

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY  
MINUTES OF THE REGULAR WEEKLY MEETING OF  
THE BOARD OF COMMISSIONERS  
DECEMBER 22, 2008

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, President, Hugh E. Simpson, Jr., Vice President

Commissioner Purser was excused.

Staff Present: Doug Nass, General Manager, Joshua Bunch, Treasurer Controller, Jana Robbins, District Auditor, Nicole Clark, Executive Assistant, Fred Mitchell, Power Supply & Utility Services Manager, Mike Kitz, Water & Wastewater Systems Superintendent, Tom Martin, Water & Wastewater Systems Assistant Superintendent, John Purvis, Distribution Systems Manager

Others Present: Jeff Ward, Clea Rome, Patti Morris, C. J. Garrison, David Galle

On motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission approved the minutes of the December 15, 2008 regular weekly meeting. On motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission approved the minutes of the December 16, 2008 work session.

There was an agenda revision to add a storm report and status update under staff reports.

Clea Rome and Jeff Ward of the North Olympic Peninsula Resource Conservation and Development Council (NOP RC&D) gave a presentation on the NASA Solutions Network Project grant presentation. The goal of the project is to better measure and predict instream flows using NASA tools and technologies. They are working on a predictive model for the Dungeness watershed and would like to also build a model for the Elwha watershed if they can acquire additional grant funds.

Power Supply & Utility Services Manager Fred Mitchell reviewed the Radar Ridge wind project. The participants have determined that from Bonneville's perspective the transmission issues that were of concern are not a show stopper. The next step is for the participants to enter into the development agreement. If after review it turns out that there is a transmission problem then the District does not have to enter into the construction agreement. The District will not enter into the agreement until it is confirmed that the other three members are also going forward. Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission adopted Resolution 1892-08 authorizing the Radar Ridge development agreement contingent upon the other participants agreeing.

General Manager Nass reminded those present about the work session on January 7 to discuss Customer Classification.

A list of claim vouchers as certified by the General Manager and District Auditor was considered. On motion of Commissioner Simpson, seconded by Commissioner Haffner and carried, the Commission approved payment of claim vouchers in the amount of \$2,294,962.39 for December 22, 2008.

Treasurer Controller Bunch presented the Treasurer's Report for November 2008. Interest for the month totaled \$53,393.66; cash totaled \$15,315,071.25; and the total amount invested was \$18,037,194.41.

There were 76 disconnects scheduled as of last week. This number has been reduced to 48 due to payments on accounts. These disconnects have been held over due to the cold temperatures. Phone notifications will be made on the Friday, December 26 for Monday, December 29 disconnects. Most of these accounts have deposits but many of these are about to be into their third billing cycle. Commissioner Haffner asked that the District look into not charging the reconnect fee if a non profit agency is paying for the bill.

There will be a sewer rate hearing at the regular Commissioner's meeting on January 19<sup>th</sup>. Customer notification letters will go out the week of January 5.

Mr. Mitchell provided a graph of peak demand that showed Tuesday, December 16 as having the highest demand for the year and may even be a record for the District of approximately 200 megawatts. He also provided an update on the whole house surge protection program. Eight customers have signed up.

Mr. Mitchell reported on the Port Townsend paper contract. The Ninth Circuit court ruled and remanded the DSI contract back to Bonneville saying that the current contract is invalid. The agreement that the District has with Port Townsend Paper is a different contract. Bonneville cannot serve a DSI at a rate that is not a wise business choice. A new contract will be developed that will have Bonneville providing power directly to the Port Townsend Paper.

Distribution Systems Manager John Purvis reported on the prior weekend's storms and outages. The District started to receive calls on outages Saturday morning. Over five hundred calls were received over the weekend into the answering service system and over five thousand calls were handled by the Interactive Voice Recognition system. The outage management system worked well.

Water & Wastewater Systems Superintendent Mike Kitz and Water & Wastewater Systems Assistant Superintendent Tom Martin reported on the water and wastewater storm issues. There were some sensing issues, pump failures, and freezing. The pump failure was possibly electrical.

Attendance at meetings was confirmed and approved

The regular meeting recessed at 3:27 p.m. to go into executive session for personnel matters. The executive session adjourned at 3:43 p.m., and the regular meeting reconvened at that time.

The regular Commissioner's meeting of December 29, 2008 was cancelled.

There being no further business to come before the Commission, the meeting adjourned at 3:45 p.m. to meet again, Monday, January 5, 2009, at 1:30 p.m. in the Port Angeles office.