

RESOLUTION NO. 1

Adopting rules governing the transaction of business by the Commission.

BE IT RESOLVED, that the following rules are hereby adopted governing the transaction of business by the Commission of Public Utility District No. 1 of Jefferson County, Washington:

Section 1. The principal office and place of holding meetings of the commission shall be located at the Courthouse in the City of Port Townsend, Washington.

Section 2. Regular meetings of the commission shall be held on the FOURTH SATURDAY of each month, at the hour of EIGHT, P. M., and no notice of such meeting shall be required.

Special meetings of the commission may be called at any time by the President, or by two of the commissioners. Notice of any such special meeting, stating the time and the general purpose thereof, shall be mailed by the Secretary or the President to each member of the commission at his address as it appears on the records thereof, at least three days prior to the meeting. The presence of a commissioner at any meeting shall constitute waiver of notice.

Section 3. A majority of the persons holding the office of public utility district commissioner at any time shall constitute a quorum for the transaction of business, and the concurrence of a majority of the commissioners shall be necessary and sufficient for the passage of any resolution, but no business shall be transacted unless there are in office at least a majority of the full number of commissioners fixed by law.

Section 4. All proceedings of the commission shall be by motion or Resolution recorded in a Book or Books kept for such purposes which shall be public records. A motion or resolution shall not require a second.

Voting on all motions shall be viva voce unless a division is called for, in which case the Secretary shall record the vote of each commissioner.

All matters which, in the judgment of the commission, are legislative in nature, shall be embodied in the form of resolutions. No resolution shall be put in final passage at the same meeting at which it is introduced, except when such resolution is adopted by unanimous consent.

Resolutions shall be numbered consecutively, and the original copy of each resolution shall be signed by the President and attested by the Secretary in open session. Each resolution shall be filed by the Secretary and recorded in the books of the commission.

Section 5. The President shall be the chief executive officer of the commission, and shall preside over all its meetings. In his absence, the member of the commission not holding the office of Secretary shall act as presiding officer. The President shall sign all deeds, contracts and other instruments required to be executed by the commission.

Section 6. The Secretary shall keep the minutes of all meetings of the commission, and shall be the custodian of the official seal and all of its books, records, papers and files, except such of the foregoing as shall be in the custody of the auditor of the commission in the proper performance of his official duties.

Section 7. The following shall be the order of business transacted at the meetings: reading the minutes of the previous meeting, reading of communications, introduction and passage of resolutions, general business, oral hearings, and adjournment.

Section 8. It shall be the duty of the auditor to keep the books and accounts of the district, and to keep the commission fully advised as to the financial condition of the district. He shall audit all claims, demands and accounts against the district. He shall present the claim so audited to the commission for examination and allowance. All claims or bills shall be audited at the first regular meeting each month. For claims allowed by the commission, the auditor shall draw warrants on the County Treasurer, as treasurer ex officio of the public utility district, made payable to the claimant or his order, such warrants shall be dated and regularly numbered in the order of their issue, and when a warrant is signed, the auditor shall enter in a warrant register to be maintained by him the date of issue, name of payee, amount, number of warrant, nature of claim briefly stated, and by whom allowed. The auditor shall also retain all original bills, vouchers and claims, and endorse thereon claimant's name, nature of claim, the action had, and if warrant be issued, dating and numbering said bills, vouchers or claims the same as the warrants issued thereon.

Section 9. No claims of any kind against the commission or the district, except for services rendered by the salaried employees, shall be paid until it has been allowed by the affirmative vote of a majority of the commission in regular meeting assembled, nor until a written voucher, specifying the amount to be paid and purposes of the payment has been signed by two members of the commission. Upon receipt of such voucher, it shall be the duty of the auditor of the commission to draw and sign a warrant covering the same, and present the warrant is to

Section 9. Cont'd.

The Secretary shall compare the amount entered on the warrant with the amount of the approved voucher or claim, and then affix the official seal of the commission to the warrant, returning same to the auditor for issuance. Any other person other than regular salaried employees furnishing materials, rendering services, or performing labor for the district shall furnish a certificate duly acknowledged, certifying on honor that he has furnished materials, rendered services, or performed labor as described in the voucher, which certificate shall be a part of such voucher or attached to same.

