

**PUBLIC UTILITY DISTRICT # 1**  
of Jefferson County  
April 1, 2009

**SPECIAL MEETING  
MINUTES**

**CALL TO ORDER**

The Special Meeting of the Public Utility District No.1 of Jefferson County was called to order by the President of the Board of Commissioners at 10:02 a.m. at the District Office, 230 Chimacum Road, Port Hadlock, Washington. Commissioners and staff present were:

Wayne G. King, President  
Ken McMillen, Vice-President  
Dana Roberts, Secretary  
James Parker, District Manager

**AGENDA**

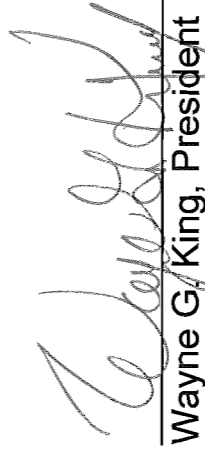
The Agenda of the meeting was the interview of Gordon, Thomas, Honeywell, Malanca, Peterson & Daheim for the PUD's legal support in the acquisition of PSE's facilities in Jefferson County.

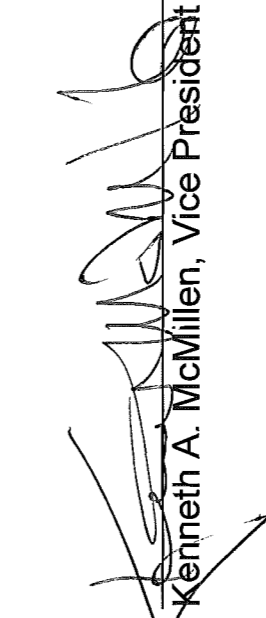
**DISCUSSION ITEMS**

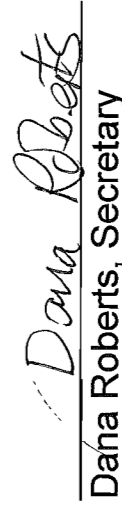
Don Cohen and Warren Daheim provide a presentation of their law firm and its strengths in relationship to acquisition of PSE's facilities. The firm works with multiple public and private power companies, many of which are PUDs, and Mr. Daheim has considerable experience in condemnation proceedings.

**ADJOURNMENT**

**MOTION:** By Commissioner McMillen, Second by Commissioner Roberts, carried unanimously, to adjourn the Special Meeting at 11:45 a.m.

  
\_\_\_\_\_  
Wayne G King, President

  
\_\_\_\_\_  
Kenneth A. McMillen, Vice President

  
\_\_\_\_\_  
Dana Roberts, Secretary

**PUBLIC UTILITY DISTRICT # 1**  
of Jefferson County  
April 1, 2009

**REGULAR MEETING  
MINUTES**

**CALL TO ORDER**

The Regular Meeting of the Public Utility District No.1 of Jefferson County was called to order by the President of the Board of Commissioners at 5:02 p.m. at the District Office, 230 Chimacum Road, Port Hadlock, Washington. Commissioners and staff present were:

Wayne G. King, President  
Ken McMillen, Vice-President  
Dana Roberts, Secretary  
James Parker, District Manager  
Kate Pike, Brisa Services

**AGENDA**

The Agenda was approved with the moving of ACTION ITEM b) Resolution - Kelly Hays to just after AGENDA.

**ACTION ITEM**

b) *Resolution- Kelly Hays*

Commissioner King read RESOLUTION No. 2009-003 to show appreciation to M. Kelly Hays for more than three years of superb service for the District, its customers and the citizens of Jefferson County. Mr. Hays was present and accepted a commemorative plaque from the Board. He expressed gratitude. The Board took the following ACTION: MOTION: By Commissioner King, Second by Commissioner Roberts, carried unanimously to adopt Resolution No. 2009-003 to show appreciation to M. Kelly Hays for more than three years of superb service for the District, its customers and the citizens of Jefferson County.

**APPROVAL OF MINUTES**

MOTION: By Commissioner Roberts, Second by Commissioner McMillen, carried unanimously, to approve the Regular Meeting Minutes of March 18, 2009.

**APPROVAL OF VOUCHERS**

MOTION: By Commissioner Roberts, Second by Commissioner McMillen, carried unanimously to approve payment of:  
Warrants No.14848 through 14862 in the amount of \$ 22,357.48; and  
Warrants No.14863 through 14886 in the amount of \$ 11,667.84;

For a Total of \$ 34,025.32

**ITEMS FROM THE FLOOR (not listed on the Agenda)**

None

**COMMISSIONER'S REPORTS**

**Commissioner McMillen**

March 19 & 20: Attended WPUA Directors and Water meetings in Olympia.

March 23: Attended a "workshop" meeting with PUD Commissioners and Port Townsend City Council and heard an Aquifer Storage & Recovery (ASR) presentation by PUD Resource Manager.

March 25: Attended a Jefferson County Planning Commission meeting addressing the Shoreline Management Plan and Critical Areas/Buffers deliberations.

April 1: Attended two interviews for legal counsel at the District office.

**Commissioner Roberts:**

March 19: Attended a meeting of Jefferson County Local 20/20.

