. Commissioner Simpson reported that the Board of Commissioners received a letter of resignation from the General Manager. On motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission accepted the resignation of General Manager Burgett. The regular meeting adjourned at 4:12 p.m., and the executive session reconvened at that time. The executive session recessed at 4:14 p.m. The next regular weekly meeting of the Commission will be Monday, May 8, 2006, at 1:30 p.m. in the Port Angeles office.