Section 10. The members of the commission shall be allowed their expenses actually and necessarily incurred in the performance of their official duties, including expenses incurred in the attendance at meetings of the commission. Travelling expenses shall be computed at the rate of five cents per mile, in those instances where the commission use private automobile.

Section 11. No claim for damages shall be allowed against the commission district unless a verified claim therefor is filed with the Secretary of the commission within thirty days after the time when such claims for damages occurred, complying in all respects with the provisions of Remington's Revised Statutes, Section 9481.

Passed by the commissioners of Public Utility District No. 1 of Jefferson County this 28th day of December, 1940.

Signed W. J. Martin, President

Fred Stutler, Commissioner

Attest:

A. S. Galleary,
Secretary.

R E S O L U T I O N N O . . 2

Relating to negotiations with Puget Sound Power & Light Company.

WHEREAS, Public Utility District Number (1) One, of Jefferson County Washington is interested in acquiring the properties of the Puget Sound Power and Light Company, located in Jefferson County: and

WHEREAS, it is advisable to have the Bonneville Power Administrator negotiate with the Company in an effort to buy the Company's entire electric system and then transfer such distribution and other facilities as may be advisable to the individual public utility districts and other public bodies: and

WHEREAS, the commission of this District feels that the Bonneville Power Administrator should conduct the negotiations with the Company in such manner as it deems proper, looking towards the systemwide acquisition of the properties of the Company: and

WHEREAS, the Commission of this District understands that the representatives of the Bonneville Power Administrator are now working on the books and records of the Company in an effort to make a proposal to the Company for the purchase of its electric properties:

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District Number One (1) of Jefferson County, Washington, that this District requests that Dr. Paul J. Raver, Bonneville Power Administrator, take such further action as he deems necessary in negotiating with the Puget Sound Power & Light Company, looking toward the systemwide acquisition of the properties of the said Company, and the subsequent transfer to various public bodies of such distribution and other facilities as may be adviseable;

BE IT FURTHER RESOLVED, that this district extend to the Bonneville Power Administrator its cooperation in working toward a speedy conclusion of the negotiations and acquisition of the properties.

BE IT FURTHER RESOLVED, That copies of this Resolution be forwarded to the Bonneville Power Administrator.

Unanimously adopted at meeting of the Commissioners of the Public Utility District Number One (1) of Jefferson County, Washington,

This 4th day of December, 1940

Public Utility District Number One (1)
of Jefferson County, Washington.

(Signed) - Wesley J. Martin, Commissioner.
(Signed) - A. S. Gallear, Commissioner.
(Signed) - Fred Stutler, Commissioner.

Copy handed to Mr Davidson, December 12, 1940.

R E S O L U T I O N N O . 1 4

A RESOLUTION establishing a public utility and providing for the acquisition, by purchase or condemnation, of certain works, plants and facilities for the transmission and distribution of electricity, and the construction of certain additions and betterments thereto and extensions thereof, specifying and adopting a system or plan therefor, creating certain special funds, and authorizing the issuance and sale of revenue bonds in an amount not exceeding \$450,000.

WHEREAS, Public Utility District No. 1 of Jefferson County, a duly established municipal corporation of the State of Washington, hereinafter called the District, is authorized under Chapter 1, Laws of Washington, 1931, to acquire, by purchase or condemnation, and to construct and operate a public utility for the purpose of furnishing the District and the inhabitants thereof, and any other persons, including public and private corporations, within or without its limits, with electric current for all uses, and, for the purpose of defraying the cost of such public utility and of the plan and system specified and adopted therefor, is authorized to issue and sell utility revenue bonds and to create a special fund or funds for the payment of such bonds and the interest thereon; and

WHEREAS, the Commission of the District deems it advisable that the District acquire, by purchase or condemnation, and construct and operate such a public utility for such purpose,

NOW, THEREFORE, be it resolved by the Commission of the District as follows:

Section 1. The public interest, welfare, convenience and necessity require the establishment by the District of a public utility for the purpose of furnishing the District and the inhabitants thereof, and any other persons, including public and private corporations, within or without its limits, with electric current for all public uses.

