

FINAL DRAFT

PUBLIC UTILITY DISTRICT # 1
of Jefferson County
October 18, 2006
BUDGET HEARING
and
REGULAR MEETING
MINUTES

CALL TO ORDER

The Budget 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:

M. Kelly Hays, President
Dana Roberts, Vice President
Wayne G. King, Secretary
James Parker, District Manager
William Graham, District Resource Manager
Thomas C. Neal, District Auditor
Kate Pike, Brisa Services

PUBLIC COMMENT

There was none.

ADJOURNMENT

The Budget Hearing of the Public Utility District No.1 of Jefferson County was adjourned at 5:16 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 5:16 p.m. at the District Office, 230 Chimacum Road, Port Hadlock, Washington. Commissioners and staff present were:

M. Kelly Hays, President
Dana Roberts, Vice President
Wayne G. King, Secretary
James Parker, District Manager
William Graham, District Resource Manager
Thomas C. Neal, District Auditor
Kate Pike, Brisa Services

AGENDA

The Agenda was approved as submitted.

ITEMS FROM THE FLOOR

There were none.

APPROVAL OF MINUTES

MOTION: By Commissioner Roberts, Second by Commissioner Hays, carried unanimously, to approve the Budget Hearing and Regular Meeting Minutes of October 2, 2006.

APPROVAL OF VOUCHERS

MOTION: By Commissioner King, Second by Commissioner Roberts, carried unanimously to approve payment of Warrants No.11150 through 11202 in the amount of \$80,035.06.

COMMISSIONER'S REPORTS

Commissioner King

Commissioner King was out-of-state from the previous Regular Meeting.

Commissioner Roberts

On October 10, attended a workshop at the Jefferson County Court House Commissioners Chambers regarding the proposed Tri-Area sewer system.

On October 10, attended meeting of the WRIA 17 Planning Unit, selecting a new facilitator, Laura Blackmore with Cascadia Consulting Group for Phase 4 Implementation Plan.

On October 16, attended Surface Water Management Plan hearing at the Board of County Commissioners meeting.

On October 16, attended Marrowstone Island Garden Club candidate forum.

On October 19, expect to attend a WPUDA Water Committee meeting in Chehalis.

On (?), expect to attend a WSU Beach and Water Watchers Watershed Day at Fort Worden State Park, particularly for long-term snowpack outlook research report.

On October 21, expect to attend Jefferson County Fruit Club at Jefferson County Fairgrounds.

On October 24, expect to attend WRIA 17 Steering Committee meeting, outlining Scope of Work for Phase 4 Plan Implementation at WSU.

On October 25, expect to attend a Tri-Area Sewer System open house at WSU.

Commissioner Hays

Visited, several times, on-site Fort Gate Road segment of LUD 14 pipeline installation project.

ACTION ITEMS

a. *Memorandum of Understanding with County and Ecology for Phase 4 match funds.*

The Manager presented for action an Interagency Agreement between the PUD and Jefferson County regarding WRIA 17 Phase 4 Implementation and match of funds for Department of Ecology funding. The Board took the following ACTION:

MOTION: By Commissioner King, Second by Commissioner Roberts, carried

unanimously, to authorize execution of an Interagency Agreement between Jefferson County Public Utility District Number 1 and Jefferson County to provide the WRIA 17 Planning Unit \$11,111 worth of credits drawn from the District's payments for Peterson Lake to satisfy Department of Ecology match requirements for the first year of a Watershed Planning "Phase Four Implementation" grant.

DISCUSSION ITEMS

a. WRIA 17 Planning Unit schedule update

The Resource Manager presented considerations with regard to the two separate processes and participants toward WRIA 17 Phase 4 Implementation and Instream Flow settings.

b. Budget Resolution

The Manager presented for review only Resolution No. 2006-011 Adopting the Public Utility District No. 1 Budget for the Calendar Year 2007; and Resolution No. 2006-012, to not increase the regular levy by an amount which exceeds the District's prior year's levy amount, not including increases that would occur from new construction and increases in state valued assessed properties.

c. Beckett Point PRS

The Manager presented for review information regarding a pressure reducing station for the Beckett Point project.

d. McGillie water line extension-Quimper Water System

The Manager presented for review draft Resolution No. 2006-009, accepting a constructed watermain extension to the Quimper Water System as a gift and contribution in aid of construction from the Developer; and an agreement for the District to commence operation and management of the facilities located in Section 12, NE 1/4, Township 29 North, Range 1 West, W.M., Jefferson County.

e. Peterson Lake - rental, gate

The Manager presented for review a draft letter to the tenant currently residing at the Peterson Lake properties. He was directed to send copies to legal counsel and to the Peterson estate.

f. Reverse Osmosis

The Manager presented a technical memorandum from Enoch Nicholson, CH2MHill, expressing opinion of probable capital and operating costs for a potential seawater reverse osmosis desalination system, given some general design and system assumptions. Land location and permit process will need identification; preliminary costs are identified in the 2007 budget.

MANAGER'S REPORT/OLD BUSINESS/ UPCOMING EVENTS

At the Airport Well, screen cleaning process continues.

On the LUD 14 (Marrowstone Island) project, regarding the Fort Gate extension, work is expected to be completed within the month. Concerning the North SR 116 extension, bid was awarded to Seton Construction, Inc. on October 2, with a Notice to Proceed expected in November. Completion of the Department of Transportation island-wide permit is pending. Correspondence will be sent by the Board President to the Project Manager of the South Application Review Section, Department of Army Corps of Engineers regarding the Corps' pending issues concerning the COE permit.

County permit notices have been posted on the Island.

Regarding Indian Island, the 2007 U.S. Department of Defense Budget has been approved and includes funding for negotiating utility system transfers to non-Federal entities; thus, renewed negotiations for PUD acquisition of the Island's water system may be forthcoming.

At Beckett Point, bid documents are being prepared with assistance from Parametrix. The Manager will meet with legal counsel and the Fishermen's Club, tentatively on October 25, regarding assurance of re-payment for PUD-funded improvements. Parametrix' schedule has been received. Possible additional costs may include replacement of asphalt roadways and casing of septic lines.

In Quilcene, Lydel Construction is nearing completion of the project, with access under SR 101 accomplished. Grant funding from Jefferson County has been received.

Concerning Olympic Mobile Village Water System Acquisition, preliminary engineering design is complete. RUS grant/loan requests have been submitted and bank verification of non-funding is pending. Project engineering reports have been submitted to the Department of Health who requested clarification of the need for any Water System Plan amendment.

STAFF REPORTS

Auditor's Report. Everything is in order.

CORRESPONDENCE

None.

PUBLIC COMMENT

Ralph Rush, Marrowstone Island, addressed the possible number of fire hydrants considered for LUD 14.

ADJOURNMENT

MOTION: By Commissioner Roberts, Second by Commissioner King, carried unanimously, the Regular Meeting was adjourned at 8:01 p.m.