

**PUBLIC UTILITY DISTRICT #1
of Jefferson County
7 November 2007
BUDGET/ RATES HEARING and
REGULAR MEETING
MINUTES**

CALL TO ORDER

The fourth 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:

Dana Roberts, President
Wayne G. King, Vice President
M. Kelly Hays, Secretary
James G. Parker, Manager
Thomas Neil, District Auditor

The manager went over the rate changes that the board had agreed to at the last meeting and confirmed their agreement. There were no further discussions or comments from the public on the rate changes. The manager briefly discussed the changes the board had requested at the last meeting to include 20,000 dollars for upgrading the PUD website, a grant of 10,000 dollars in support low income individuals for septic inspection certification training, as a result the board was raising taxes 1% plus new construction.

PUBLIC COMMENT

Phil Otness, Port Ludlow, questioned the PUD's division of tax versus operation expenses. He asked the Board look at lowering taxes, particularly in light of the increased property taxes. He also asked that the board justify the division of their time between those items that were tax and non-tax revenue related activities. Additionally, he questioned the resource managers time being entirely charged to tax revenues. Commissioner Hays stated he would question other PUD's on how they track their time at the next PUDA meeting.

CLOSING OF RATE/BUDGET HEARING

MOTION: By Commissioner Hays, Second by Commissioner King, carried unanimously to close PUD#1 of Jefferson County Budget/Rate Hearing for 2007. Time was 5:27 P.M.

REGULAR MEETING

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 5:28 P.M. on 7 November 2007 at the District office, 230 Chimacum Road, Port Hadlock, Washington. Commissioners and staff present were:

Dana Roberts, President
Wayne G. King, Vice President
M. Kelly Hays, Secretary
James G. Parker, Manager
Thomas Neil, District Auditor
William Graham, Resource Manager

AGENDA

The agenda was approved as written, with the request by Commissioner King for the addition of discussion item I, "Press Releases"

MINUTES

MOTION: By Commissioner Hays, Second by Commissioner King, carried unanimously to approve the Rate/Budget Meeting Minutes of October 17, 2007.

MOTION: By Commissioner Hays , Second by Commissioner King, carried unanimously to approve the Regular Meeting Minutes of October 17, 2007.

VOUCHERS

MOTION: To approve warrants numbered 13026 through 13038, 13039 through 13056 and 13058 through 13102 in the amount of \$219,278.14. The motion was made and seconded by Commissioners Hays and King respectively. Motion carried unanimously.

ITEMS FROM THE FLOOR -NOT INCLUDED ON THE AGENDA –

John Finch, Marrowstone Island, requested information timing for the water line on Fort Gate Road – to be completed by end of January 2008 – and cost for a hydrant. Manager explain hydrant costs depend on a number of factors. Commissioner Hays requested that Hydrants on Marrowstone be a topic at the next regular meeting.

COMMISSIONERS REPORTS

Commission Hays attended the 18 October Olympic Water User Group Meeting, and will be attending the WPUDA meeting on the 15th of November.

Commissioner King spend time on the following PUD related activities: 22 October he visited Beckett Point project, 23rd meet with Mike McNickles on transfer of MOS responsibilities, 24 Oct and 30 October attended public meetings on new County Septic System O & M program (@

gardiner and Hadlock, respectively), and 25 Oct attended WRIA16 meeting in Hoodspport. He will be attending PDA meeting on the 8th of Nov., on the 13th will be at the instream flow meeting with DOE, and will attend the RO workshop on the 15th.

Commissioner Roberts attended Water User Group Meeting on the 18 Oct, the planning unit meeting on the 23rd, a city electrical management meeting on the 25th, a 5 Nov. green power meeting, and on the 6th of Nov a marine science center discussion on tidal energy by Snohomish PUD. He will attend a planning unit meeting on the 13th of November, a PT TV discussion on power authority, and the RO meeting on the 15th of October.

ACTION ITEMS

There were none.

DISCUSSION ITEMS:

- a) Rate Resolution 2007-014. Manager went over resolution for any changes the BOC may want. They had none.
- b) Tax Levy Resolution 2007-015. Manager went over resolution. Jack Westerman had reviewed and appears to be correct.
- c) Budget Resolution 2007-012. Board reviewed for changes and had none.
- d) Power Authority. The manager went over the requirements of the RCW54 for the PUD to obtain power authority. A review of the history of the PUD's involvement in power to include recent PUD studies, PSE's possible purchase by a Canadian Company, and PSE's relationship with POTELCO.