Section 2. The District hereby specifies and adopts the system or plan herein set forth for the purpose aforesaid:

A. The District shall acquire, by purchase or condemnation, all electrical works, plants and facilities (other than those hereinafter specifically excluded) now owned or operated by the Puget Sound Power Light Company, a Massachusetts corporation, which are used or useful for the transmission and distribution of electricity and which are located in Jefferson County.

The following works, plants and facilities owned or operated by said company in Jefferson County are hereby specifically excluded from the properties to be acquired by the District:

1. That portion which is located in Jefferson County of the submarine cables extending from Shine, in Jefferson County, to Port Gamble, in Kitsap County, Washington, together with the lands upon which the same are located, or interest therein, and all telephone, signal and communication circuits and equipment located on or used in connection therewith, and all improvements, structures, equipment, appurtenances and accessories thereto;
2. The substation located in or near the town or community of Shine and known or designated as the Shine Substation, together with the lands upon which the same is located, or interest therein, and all improvements, structures, equipment, appurtenances and accessories thereto; provided, that the District shall acquire, and there is excepted from the property excluded hereby, all equipment used exclusively for local distribution purposes in said substation;
3. The 66,000 volt transmission or high voltage distribution line extending from said Shine Substation in a general northwesterly direction to what is known or designated as the Bremerton Junction Substation located in or near Section 33, Township 30 North, Range 1 West, W. M., and from said Bremerton Junction Substation in a general southwesterly direction to what is known or designated as the Maynard Substation located in or near the town or community of Maynard, and from said Maynard Substation in a general northwesterly direction to the Jefferson-Clallam County easterly boundary line, together with the lands upon which the same are located, or interest therein, and all telephone, signal and communication circuits located on or used in connection therewith, and all improvements, structures, equipment, appurtenances and accessories thereto; provided, that the District shall acquire, and there is excepted from the property excluded hereby, joint user rights for distribution purposes, on the basis of equal joint ownership and equal obligation to maintain and replace, of the poles of said line where contacts for local distribution purposes now exist.

Said works, plants and facilities to be acquired by the District comprise an existing electric system and include an operator's cottage, garage and warehouse located at or near said Bremerton Junction Substation; all substations, including the principal substations known or designated as the Kearney Street Substation, the Jackson Street Substation and the Paper Mill Substation, located in or near the city of Port Townsend, and the Quarry Substation, the Bremerton Junction Substation and the Maynard Substation, located in rural areas in Jefferson County; equipment used exclusively for local distribution purposes and located in what is known or designated as the Shine Substation; a 66,000 volt transmission or high voltage distribution line extending from said Bremerton Junction Substation in a general northerly direction to said Kearney Street Substation; a 66,000 volt transmission or high voltage distribution line extending in a general southerly direction from said transmission or high voltage distribution line or a substation within or near the city of Port Townsend to a paper mill located in or near said city; all street lighting facilities and equipment; joint user rights of the poles of the 66,000 volt transmission or high voltage distribution line aforesaid extending from said Shine Substation to said Jefferson-Clallam County easterly boundary line where contacts for local distribution purposes now exist; all distribution lines and facilities extending from said Substations and transmission or high voltage distribution lines and serving customers in areas adjacent thereto, including the city of Port Townsend and the towns or communities of Quilcene, Maynard, Port Discovery, Marrowstone Island, Indian Island, Chimacum, Center, Port Ludlow and Shine; and all communication lines, equipment and facilities located in or upon the foregoing works, plants and facilities and used in connection therewith.

B. The District shall acquire as part of the works, plants and facilities of the foregoing electric system:

1. All right, title or interest held or owned by said Puget Sound Power & Light Company in and to any and all real property located in Jefferson County, Washington, upon which any of the foregoing works, plants and facilities are located. Said real property

and interest therein is more specifically described as follows:

Real Property

The following described real property in the County of Jefferson, State of Washington, to-wit:

Jackson Street Substation

Lot Two (2), Block 100 of the Original Town (now City) of Port Townsend, according to the official plat thereof of record in the Auditor's Office of Jefferson County.

