

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

DRAFT

**July 21, 2010
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 5:01 p.m. at the District Office, 230 Chimacum Road, Port Hadlock, Washington. Commissioners and staff present were:

Barney Burke, Vice-President
Wayne King, Secretary
James Parker, District Manager
Kate Pike, Brisa Services

AGENDA

The Agenda was approved with the addition of ACTION ITEM d) Peninsula Development District projects.

APPROVAL OF MINUTES

MOTION: By Commissioner King, Second by Commissioner Burke, carried unanimously, to approve the Regular Meeting Minutes of July 7, 2010 and the Special Meeting Minutes of July 7, 2010.

APPROVAL OF VOUCHERS

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

Warrants No.16437 through 16451 in the amount of \$ 25,082.19; and
Warrants No.16452 through 16454 in the amount of \$ 3,695.83; and
Warrants No.16455 through 16479 in the amount of \$137,073.38
For a Total Amount of \$ 165,851.40

ITEMS FROM THE FLOOR (not listed on the Agenda)

None

COMMISSIONER'S REPORTS

Commissioner King

July 21: Attended Special Meeting to conduct a budget workshop at the District office.

July 27: Expect to attend meeting with Puget Sound Energy of the Transition Advisory Committee.

July 28: Expect to attend special meeting of the WRIA 17 Technical Committee.

Commissioner Burke

July 10: Attended a solar tour sponsored by local solar power companies.

July 15: Attended candidates' forum in Quilcene.

July 19: Attended candidates' forum in Brinnon.

July 21: Attended Special Meeting to conduct a budget workshop at the District office.

July 22: Expect to attend meeting of the Peninsula Development District.

July 26: Expect to meet with Jim Parker and the City of Port Townsend regarding its franchise agreement with Puget Sound Energy.

August 2: End of comment period with Bonneville Power Administration; expect to execute press release.

ACTION ITEMS

a) Contract with Howard Barnes - RUS

The Manager presented for review a proposal from Howard Barnes, of Loveland Colorado, for assistance in the application for RUS (Rural Utilities Service) financing for Puget Sound Energy facilities. Mr. Barnes has this experience as a former employee of RUS and as a consultant. Mr. Parker also presented a list of items to be completed as part of the RUS funding project, as identified by engineering counsel Brown & Kysar, Inc. After some discussion the Board took the following ACTION:

MOTION: By Commissioner King, Second by Commissioner Burke, carried unanimously, to direct the Manager to request that Howard Barnes travel here for approximately 3 days to advise the Board of what portion of the list of items to be completed as part of the RUS funding project he is able to perform and at what cost.

b) Agreement with B & K

The Manager presented an agreement and Rate Schedule and General Terms and Conditions from Brown & Kysar, Inc. Engineering & Consulting,

of Battle Ground Washington, for engineering, consulting, equipment rental, etc. After discussion the Board took the following ACTION:

MOTION: By Commissioner Burke, Second by Commissioner King, carried unanimously, to direct the Manager to execute an agreement with Brown & Kyser, Inc. Engineering & Consulting for engineering, consulting, equipment rental, etc. as needed.

c) Seton Change order approval

The Manager presented a Change Order Proposal from Seton Construction, Inc. for the Quimper Water System SR 116 Causeway Crossing changing, at the request of the PUD, size of directional bores.

After discussion, the Board took the following ACTION:

MOTION: By Commissioner Burke, Second by Commissioner King, carried unanimously to approve the change order submitted by Seton Construction, Inc.

d) Peninsula Development District projects

Commissioner Burke presented a list of prioritized projects developed by the Peninsula Development District, the Economic Development District Serving Clallam and Jefferson Counties, noting the two projects with specific impact to the PUD. He proposed that, at the next Peninsula Development District meeting (July 22, 2010), he suggest a "placeholder" addition of two PUD possible projects: Quilcene water tank replacement and scope of study for a Dosewallips sewer system. After discussion the Board took the following ACTION:

MOTION: By Commissioner Burke, Second by Commissioner King, carried unanimously, to request that the Peninsula Development District add to its list of priority projects: 1) Dosewallips sewer system scope of study; and 2) expansion of the Quilcene Water System to include fire flow.

DISCUSSION ITEMS

a) Resolution to cancel warrants

The Manager presented for review only Resolution No., 2010-011 canceling outstanding warrants that have not been redeemed within one year, for action at the next Regular Meeting.

b) Fair Booth

The Resource Manager presented information on the upcoming Jefferson

County Fair, "Magic in the Air", to be held August 13 - 15. He noted booth size and decor and some of the gifts to be presented to the public. Assignments are to occur at the next Regular Meeting.

c) Peterson Lake Proposal

There was brief discussion regarding Peterson Lake and income possibilities (timber).

d) WRIA 17 mitigation well feasibility proposal

Bill Graham presented information on preliminary proposals from watershed planning units to the Department of Ecology for purposes of planning its next biennium budget. It is reminded that these proposals are very preliminary, as budgets have not been finalized. A project proposal for a shallow aquifer injection well feasibility study to determine the feasibility of using existing water rights as mitigation for new rights and outdoor uses in the Chimacum Valley was submitted has been submitted to DE_OE.

e) PUD Sewer Role - new LOSS rules

The Manager noted that the Department of Health has initiated new rules for Large Onsite Sewer Systems (LOSS) which may affect qualifications for wastewater treatment operators.

MANAGER'S REPORT/OLD BUSINESS

Indian Island: With regard to causeway construction, note ACTION ITEM c) above. Work is to begin within the week

Power Authority: Note ACTION ITEMS a) and b) above. Also, meeting of the Transition Advisory Committee (PSE & PUD) is scheduled on July 27, 2010.

Sahara Water System extension: Public hearing is now tentatively scheduled for August 24, 2010.

Sparling Well: Department of Health has approved the Sparling Well 3 treatment project and a pre-application conference with the Department of Community Development for non-conforming use is to be scheduled. Design drawings are being prepared, with address of septic situation. It appears that the Department of Health State Revolving Fund loan for \$1.6 million is approved.

PUBLIC COMMENT

None

CORRESPONDENCE

1. Agenda for Washington Water Utilities Council meeting
2. Agenda for WPUDA Water Committee Conference Call
3. Letter from Puget Sound Energy regarding Transition Advisory Committee of July 27

ADJOURNMENT

MOTION: By Commissioner King, Second by Commissioner Burke, carried unanimously, to adjourn the Regular Meeting at 7:08 p.m.