

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY  
MINUTES OF THE REGULAR WEEKLY MEETING OF  
THE BOARD OF COMMISSIONERS  
APRIL 14, 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 2:30 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; Jana Robbins, District Auditor; Roger Hosto, Operations Manager; Larry Morris, Support Services and Safety Manager; Quimby Moon, Transmission and Substation Systems Manager; Judi Chapman, Human Resources Manager; Ken Haman, Lineman; Fred Mitchell, Power Supply and Utility Services Manager; Ruth Kuch, Financial Assistant; Tom Martin, Water and Wastewater Systems Assistant Superintendent; and Carol Biss, Executive Assistant.

Others present were: Cindy Kelly, Teri Martin, Richard Schober.

On motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission approved the minutes of the April 7, 2008 regular weekly meeting as submitted.

Operations Manager Hosto and Human Resources Manager Chapman introduced Lineman Haman who was selected to be the District's Operations Superintendent effective April 16.

Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission awarded the bid for a mini-excavator to Sunset Wire Rope Company in the amount of \$43,056.97 plus Washington State sales tax and carried. (Bid No. 080804)

Upon recommendation of staff and on motion of Commissioner Simpson, seconded by Commissioner Purser and carried, the Commission adopted Resolution 1864-08 amending the current Schedule of Deposits and Charges, establishing certain new charges, and rescinding previous Deposits and Charges and approving new Electric Line Extension Unit prices effective May 1, 2008.

Ms. Cindy Kelly reported that the Utilities Underground Location Center and Clallam County Utilities Coordinating Council is sponsoring a dinner on Tuesday, April 29 at 6 p.m. at the Eagles.

The District will meet with the Department of Ecology on April 17 at 10 a.m. in the District's Port Angeles office to discuss a water plan for Carlsborg.

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 \$248,674.95 for April 14, 2008. District Auditor Robbins reported that the claim vouchers included 13 rebates for conservation programs totaling \$6,500.

Commissioner Purser reported on a Sequim Chamber of Commerce meeting where the Executive Director of the Peninsula Dispute Resolution Center was the speaker. He also reported on a Chamber of Commerce Board meeting and noted that the Port is looking for a new location for a technology center. He received a letter from a representative of the League of Women Voters regarding the recent electric rate increase. Staff will respond to the letter.

Commissioner Simpson reported on a phone call from a customer who was concerned with the effective date of the electric rate increase. He also reported on a Washington PUD Association (WPUDA) Strategic Planning workshop last week. Recommendations will be presented to the WPUDA Board at the May meeting in Skamania. He reported that the Bonneville Power Administration announced draft agreements with Columbia River basin tribes and Idaho and Montana. The agreements would provide \$980.5 million in funding for fish and wildlife mitigation. He also commented on various articles in WPUDA's *FridayFax*.

Mr. Richard Schober, Senior Vice President of Seattle-Northwest Securities Corporation, discussed the District's bond sale, presented an update on market conditions and bond pricing, and presented a Bond Purchase Agreement that offered to purchase District bonds. Upon recommendation of staff and on motion of Commissioner Purser, seconded by Commissioner Simpson and carried, the Commission adopted Resolution 1865-08, which authorized the issuance of Electric System Revenue Bonds in the principal amount of \$8,570,000, approved the sale of the bonds, and included authorization for the General Manager to sign the Bond Purchase Agreement.

Power Resources and Utility Services Manager Mitchell reported on a Northwest Open Access meeting. There was a discussion on the amount needed for a capital investment for an alternate route. At the NoaNet meeting, a motion was passed to authorize NoaNet to issue a notice for a \$1.5 million bond. Mr. Mitchell reported that Bonneville Power Administration provided first draft of a 20-year contract and has developed a tiered rate methodology.

Attendance at meetings was confirmed and approved.

The regular meeting recessed at 3:44 p.m. to go into executive session for real estate and personnel matters. The executive session adjourned at 4:26 p.m., and the regular meeting reconvened at that time. There being no further business to come before the Commission, the meeting adjourned at 4:27 p.m. to meet again, Monday, April 21, 2008, at 1:30 p.m. in the Port Angeles office.