KEARNEY Street Substation

Lots One (1) to Eight (8), Block 124, Mabel addition to the City of Port Townsend, Washington.

Bremerton Junction Substation

Commencing at the quarter section corner between Sections 32 and 33, Township 30 North, Range 1 West, W.M.; thence South 82° 24' East 1241.5 feet to the true point of beginning, being an iron pipe thirty (30) feet South of the center line of Permanent Highway No. 7 in Jefferson County; thence South 279.8 feet to an iron pipe; thence East 252.4 feet to an iron pipe; thence North 258 feet to an iron pipe 30 feet South of the center line of Permanent Highway No. 7; thence North 80° 56' West parallel to said Permanent Highway No. 7 a distance of 255.8 feet to the true point of beginning, containing 1.50 acres, more or less, situate in Jefferson County, State of Washington; subject to an easement for a water pipe line, granted by the Puget Sound Power & Light Company, to the City of Port Townsend by an instrument dated December 9, 1957 and recorded May 9, 1958 in Book 108 of Deeds at page 324, Records of the County Auditor of Jefferson County, Washington.

Interest in Real Property

All licenses, leases, easements, permits and rights of way which are used or useful in the operation of the works, plants and facilities aforesaid.

It is the intention that the foregoing descriptions shall cover all the real property whereon or wherein the foregoing works, plants and facilities are located and all right, title and interest held or owned by said company therein, and if, for any reason, such specific descriptions shall not cover the exact location in any instance or instances of the lands whereon or wherein said works, plants and facilities are located, or shall omit any of said lands, then, anything herein to the contrary notwithstanding, there is covered hereby and included in the property to be acquired the actual lands and all right, title, or interest held or owned by said company whereon or wherein said works, plants and facilities are located;

2. All switchboards, switches, exciters, circuits, circuit-breakers, regulators, lightning arrestors, motors, dynamos, meters, transformers, towers, fixtures, poles, crossarms, insulators, wires,

overhead and underground conductors, service wires and connections, installations on customers' premises, machinery, equipment, materials and supplies, appurtenances and accessories relating to the foregoing works, plants and facilities;

3. All automotive equipment, tools and equipment, computing machines, cash registers and office equipment, furniture and supplies, and all other equipment, machinery, appurtenances and accessories used or useful in the operation or maintenance of any of the foregoing works, plants and facilities;

4. All engineering instruments, maps, books, records, plans and specifications, drawings, prints, charts and statistical data relating to the foregoing works, plants and facilities and their operation and maintenance;

5. Generally, all property of any kind or character whatsoever owned or operated by said company in Jefferson County (except cash, cash items, choses in action, bills and accounts receivable, appliance contracts, merchandise held for resale and securities, and the transmission lines and other property hereinabove specifically excluded), which are used or useful in the transmission and distribution of electric energy, including all water rights, franchises, easements, permits, rights of way, joint user rights, contracts and other rights and privileges, relating to the foregoing works, plants and facilities.

C. The District shall acquire the right to sever the foregoing works, plants and facilities from the remaining works, plants and facilities of said company.

D. For the purpose of converting the foregoing works, plants and facilities into an efficient and economical electric system, and of severing the same from the remaining works, plants and facilities of said Puget Sound Power & Light Company where necessary, the District shall construct and install any and all necessary and convenient lines and equipment, and acquire any and all necessary lands, franchises, easements, permits, rights of way and other rights and privileges therefor.

E. The District at its election shall make and enter into a contract or contracts for the purchase by the District of electricity at

wholesale with said Puget Sound Power & Light Company and/or such other private and public corporations, agencies and persons as may have the same available for sale.

F. The District shall cause to be made any and all surveys, appraisals, financial and engineering investigations necessary or incidental to the acquisition by purchase or condemnation of the electric works, plants and facilities aforesaid and to the construction of said additions and betterments to and extensions thereof, and the placing of the same into operation, and shall cause to be performed any and all fiscal, engineering, accounting and legal services necessary or incidental to said acquisition and construction and placing into operation.

