

PUBLIC UTILITY DISTRICT # 1
of Jefferson County
April 16, 2008
REGULAR MEETING
MINUTES

DRAFT

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 5:00 p.m. at the District Office, 230 Chimacum Road, Port Hadlock, Washington.

Commissioners and staff present were:

Wayne G. King, President
M. Kelly Hays, Vice-President
Dana Roberts Secretary
James Parker, District Manager
Bill Graham, District Resource Manager
Thomas C. Neal, District Auditor
Kate Pike, Brisa Services

AGENDA

The Agenda was approved as submitted.

APPROVAL OF MINUTES

MOTION: By Commissioner Roberts, Second by Commissioner Hays, carried unanimously, to approve the Regular Meeting Minutes of March , 2008.

APPROVAL OF VOUCHERS

MOTION: By Commissioner Roberts, Second by Commissioner Hays, carried unanimously to approve payment of:

Warrants No.13615 through 13629 in the amount of \$21,360.77; and
Warrants 13630 through 13637 in the amount of \$96,875.23;
For a Total of \$118,236.00.

ITEMS FROM THE FLOOR (not listed on the Agenda)

None

COMMISSIONERS' REPORTS

Commissioner Hays:

None

Commissioner Roberts:

April 8: Attended a meeting regarding accounting of PUD taxes covering the City of Port Townsend.

April 8: Attended WRIA 17 Planning Unit Meeting.

Commissioner King:

March 24: Attended a Port Townsend Chamber of Commerce luncheon hosting Rep. Lynn Kessler.

March 25: Attended a Hydrology 101 presentation by Peter Schwartzman, Pacific Groundwater Group.

March 27: Attended meeting of the Peninsula Development Association.

March 28: With the Manager met with Steve Johnson regarding power and the WPUA.

April 8: Expect to attend WRIA 17 Planning Unit Meeting.

ACTION ITEMS

a) Parametrix Contract Amendment

As Parametrix required two additional on-site weeks to close out the construction contract, Amendment No. 005 was submitted.

MOTION: By Commissioner Hays, Second by Commissioner Roberts, carried unanimously, to authorize approval of Parametrix Professional Services Agreement Amendment No. 005.

b) Marrowstone Island Assessment Letter

The Manager presented for final review a letter to be sent to property owners in LUD No. 14 on Marrowstone Island requesting notification to the PUD of level of participation in the water system.

c) RFQ for Power Study

The Manager presented for discussion a draft Request for Proposals by Consulting Engineering Firms, made by the PUD, Jefferson County, City of Port Townsend, and the Port of Port Townsend, to perform a preliminary feasibility study for the PUD No. 1 of Jefferson County to add electric services.

Public Comment:

Phil Otness commented that there is a current window of opportunity to consider power service by a public utility, and he endorses a feasibility study.

d) OMV (Olympic Mobile Village) Transfer Agreement

The Manager presented for final review an agreement between PUD No. 1 of Jefferson County and R. Bruce & Linda Brown for transfer to the District of the Olympic Mobile Village Water System.

MOTION: By Commissioner Roberts, Second by Commissioner Hays, carried unanimously, to authorize signature of the presented agreement by the President of the Board.

DISCUSSION ITEMS

a) Department of Ecology Issues

The Resource Manager addressed a response from Tom Loranger, Department of Ecology, to the District's letter to DOE addressing some proposals for the setting of Instream Flow Rule in WRIA 17. Mr. Graham suggested the PUD recommend that DOE hire a more-impartial hydrologic consultant to be involved in the Rule-setting process, able to approach more technical than political points.

Mr. Graham updated the Board on the drilling of the Sparling 3 well, indicating drilling has occurred to 94 feet, encountering gravel and hitting silt. The next phase is to submit sediment samples for analysis in developing a screen. It is hoped to obtain 700 to 750 gpm (gallons-per-minute) from this well.

b) Peterson Lake

The Manager addressed a letter from Larry and Kathi Ross, residents and caretakers at Peterson Lake, giving 30-days' notice of vacating the premises. Mr. Parker will meet with Lloyd Summers, attorney for the Peterson estate, and Commissioner King to plan for future caretaking at the property.

c) Resolution for Beckett Point

The Manager presented for review a Resolution authorizing the issuance and sale of a LUD #15 Bond and its purchase by First Federal Savings and Loan Association of Port Angeles.

d) NoaNET Actions

The Manager presented for review correspondence from Greg L. Marney, CEO of NoaNET (Northwest Open Access Network) to its members regarding fiber breaks and possible system-wide reliability issues. To mitigate, a line-of-credit will be necessary, to be guaranteed by NoaNET owner-members.

e) Marrowstone Island Pressure Reducers

The Manager presented a memo-for-record concerning pressure zones and use of pressure-reducing valves on Marrowstone Island.

MANAGER'S REPORT/OLD BUSINESS

LUD 14 (Marrowstone Island): Note Action Item b) regarding assessment letter. Friberg Construction has begun work. Seton Construction has begun the Griffith Point portion of the project. Staff is attempting to coordinate a loop between Mumby Road and Fort Gate Road. It appears that it could take as long as two years to receive permission for an Indian Island transmission line.

Indian Island: Discussion and negotiation regarding Indian Island water utility privatization may resume in late April or early May.

Becket Point: Note Discussion Item c) regarding issuance and sale of bond.

Final Pape & Sons costs were under estimate. Staff has prepared and sent the owner's manual/agreement to each homeowner. Monthly billing has begun. Archeologists will return in April. Notice for assessments has been published. **Quilcene:** Washington State Department of Health will approve more connections. Quilcene Fire District has been sent a draft agreement for hydrant maintenance. Staff is investigating re-paint of water tank. **Olympic Mobile Village:** Note Action Item d) regarding transfer agreement. Approval for State Department of Health grant (approximately \$300,000) to be used in May has been received. Bid requests for construction went out; expected opening April 30; and work anticipated May to October.

STAFF REPORTS: Auditor's Report
The Auditor reported that all is in order.

PUBLIC COMMENT
None

CORRESPONDENCE

1. Notice of Attorney General of Washington urging customers to comment on Puget Sound Energy proposed rate hikes and merger, presented by Norman MacLeod.

ADJOURNMENT

MOTION: By Commissioner Roberts, Second by Commissioner Hays, carried unanimously, to adjourn the Regular Meeting at 7:28 p.m.