

PUBLIC UTILITY DISTRICT # 1
of Jefferson County
October 22, 2003

MINUTES

CALL TO ORDER

The regular meeting of the Public Utility District #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
Dana Roberts, Vice President
David W. Sullivan, Secretary
James G. Parker, District Manager
Thomas C. Neal, District Auditor
Kathie Pike, Recording Secretary

AGENDA

After noting that there is scheduled a 2004 Budget Hearing, and announcing that the District-appointed MAI appraiser will address the Board on November 19 regarding Marrowstone Island, the Meeting Agenda was approved.

BUDGET HEARING

The Regular Meeting of the PUD No. 1 Board of Commissioners was adjourned to the BUDGET/RATES Hearing at 5:02 p.m. Note attached Hearing Minutes.
The President closed the Budget Hearing at 6:00 p.m.

The Regular Meeting of the PUD No. 1 Board of Commissioners was reconvened at 6:01 p.m.

MINUTES

MOTION: By Commissioner Roberts, Second by Commissioner Sullivan, carried unanimously to approve the Regular Meeting Minutes of October 6, 2003 and to approve the Minutes of the Public Hearing for Proposed 2004 Budget/Rates, also October 6, 2003.

APPROVAL OF VOUCHERS

MOTION: By Commissioner Roberts, Second by Commissioner Sullivan, carried unanimously to approve payment of Warrants No. 7307 through 7360 in the amount of \$49,209.15.

ITEMS FROM THE FLOOR

Ed Davis, Chief, Fire District No. 1 addressed the Commission regarding that District's rating for fire insurance premiums should the projected Marrowstone Water System be constructed with hydrants.

Tom Seavoy, Marrowstone Island, addressed the Board concerning petitioning protocol.
Rita Kepner, Marrowstone Island, addressed the Board, also concerning petitioning protocol.

The President of the Board moved DISCUSSION ITEM, Randy Kline, Tri-Area UGA Planning to be the next Agenda Item.

Mr. Kline, with the Jefferson County Department of Community Development, presented the Board with the current state of the UGA planning process for Irondale and Hadlock, addressing water, sewer/septic, and fire protection needs and which agencies are expected to supply them.

COMMISSIONER'S REPORTS

Commissioner Roberts

On October 14, took part in WRIA (Water Resource Inventory Area)17 open house, held at Washington State University, Hadlock. Outstanding regional geo-hydrologic presentation by Bill Simonds of USGS.

Commissioner Sullivan

On October 9, attended the Community Investment Fund Board Meeting. The City of Port Townsend presented its project; and criteria for evaluating all projects was discussed. The EDC will provide information on bonding the available sales tax revenues at the next meeting, November 13.

On October 11, attended Wild Olympic Salmon Festival, acknowledging PUD support of Water Watchers in providing county-wide education about the watershed.

On October 13, attended opening of union negotiations.

On October 16, attended Board of Health (handout of periodic monitoring onsite septs). Will be on a subcommittee with Larry Fay and County Commissioner Titterness to review the Jefferson County On-Site Sewage System Code.

ACTION

A. Item withdrawn.

B. Kala Point Water System Offer

MOTION: By Commissioner Roberts, Second by Commissioner Sullivan and carried unanimously to authorize the Manager to forward Offer to Purchase Kala Point Water System to Dr. Paul Heinz Dencker, expressing December 31, 2003 as a date of expiration of the offer by the PUD.

DISCUSSION

A. Randy Kline. Previously addressed.

B. Marrowstone Island Appraisal Update. MAI appraiser to attend November 19, 2003 Regular Meeting with update.

C. Resolution No. 03-019 Adopting rate changes for the PUD's fees for water and sewer. (This is action required at close of budget hearings.)

D. Resolution No. 03-020 Adopting an increase in the regular property tax levy by zero per cent. (Action required at close of budget hearings.)

E. Resolution No. 03-021 Adopting the Budget for the Calendar Year 2004. (Action required at close of budget hearings.)

F. Valiani Water System. Discussion of possible request for wholesale water from Cape George Colony Water System for the Valiani Water System, which currently has only one active connection. Commissioner Sullivan will further investigate and report back.

G. PUD Office Roof Replacement. The Manager indicated concerns about the existing PUD facility roof, with the advent of the rainy season. Commissioner Roberts was to make some specific contacts and report back at the next meeting.

H. DOH Grant request, WSARP (Water System Acquisition and Rehabilitation Program) for Quilcene. With a November 10 deadline, application preparation is in progress.

MANAGER'S REPORT

With regard to the Tri-Area system, it is expected that the Kively Well will be on line by the end of the year, with the intention of using it while Sparling upgrade occurs.

Concerning Marrowstone, we did mail notification of delay of preliminary hearing, and the MAI appraiser presentation will be scheduled for the second regular meeting in November. State Parks' new water tank goes for bid in February.

We received acknowledgement of loan application for Beckett Point.

On the Indian Island purchase possibility, our offer is being evaluated.

On Brinnon, the Department of Health is exploring the likelihood of a Block Grant (approximately \$30,000) for this system.

We are investigating grant application procedure for Quilcene system.

With regard to Tri-Area sewer planning, the Manager will serve on the Jefferson County

Sewer Plan Review Committee.

Concerning Operations, union negotiations are under way; the Manager is completing educational requirements to keep credentials current; further information on Tri-Area UGA is included in billing; PUD Lazy C property is eroding into the Dosewallips River; and staff is working on Emergency Response Plan.

Regarding the Water System Plan, staff is steadily completing it; service area information forwarded to Jefferson County; the ADM system is up and nearly difficulty-free.

STAFF REPORTS

Auditor's Report. Everything is in order.

CORRESPONDENCE

1. Copy of letter from Jefferson County Treasurer to Port Ludlow property owner regarding foreclosure.
2. Letter from Washington State Public Works Board regarding Public Works Trust Fund Pre-Construction Loan application.
3. Letter from Washington State Department of Natural Resources concerning waterline easement

EXECUTIVE SESSION

The Board President at 7:58 p.m. adjourned the Regular Meeting to an approximately 30-minute Executive Session for the purpose of matters of personnel.

At 8:30 p.m. the Regular Meeting reconvened. There were no decisions.

ADJOURNMENT

MOTION: By Commissioner King, Second by Commissioner Roberts and carried by all, the regular meeting was adjourned at 8:34 p.m.

Wayne G. King, President

David W. Sullivan, Secretary

Dana Roberts, Vice President