The District may modify details of the foregoing system or plan where deemed necessary or advisable in the judgment of the Commission of the District, when not substantially changing the purposes herein specified. Should any part of provision of the foregoing system or plan be held to be invalid, such holding shall not affect the validity of any other portion or provision hereof.

The public utility hereby established and to be acquired by purchase or condemnation or constructed pursuant to the system or plan herein specified and adopted (hereinafter sometimes called the Public Utility) shall consist of the electrical works, plants and facilities hereinabove described together with all additions and betterments thereto and extensions thereof (including all additional works, plants and facilities acquired by the District for the same uses, whether or not physically connected therewith) which may be acquired by purchase or condemnation or constructed by the District after the purchase, condemnation or construction of the works, plants and facilities hereinabove described.

Section 3. The estimated cost of the system or plan herein specified and adopted is declared, as near as may be, to be the sum of four hundred and fifty thousand dollars (\$450,000).

Section 4. That the gross revenues and proceeds to be derived by the District from the operation of the foregoing electric transmission and distribution works, plants and facilities to be acquired

hereunder by purchase or condemnation, including the addition, betterments and extensions herein provided for, at the rates to be charged for the electricity furnished thereby will be sufficient in the judgment of the commissioners of the District to meet all expenses of operation and maintenance, and to permit the setting aside in a special fund, hereinafter created, at the times herein specified, out of the gross revenues of the same, the amounts hereinafter specified to pay the principal of and interest on the bonds hereby authorized to be issued as the same become due and payable, and to create and maintain the reserve account hereinafter created as a part of said special fund.

Section 5. In order to carry out the system or plan herein specified and adopted, the District shall issue and sell its revenue bonds in an amount not exceeding \$450,000. Said bonds shall bear such date as shall hereafter be fixed by resolution, shall be of the denomination of \$1,000 each, shall be numbered from one up, consecutively, and shall mature commencing with the second and ending with the thirtieth year after the date of issue thereof, in such amounts, as near as practicable, as shall, together with the interest on all outstanding bonds, be met by equal annual installments for the payment of the principal and interest on said bonds.

Said bonds shall bear interest not exceeding six per cent (6%) per annum, payable semi-annually, shall have interest coupons attached to and made a part thereof, shall be payable both as to principal and interest in lawful money of the United States at the office of the Treasurer of the District or at the Fiscal Agency of the State of Washington in the City and State of New York, at the option of the holder, shall be obligations only against the special fund created and established in Section 6 hereof, and shall be executed in such manner and shall be in such form not inconsistent with law or herewith, both as to the bonds, and coupons, as the commission of the District hereafter shall prescribe by resolution.

Said bonds shall be registrable as to principal only, and suitable provisions for such registration shall be endorsed thereon.

Said bonds shall be subject to redemption at the option of the

District. The District shall pay par plus three per cent for such bonds as may be redeemed within ten years from date of issue thereof, and shall pay par for any bonds redeemed subsequent to ten years date of issue thereof; Provided, that no premium shall be paid for the redemption of any of such bonds which will result in an interest yield thereon in excess of six per cent (6%) per annum. If the District should determine at any time to redeem all of said bonds then outstanding, said bonds may be redeemed on any date. Should the District determine to redeem less than all of said bonds then outstanding, said bonds shall be callable in inverse numerical order and shall be redeemed only upon an interest payment date. Notice of redemption shall be given by publication of such notice in a newspaper published and of general circulation in the City of Seattle, Washington, and by like notice in a newspaper published and of general circulation in the Borough of Manhattan, City of New York, New York. In each case, such publication shall be made at least once a week for two consecutive weeks, the first publication to be not more than forty-five, and the last publication to be not less than thirty days prior to the date fixed for redemption, and interest upon all bonds so called for redemption shall cease from and after the date fixed for the redemption thereof.

