

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

**September 1, 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 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:

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

AGENDA

The Agenda was approved as submitted.

APPROVAL OF MINUTES

MOTION: By Commissioner Burke, Second by Commissioner King, carried unanimously, to approve the Regular Meeting Minutes of August 18, 2010 and the Special Meeting Minutes of August 31, 2010.

APPROVAL OF VOUCHERS

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

Warrants No.16578 through 16592 in the amount of \$ 24,180.49; and
Warrants No.16593 through 16619 in the amount of \$ 124,633.11;
For a Total Amount of \$ 148,813.60

ITEMS FROM THE FLOOR (not listed on the Agenda)

None

COMMISSIONER'S REPORTS

Commissioner King

August 20: Attended meeting of WSU Team Jefferson regarding Broadband.

August 25: Attended meeting of the Transition Advisory Committee (with Puget Sound Energy) with the Manager and with consultant Don McDaniels.

August 31: Attended signing of energy agreement with Bonneville Power Administration.

Commissioner McMillen

August 31: Attended signing of energy agreement with Bonneville Power Administration.

Commissioner Burke

August 30: Attended meeting of the City of Port Townsend Special Projects Committee regarding public power.

August 31: Attended signing of energy agreement with Bonneville Power Administration.

August 31: Spoke via telephone with Cassandra Little of Habitat for Humanity regarding Quilcene and Brinnon projects.

Commissioner Burke also commented that he has been appointed to the Alternative Electric Management Committee.

ACTION ITEMS

None

DISCUSSION ITEMS

a) Peterson Lake Timberland Program

The Manager presented a proposed Peterson Lake Forestland Management Plan for management of Peterson Lake timber using long-term sustainable principles and practices and protection of natural resources, while generating income. The Board discussed options.

b) Granting PGG (Pacific Groundwater Group) Access to wells in WRIA 16

Bill Graham advised the Board of the possibility of a well monitoring program, using dataloggers funded through the WRIA 17 Planning Unit. It could require collaboration with PGG.

c) NoaNet Round 2 Grant Award

Bill Graham presented information regarding the Round 2 NTIA BTOP grant award to NoaNet to expand a "middle mile" fiber optic network in Jefferson County. The \$3.6 million U.S. Department of Commerce grant would provide services to essential government agencies, services (i.e. hospitals, libraries) and schools. As a current member of NoaNet, JPUD has a possible option to participate, perhaps as a service provider. After discussion by the Board, it was opined that Mike Hanson and/or Fred Mitchell return to a Regular Meeting to update the Board on its possible inclusion.

d) Marrowstone/Indian Islands Water

The Manager presented his letter to U.S.Navy Captain J.P. Rios regarding a proposal for JPUD to install a new water line inside its fence. Such a proposal was requested by the Navy; it offers to design, finance and install approximately 10,000 linear feet of water line, then deed it to the Navy in exchange for use to transmit to Marrowstone Island.

e) Transition Team Power Update

The Manager noted that a representative of National Rural Utilities Cooperative Finance Corporation (CFC), a non-profit assisting in financing for electrical providers, visited to present the benefits of membership. Also, CoBANK, another cooperative delivering financial services to rural businesses, has been in contact. Both work cooperatively with RUS to provide funding.

MANAGER'S REPORT/OLD BUSINESS

Indian Island: Note DISCUSSION Item d) above relative to US Navy easement. Regarding causeway, construction is completed.

Power Authority: Note DISCUSSION Item e) above. Staff is coordinating with consultants Howard Barnes for RUS financing and Brown & Kyser, LLP regarding upgrades to Shine Beach and Hazel Point lines. The Manager proposed preparation of a Reservation Agent Agreement for JPUD, in order to pursue Network Integration Transmission (NT) Service.

Sahara Water System extension: Public hearing was held on 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 was held. Staff must now address seismic, wetland delineation and design for building and septic.

PUBLIC COMMENT

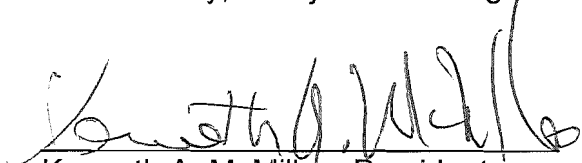
None

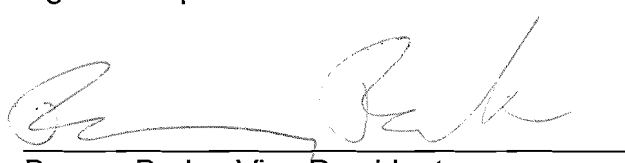
CORRESPONDENCE

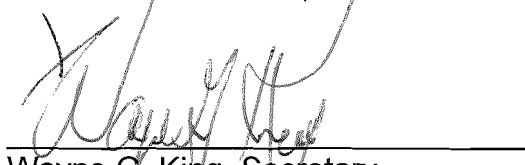
None

ADJOURNMENT

MOTION: By Commissioner Burke, Second by Commissioner King, carried unanimously, to adjourn the Regular Meeting at 7:51 p.m.


Kenneth A. McMillen, President


Barney Burke, Vice President


Wayne G. King, Secretary