March 23: Attended a "workshop" meeting with PUD Commissioners and Port Townsend City Council and heard an Aquifer Storage & Recovery (ASR) presentation by PUD Resource Manager.

March 24: Attended meeting of WRIA 17 Steering & Technical Committees.

March 25: Attended a Jefferson County Planning Commission meeting addressing the Shoreline Management Plan and Critical Areas/Buffers deliberations.

April 1: Attended two interviews for legal counsel at the District office.

April 9: Expect to participate via teleconference in WPUDA water workshop.

**Commissioner King**

March 19: Attended a meeting of Jefferson County Local 20/20.

March 23: Attended a "workshop" meeting with PUD Commissioners and Port Townsend City Council and heard an Aquifer Storage & Recovery (ASR) presentation by PUD Resource Manager.

March 25: Attended a Department of Natural Resources meeting regarding protection of Protection Island.

April 1: Attended two interviews for legal counsel at the District office.

April 2: Expect to meet with the District Manager and Karl Karzmar, Puget Sound Energy.

#### **ACTION ITEMS**

a) Resolution NOANet LOC approval

After brief discussion on the history of NOANet participation, the Board took the following ACTION:

MOTION: By Commissioner Roberts, Second by Commissioner McMillen, carried unanimously, to adopt RESOLUTION No. 2009-006, authorizing the execution and approval of a Fifth Repayment Agreement relating to a line of credit for Northwest Open Access Network.

c) Selection of attorney for power

Having interviewed two candidates for the position prior to this meeting, the Board chose to delay action on this matter until the next Regular Meeting (April 15, 2009).

#### **DISCUSSION ITEMS**

a) Service Contract for Phil Otness

The Manager presented for review and discussion a Professional Services Agreement to be executed with Phillip Otness of Port Ludlow for liaison and coordination services with Bonneville Power Administration (BPA) in relation to a future providing of electric power. After discussion the Board took the following ACTION:

MOTION: By Commissioner Roberts, Second by Commissioner McMillen, carried unanimously, to execute a Professional Services Agreement with Phillip Otness of Port Ludlow for liaison and coordination services with Bonneville Power Administration (BPA) in relation to the future provision of electric power services.

b) Resolution - Second, Marrowstone Island

The Manager presented for review Resolution No. 2009-007, ordering the change to an assessment on the Assessment Roll of Local Utility District No. 14. Action is expected at the next regularly scheduled meeting.

c) Resolution for Thomas C. Neal

The Manager presented for review a draft Resolution honoring Thomas C. Neal for more than seventeen years of service as the PUD's internal auditor.

d) Fire Hydrants

The Manager presented a memo for review and a proposed letter to the Jefferson County Fire Marshall regarding a Washington State Superior Court ruling that allows that utilities shall no longer charge fees to rate payers for maintenance, operation, installation and management of fire hydrants.

e) Portage Canal Bridge Repair

The Manager presented an assessment of the nearly 60-year-old, 700-foot-long, eight-inch pipe under the Portage Canal/Indian Island bridge, said assessment completed by NTL Engineering & Land Surveying (Steve S. Luxton). Mr. Luxton recommends installation of two pipeline/contraction fittings and replacement of worn gaskets, at an approximate cost of \$20,000.

f) Billing Inserts

1. Notice from Washington State Department of Transportation regarding closure of the Hood Canal Bridge on May 1.
2. Notice of closure of Jefferson County Household Hazardous Waste Facility to allow collection at alternate locations.

**MANAGER'S REPORT/OLD BUSINESS**

**LUD 14 (Marrowstone Island):** Note ACTION ITEM b) Resolution for M. Kelly Hays.

With regard to funding, bonds have been finalized with Cashmere Bank. Concerning installation of a new supply line in the causeway between Indian and Marrowstone Islands, Department of Transportation application is pending. SEPA, JARPA and shoreline permit applications have been received. A surveyor has been hired.

Easement along Indian Island/US Navy fence is pending. Boring tests to determine materials and depth of existing materials existing may yet be required.

**Olympic Mobile Village:** While pump was installed, iron buildup caused plugging of intake. Further testing is imminent.

**Power Authority:** Note action taken during DISCUSSION ITEM a) this meeting. The Manager continues to meet with underwriters and financial consultants. Commissioner King and the Manager are to meet with Karl Karzmer, Puget Sound Energy for an inspection at the Four Corners facilities.

**STAFF REPORTS**

None

**PUBLIC COMMENT**

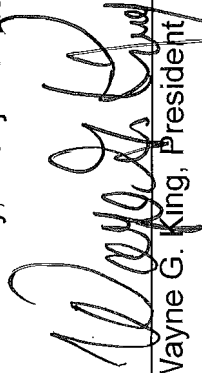
None


**CORRESPONDENCE**

1. Notification of a trench-less pipe rehabilitation/new pipe installation workshop, April 13 at Fort Worden State Park.

**ADJOURNMENT**

**MOTION:** By Commissioner McMillen, Second by Commissioner Roberts, carried unanimously, to adjourn the Regular Meeting at 6:57 p.m.

  
Wayne G. King, President

  
Kenneth A. McMillen, Vice President

  
Dana Roberts, Secretary