Section 6. There shall be and there is hereby created and established, a special fund to be known as the "Serial Electric Revenue Bond Fund, 1941". The District does obligate and bind itself irrevocably to pay into such Fund out of the gross revenues of the public utility herein established and the works, plants and facilities herein provided for, including all additions and betterments to and extensions of the foregoing, now or hereafter purchased, condemned, constructed or otherwise acquired, such amount as may be necessary to pay the principal of and interest on said bonds as they same respectively mature. Such payments shall be made into such fund on the tenth day of each month after the issuance of any bonds hereunder in amounts at least equal to the sum of:

A. A fraction of the payment (less any applicable amounts already in such fund), to become due for principal on said bonds issued hereunder on the next principal payment date, if any, within one year, and

B. A fraction of the payment (less any applicable amounts already in such Fund), to become due for interest on the bonds issued hereunder and then outstanding on the next interest payment date.

C. A fraction of the payment (less any applicable amounts already in such Fund) to become due for the Reserve Account of said Fund, hereinafter provided for, for such bonds on the next principal payment date.

In each case, the fraction shall be one, divided by the number of first days of the month prior to such interest payment date or such principal payment date, as the case may be.

During the first year said bonds are outstanding, in lieu of the payments provided for in paragraph C. above, the District shall pay into the Reserve Account of said Fund an amount equivalent to the difference between the average amounts required in subsequent years to pay the interest on and principal of said bonds, and the amount required the first year of the life of said bonds for interest alone. Such payment shall be made in equal monthly installments.

There is hereby created and established in said "Serial Electric Revenue Bond Fund, 1941", a Reserve Account. The District does hereby obligate and bind itself irrevocably to pay annually into such Account in the manner provided in paragraph C of this Section, not later than the principal payment date of each year, an amount equal to ten per cent (10%) of the total principal and interest requirements of the next ensuing year. Whenever the moneys in said Account aggregate an amount equal to the total principal and interest requirements for the next ensuing year, payments thereafter paid into said Account may be used by the District for the purpose of purchasing or redeeming said bonds, or for the purpose of making additions and betterments to and extensions of the electric utility system herein established, including the works, plants and facilities herein provided for, or for any other lawful purpose.

The "Serial Electric Revenue Bond Fund, 1941", created and established hereunder, shall be drawn upon for the sole purpose of paying the principal of and interest on said bonds as the same shall fall due, except that as hereinabove provided, moneys in the Reserve Account in

said Fund in excess of an amount equal to interest and principal requirements for the next ensuing year may be used as hereinabove provided, and from and after the date of the issuance of said bonds and so long as any obligations are outstanding against said Fund, the Treasurer of the District shall set aside and pay into said Fund from the gross revenues of the public utility herein established and all of the electric works, plants and facilities of the District, including additions and betterments to and extensions of the foregoing now or hereafter provided for, the amounts hereinabove provided to be paid into said Fund, and said gross revenues are hereby pledged to the payments above specified, which payments shall constitute a charge upon such gross revenues prior and superior to all charges whatsoever. The Treasurer of the District is hereby directed to make payments of the bonds and coupons herein authorized to be issued as the same fall due, from the moneys in said "Serial Electric Revenue Bond Fund, 1941", and from no other source. The payment of said bonds and the coupons thereto attached, as the same fall due, is hereby declared to be the only charge which has been made upon said Fund or which will ever be made thereon until all of said bonds and interest coupons shall have been fully paid. The District hereby covenants and agrees, and the Treasurer of the District is hereby directed, to make funds available from said Fund to the paying agents for said bonds and coupons at least fifteen (15) days before interest and principal payments thereon are due.

The Commission of the District hereby declares that in fixing the amounts to be paid into said Fund, as above provided, it has exercised due regard to the costs of operation and maintenance of the public utility herein established, and the electric works, plants and facilities to be acquired or constructed hereunder and of the additions and betterments to, and extensions of the foregoing, and that it has not obligated and bound the District to set aside into such special fund a greater amount of the revenues to be derived from the works, plants and facilities to be acquired as herein provided, and the additions and betterments to and extensions thereof, than in its judgment will be available over and above such costs of maintenance and operation.