Representative from various power committees for the City of Port Townsend discussed possible partnerships to explore potential public power options, to include both power distribution and power production. Judy Surber, George Randels, and Jerry Spieckerman all were all open to PUD involvement. Steve Hamm, Norland resident, stated that through his group, 20/20 Energy Administration Group, could generate interest in getting petitions for the PUD to get into power signed. Both Commissioners King and Roberts, expressed interest in putting the question of PUD power authority before the public at the next general election. A positive vote would not force the PUD to take over PSE, it would simply allow the PUD to legally explore power distribution and generation options. Commissioner Hays was concerned that the PUD would be taking on more than they could handle, because this would more than double the current PUD staffing. The PUD is currently the smallest of the active PUDs. Jerry Spieckerman requested that the PUD officially assign a member to their power feasibility committee.

- e) Website Upgrade. William Graham stated that he was probably capable of updating the web-site on his own and would attempt to do so by the middle of December.

- f) Transfer of an Assessment – LUD#5. Manager went over a request to transfer a septic assessment from one parcel to another.
- g) Peterson Lake – Siphon equipment. A discussion on running an experiment to determine how much Peterson Lake is tied to the ground water aquifer. The proposed plan would be to siphon water over the natural dam down the overflow creek, measuring the volume, and then comparing it to a staff gauge in the lake. Bill Graham is to determine if a hydraulic permit is required for this project.
- h) Grant for MOS inspection program. The BOC authorized 10,000 for the septic system training program for low income. The manager is to check with OlyCAP to see if some how we can work the grant through them. He will also check with the county.
- i) Press Releases. Commissioner King wishes to hire Mike McNickle to do press releases for the PUD.

Linda Streissguth, PSE government and community relations manager, who listened in at the PUD meeting, also questioned the possibility of PUD being able to take on PSE's role.

MANAGER'S REPORT/ OLD BUSINESS/ UPCOMING EVENTS

Marrowstone Island. Manager is working on South SR116 Bid documents. He has met with the County to go over route, working out the bugs. Griffiths Point will be done as a separate bid package. Lydel should have tied the portion from the golf course to South of the store by the Friday. Next they are doing the side roads starting with Nolton. He is trying to coordinate to loop the fort gate road and mummy road lines. Looks like PUD got the million dollars SRF loan
Costs to date for this project, according to RJ: 1,569,894.86

Indian Island. NAVMAG has been requested for permission to install a water line inside the fence to Marrowstone island. The Navy called back wanting a more detailed drawing to submitted to their higher ups, plus real estate division. That was done, waiting on a response.

Becket point. Pape and Sons – Having problems between with the archeologist and one of the workers. The bones from the remains were reburied last week. DOH is scheduled for the 13th now, next Tuesday, however probably will have to push back because of 3 phase power issues. PSE was to have installed the 3 phase power on the 8th of October, but now looks like the 8th will be earliest possible. Dr. Green did not like location of power lines. Meeting sometime next week with Club and Bank on Bonding issues. Still trying to figure out when we can do the lone grinder pump in Midden. Also checking whether we need archeologist for power conduits between

pump and pole. Need to figure out costs related to archeologist, sounds as if County will honor their agreement.

Beckett Point Erosion Problem. Awarded bid to Matt Baker, said he would start tomorrow.

OMV. PSE has approved easement on their property - \$500 dollars, so now I need to talk to other two property owners. Manager resubmitted Project Report to DOH

Other:

1. RO. State is sending an application to site on their property. Talked with Mike Zimmerman, need to set up meeting with him on site location for RO facility.
2. Chevy Chase Golf Course. They are ready to go. Lining up Seton to do the work.
3. Peterson Lake. To discuss at next meeting
4. *Adelma beach change over*. Underway. C & J started this week. Got call from PSE asking why we are going ahead without them.
5. WUCC meeting – Moved to 13 November – 2 to 5.
6. Sparling Will go out for bid after next meeting. Hopefully drill hole first of next year. Talked to CH2M Hill about pilot testing of the bio-filter.
7. Airport wells, finally getting around to sending in DOH source approval for the replacement well 2a.
8. Portage Bay DF – Got OK from county to put in aerators into individual septic tanks. Need to send letter to home owners.
9. Snohomish PUD has pulled out of the PUDA? Not sure what that means for us.

STAFF REPORTS

Auditor's Report

Mr. Neil reported that everything was in order

CORRESPONDENCE

There was none.

ADJOURNMENT: Commissioner Hays moved and Commissioner King seconded to adjourn the meeting at 8:48 pm. Motion carried unanimously.