

**PUBLIC UTILITY DISTRICT NO. 1  
of Jefferson County**

**DRAFT  
August 16, 2011  
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 Vice-President of the Board of Commissioners at 5:11 p.m. at the District Office, 230 Chimacum Road, Port Hadlock, Washington. President Ken McMillen arrived at 5:15 p.m. Commissioners and staff present were:

Ken McMillen, President  
Barney Burke, Vice-President  
Wayne King, Secretary  
James Parker, District Manager  
Bill Graham, District Resource Manager  
Kate Pike, Brisa Services

**AGENDA**

The Agenda was approved as submitted.

**APPROVAL OF MINUTES**

MOTION: By Commissioner King, Second by Commissioner Burke, carried unanimously, to approve the Special Budget Workshop Meeting of August 2, 2011, the Regular Meeting Minutes of August 2, 2011, and the Special Meeting of August 5, 2011.

**APPROVAL OF VOUCHERS**

MOTION: By Commissioner Burke, Second by Commissioner King, carried unanimously to approve payment of:

Warrants No.17707 through 17717 in the amount of \$ 19,725.52; and  
Warrants No.17718through 17757 in the amount of \$ 46,893.42;  
For a Total Amount of \$ 66,618.99

**COMMISSIONER'S REPORTS**

**Commissioner Burke**

August 5: Attended Special Meeting for submittal of Rural Utilities Service (RUS) loan application.

August 13 & 14: Staffed PUD booth at the Jefferson County Fair.

August 17: Expect to attend meeting with Team Jefferson regarding broadband provision in Jefferson County.

August 20: Expect to attend 100th anniversary celebration of Quilcene Fish Hatchery.

August 25: Expect to attend meeting of the Peninsula Development District.

### **Commissioner McMillen**

August 12 & 13: Staffed PUD booth at the Jefferson County Fair.

### **Commissioner King**

August 5: Attended Special Meeting for submittal of Rural Utilities Service (RUS) loan application.

August 12, 13 & 14: Staffed PUD booth at the Jefferson County Fair.

August 20: Expect to attend 100th anniversary celebration of Quilcene Fish Hatchery.

August 24: Expect to attend meeting of the Transition Advisory Committee with Puget Sound Energy.

### **MANAGER REPORT - electrical power transition update**

The Manager presented an updated summary of 2011 costs related to power transition (\$211,619.90) with total to-date costs of \$1,220,745.99. Expenditures for the lawsuit relative to Peterson Lake is currently \$42,847.56. The Bonneville Power Administration (BPA) has signed an extended DSI contract with Port Townsend Paper Company; however, it is still anticipated that the PUD could provide power to the Paper Company's OCC unit. Notice from BPA Power Services regarding Tier 2 Short-Term Rates to serve its ARHWM (above-rate high water mark) Load for a second purchase period (FY2015-2019) was received. The first purchase period (2012-2014) agreement was made in November of 2010.

With regard to the financing process, the RUS (Rural Utilities Service) funding application has been submitted and received by RUS Washington, D.C. Headquarters on August 11, 2011. Approval is expected prior to October 1, 2011.

Regarding the engineering process, the System Assessment Report, Construction Work Plan Amendment, Environmental Report Plant Valuation Report, Useful Life Report and the RUS Loan Application and Load

Forecast have been completed. A Hazel Point Upgrade and the Shine Area Three Phase are to be completed.

The next meeting of the Transition Advisory Committee is scheduled for August 24, 2011.

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

None

**ACTION ITEMS**

None

**DISCUSSION ITEMS**

a) SCADA Telemetry Update: Jack Parent

The Manager submitted a Memo for Record concerning the current situation and recommended path to complete the SCADA project, noting that the Maynard and Ocean Grove projects are not complete and suggesting that the LUD#3 booster pump, as well as the Ocean Grove and Maynard projects should terminate. Jack Parent explained some of the issues that delayed projects. After discussion the Board took the following ACTION:

MOTION: By Commissioner Burke, Second by Commissioner King, carried unanimously, to accept and implement recommendations by staff to halt the Maynard repeater site, the Ocean Grove VSP and LUD#3 booster pump projects, reduce the contract based upon changed scope with Jack Parent, reconcile any amounts payable and outstanding inventory related to the contract, and set a deadline for work completion. Also, develop draft language for contracts for use of PUD facilities (i.e.towers) by private and public entities seeking to place equipment thereon.

b) Water Tank Access - non-exclusive agreements

The Manager presented an exhibit outlining rate schedules for use of Kamilche (Mason County) towers. The Resource Manager was directed to obtain additional sample rate schedules.

c) Resolution - Voiding Warrants

The Manager presented for review draft Resolution No. 2011-013 canceling outstanding warrants not redeemed within one year, of which there are two, mandated by RCW 36.22.100.

d) Resolution - Sahara

The Manager presented for review draft Resolution No. 2011-011, accepting a constructed water main extension to the Quimper Water

System as a gift and contribution in aid of construction from the Individual Property Owners providing easements and acting as joint Developers of an 8-inch PVC water main extension on adjoining Jefferson County Parcels and an agreement for the District to commence operation and management of the facilities.

## **MANAGER'S REPORT/OLD BUSINESS**

### **Indian Island:**

Regarding any proposed water system transfer, the Manager presented correspondence from local U.S. Navy personnel regarding previous contact and interest by the District. It appears the process may again begin. The easement legal writeup, completed by David Evans Associates, has been forwarded to Washington, D.C. There has been no current information.

**Sparling Well:** A proposed schedule would have requests for bids likely in April 2012.

**Budget:** Will be on file at District Office by September 1, 2012. Public budget hearing is scheduled for October 3, 2012 at 5:00p.m.

**NOANet:** Commissioner Burke and the Resource Manager will attend a meeting hosted by Team Jefferson to update the Broadband Coalition members on the status of the broadband rollout. There was discussion by the board about information that NoaNet has not yet provided, and the need to move forward with a long-term plan for the operation of broadband to serve all of the "anchor institutions" as well as "last mile" service providers such as Olympus Net and North Olympic Wireless.

## **PUBLIC COMMENT**

None

## **CORRESPONDENCE**

1. Letter from Scott Corwin, Public Power Council
2. Letter from John Malinowski, Energy NewsData, regarding subscription to Clearing Up, a publication for members of the western energy industry.

## **ADJOURNMENT**

**MOTION:** By Commissioner Burke, Second by Commissioner King, carried unanimously, to adjourn the Regular Meeting at 7:14 p.m.

