

PUBLIC UTILITY DISTRICT # 1
of Jefferson County
November 5, 2008
BUDGET/RATES HEARING and
REGULAR MEETING
MINUTES

DRAFT
BUDGET/RATES HEARING

CALL TO ORDER

The Budget/Rates Hearing 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

The Manager presented for review the Public Utility District No. 1 of Jefferson County 2009 Budget.

Public Comment

Phil Otness repeated advice that the Board create log/diary information for tracking expenses to categories.

ADJOURNMENT

MOTION: By Commissioner Hays, Second by Commissioner Roberts, carried unanimously, to close the Budget/Rates Hearing at 5:03 p.m.

REGULAR MEETING

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 5:04 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. (Note that presentation by consultant Norm MacLeod was added later in the meeting.)

APPROVAL OF MINUTES

MOTION: By Commissioner Roberts, Second by Commissioner King, carried unanimously, to approve the Budget Hearing and Regular Meeting Minutes of October 15, 2008.

APPROVAL OF VOUCHERS

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

Warrants No.14317 through 14331 in the amount of \$ 22,780.09; and
Warrants No.14332 through 14337 in the amount of \$ 2,746.72; and
Warrants No.14338 through 14351 in the amount of \$ 22,926.09; and
Warrants No.14352 through 14387 in the amount of \$276,072.19
For a Total \$324,525.09

ITEMS FROM THE FLOOR (not listed on the Agenda)

Paul Heinzinger, Marrowstone Island, emphasized a need for the PUD to work at improving public relations.

COMMISSIONER'S REPORTS

Commissioner Roberts:

October 22: Attended meeting of the Climate Action Committee where target categories to reduce carbon footprints are being addressed.

October 24: Attended meeting of the WWUC (Washington Water Utilities Council) in Everett.

October 28: Attended meeting of the WRIA 17 Steering/Technical Committees.

November 6: Expect to attend meeting of the Puget Sound Partnership.

November 12: Expect to attend public meeting to be held in Quilcene by the Department of Ecology.

November 18: Expect to attend meeting of the WRIA 17 Planning Unit and Department of Ecology presentation.

Commissioner King

October 15: Attended meeting regarding telecom power.

October 22: Attended meeting regarding Department of Natural Resources and Dabob Bay.

October 29: Attended meeting regarding telecom power.

November 3: Attended meeting with State Auditor officers in the District Office.
November 7: Expect to attend HCCC's Hood Canal Environmental Achievement Awards and Conference at the Inn at Port Hadlock.
November 12: Expect to attend a public meeting to be held in Quilcene by the Department of Ecology.
November 12: Expect to attend an open public meeting in Clallam County with Brian Sonntag and Lynn Kessler.
November 20: Expect to attend a Reverse Osmosis workshop in Anacortes.

ACTION ITEMS

Resolution LUD#14(Marrowstone Island Extension) Final Assessment

The Manager presented for approval Resolution No. 2008-010, adopting and fixing public hearing time and place for a preliminary assessment roll for Local Utility District No 14. Mr. Parker further addressed project costs, fundings, timing for project completion, connection policies and notice to property owners. The preliminary assessment public hearing is scheduled to be held at 3:00 p.m., December 3, 2008 at the Nordland Garden Club, Nordland (Marrowstone Island), Washington. After discussion the Board took the following ACTION:

MOTION: By Commissioner Hays, Second by Commissioner Roberts, carried unanimously, to adopt RESOLUTION NO. 2008-010, a RESOLUTION of the Board of Commissioners of Public Utility District No. 1 of Jefferson County, Washington, Adopting a Preliminary Assessment Roll for Local Utility District No. 14; Fixing the Time and Place of a Public Hearing on the Preliminary Assessment Roll; and Providing for Notice of Such Hearing.

DISCUSSION ITEMS

a) Hittle Study

The Manager reported that the D. Hittle & Associates preliminary feasibility study of Public Utility District No. 1 of Jefferson County Electric System Acquisition, is complete. It is currently on the PUD website, and there is an option to have it presented to the Board in person. It was agreed that, with time being of the essence and assurance to the public of ample study of feasibility, the planning process should begin immediately, with connection with a bond counsel, Bonneville Power Administration, the City of Port Townsend, Puget Sound Energy, possible site visits to existing similar facilities, and possible formation of a Citizens Advisory Committee.

b) Draft Budget Resolution

The Manager presented for review draft Resolution No. 2008-011, decreasing the PUD regular levy, and Resolution No. 2008-012, adopting the Budget for calendar year 2009. Action is expected at the next Regular Meeting.

c) Bill stuffer

The Manager presented a proposal for an enclosure in the PUD billing by an outside agency.

d) Court Ruling: Lane v. City of Seattle

The Manager noted a Supreme Court support of a King County ruling that fire hydrants are not the responsibility of the utility, and the issue is to be addressed at the November 20th WPUDA Water Committee.

d) Draft meeting schedule for 2009

The Manager presented the proposed Regular Meeting and holiday schedule for 2009.

e) Presentation by consultant Norm MacLeod

Norm MacLeod, contracted by the Board to explore water budgeting and management in WRIA 17, commented that, in relation to power and water connection, additional opportunities may present. He mentioned a vertical column venturi wind generator project in Joyce, being built for quite low cost, that shows an option for transportation of water. A test location site could be Peterson Lake. Norm mentioned, regarding tidal power, Hood Canal Bridge and the local paper mill may present opportunity. An aside, word from the DOE Exempt Well group is that, due to lack of agreement, exempt well legislation may not be proposed soon. Representative Kessler arranged a connection for Mr. MacLeod with John McCoy of the Tulalip Tribe who is on the "Four Corners" working group and is favorable toward the water management opportunities outlined. A visit to Clallam presentation on water trust and water banking/waterexchange indicated a lack of knowledge on acceptable process. In conversation with Mr. McCoy, Norm emphasized a need to address all primary user entities of farms, fish and people simultaneously, without elevating any one above another. Also, there is a water banking workshop in Olympia on November 21.

MANAGER'S REPORT/OLD BUSINESS

LUD 14 (Marrowstone Island): Note Action Item *a)* on Final Assessment and Public Hearing. Southeast section water main installation is complete; rest to be completed by month's end. At completion of the final assessment hearing, staff will begin to prepare engineering, permits, etc., for a water line along the causeway and on U.S.Navy property.

Olympic Mobile Village: C & J is nearing completion. District staff will then attach the well to the Quimper Water System. Staff will request first draw of funds from Department of Health late this month.

Budget: Note Discussion Item *b)* Draft Resolution.

STAFF REPORTS

Auditor Report

The Auditor reported that the vouchers were in order.

PUBLIC COMMENT

Ralph Rush, Marrowstone Island commented on his good impression of and gratitude for the LUD 14 project on Marrowstone Island.

CORRESPONDENCE

1. Letter from Robert Jackson regarding water line
2. Notice of November 20, 2008 Reverse Osmosis workshop in Anacortes, WA.

ADJOURNMENT

MOTION: By Commissioner Roberts, Second by Commissioner Hays, carried unanimously, to adjourn the Regular Meeting at 7:39 p.m. p.m.