

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY
MINUTES OF THE REGULAR WEEKLY MEETING OF
THE BOARD OF COMMISSIONERS
NOVEMBER 5, 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; Joshua Bunch, Treasurer Controller; Ken Foster, District Auditor; Jana Robbins, District Auditor; Fred Mitchell, Power Supply and Utility Services Manager; Judi Chapman, Human Resources Manager; Grant Romberg, Lineman; Richard Louda, Journeyman Tree Trimmer; and Carol Biss, Executive Assistant.

Others present were: Teri Martin.

The Commissioners welcomed two new employees: Grant Romberg, Lineman, and Richard Louda, Journeyman Tree Trimmer.

On motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission approved the minutes of the October 29, 2007 regular weekly meeting as submitted.

The Commissioners reviewed a proposed 2008 budget for the Washington PUD Association (WPUDA). The budget will be considered at a WPUDA meeting next week, which Commissioner Simpson will attend. Snohomish County PUD has chosen to leave the WPUDA, which will change the allocation of member dues. On motion of Commissioner Haffner, seconded by Commissioner Purser and carried, the Commission authorized Commissioner Simpson to vote to approve the proposed 2008 budget for WPUDA, subject to the percentage change of the District's allocation with one less member.

A list of claim vouchers as certified by the General Manager and District Auditor was considered. On motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission approved payment of claim vouchers in the amount of \$289,546.02 for November 5, 2007. District Auditor Foster reported that the claim vouchers included seven rebates for conservation programs totaling \$9,914.15.

Commissioner Purser reported that Clallam County approved funding \$75,000 over a two-year period for the next phase of the Carlsborg Sewer Study. He asked about the status of the District's application for a grant from the Reclaimed Water Grant Program. The District is waiting for a response from the Department of Ecology.

Commissioner Haffner reported on the Clallam County Economic Development Council Executive Board meeting which focused on the needs of the Council's contract partners. One of the contract partners presented information about economic development councils moving toward regional projects rather than county-wide projects.

Commissioner Simpson reported that, at last week's Port Angeles Business Association meeting, there was a discussion about local merchants accepting Canadian currency. He also reported on the WPUDA meetings next week, which will include a Climate Change Workshop and an informational meeting about Northwest Open Access Network.

Power Supply and Utility Services Manager Mitchell reported on a meeting sponsored by Northwest Public Power Association with representatives from the Western Electric Coordinating Council (WECC). During a discussion about meeting reliability standards, Louise McCarren, Chief Executive Officer of WECC, expressed a willingness to review a utility's registration if the utility believes it does not affect the bulk power system. The District filed a formal appeal with the Northwest Electric Reliability Council Compliance Registry on the grounds that the District does not have an impact on the reliability of the bulk power system. The District has not received a response from NERC.

Mr. Mitchell also said that there appears to be a proposed settlement of the Investor Owned Utility Exchange Benefits. A conference call is scheduled tomorrow with the Western Public Agencies Group to discuss the matter further.

District Auditor Foster reported that District Auditor Robbins was elected to the Public Utility Risk Management Services Executive Committee.

Attendance at the following meetings was confirmed and approved.

There being no further business to come before the Commission, the meeting adjourned at 2:36 p.m. to meet again, Monday, November 19, 2007, at 1:30 p.m. in the Port Angeles office.