The District hereby binds itself to maintain and continuously operate in an efficient and economical manner the electric utility of the District, and the works, plants and facilities aforesaid, the additions and betterments thereto and extensions thereof, to keep the same in good repair, and not to sell, lease or in any manner dispose of the electric utility herein established or the works, plants and facilities for the transmission and distribution of electricity to be acquired or constructed hereunder, including any additions and betterments to and extensions thereof which hereafter may be acquired by purchase, condemnation or construction, or any substantial part of any of the foregoing, until all obligations outstanding against, or payable from the special fund hereby created, shall have been paid in full, or in case the District shall sell or dispose of the same before payment of such obligations, it shall not make any sale or disposition without then or theretofore providing that from the proceeds of any such sale or disposal there shall be placed in said special fund a sum sufficient in amount to discharge, and to be used for no other purpose than the discharge, of the principal and interest of all bonds issued hereunder and then remaining unpaid; and it shall not, in any event, sell or dispose of said works, plants or facilities, or any substantial part thereof, for a sum less than sufficient to discharge and pay the bonds issued hereunder, and the interest thereon.

The District hereby binds itself to keep such of the works, plants and facilities of the District as are usually insured by corporations operating like properties, insured to the full insurable value thereof in a responsible insurance company or companies against risks, accidents or casualties, against which insurance is usually carried by corporations operating like properties, and that in the event of any loss or damage, the District will repair or reconstruct promptly the damaged portion of the insured property and will apply the proceeds of the insurance policies covering such loss solely for that purpose, or in the event the District should determine not to repair or replace such damaged property, the proceeds of said insurance policy or policies shall be used solely for the purpose of call-

ing and redeeming said bonds or purchasing said bonds at less than the price at which same might be redeemed.

The District further binds itself to keep proper books of account in accordance with rules prescribed by the Division of Municipal Corporations of the State Auditor's office of the State of Washington, or in the event the laws of the State of Washington should fail to provide an agency prescribing rules for keeping said books and records of account, then such books and records of account shall be kept in accordance with the rules prescribed by the Federal Power Commission. The District further agrees that all employees or agencies of the District collecting or handling money of the District shall be bonded by a responsible surety company or companies in amounts sufficient adequately to protect the District from loss.

The District further binds itself to establish and maintain rates or charges for the electricity generated, transmitted and distributed by means of the public utility system herein established including all works, plants and facilities to be acquired or constructed as provided herein, and all additions and betterments to and extensions thereof which hereafter may be purchased, condemned or constructed, as will provide sufficient revenues to permit the payment of said sums into such special fund which the District has pledged to set aside for the payments of principal and interest and for the Reserve Account as herein provided, to be applied to the payment of the principal and interest of the bonds herein authorized until such bonds and interest shall have been paid in full, and in addition thereto, all costs of operation and maintenance.

Section 7. The bonds herein authorized shall be sold in such amounts and at such time or times as the commission of the District by resolution shall direct. The proceeds derived from the sale of said bonds shall be placed in a fund which is hereby created and designated as the "Electric Acquisition Fund, 1941", and said proceeds shall be used solely to pay the costs and expenses of the acquisition by purchase or condemnation of the works, plants and facilities herein provided for, and the construction of the additions and betterments

thereto and extensions thereof aforesaid, to pay all costs and expenses in connection therewith and to effectuate the provisions of the system or plan as herein specified and adopted; Provided, that any moneys remaining after all expenditures for the purposes above stated have been made shall be transferred and deposited in the "Serial Electric Revenue Bond Fund, 1941", created and established by Section 6 hereof.

Passed by the Commission of Public Utility District No. 1 of Jefferson County this 26th day of July, 1941.

Albert S. Gallear

Wesley J. Martin
WESLEY J. MARTIN
President

Attest: ALBERT S. GALLEAR
Secretary

Fred Stutler
FRED STUTLER
Commissioner

Copy of certification of P.U.D. petitions to the Board of
Jefferson County Commissioners.:-

PORT TOWNSEND, WASH. Sept 25th, 1940.

In the matter of the petition for the establishment of a
PUBLIC UTILITY DISTRICT, filed Sept 18, 1940; I have carefully
checked the list of signers of the petitions and find that of
the total list I can hereby certify that six hundred and six
(606) are registered and qualified voters of Jefferson County
and the City of Port Townsend, Wash.

SEAL

Signed;

P. M. Richardson
Auditor of Jefferson County.

COMMISSIONER'S PROCEEDINGS: VOLUME "M" Page 476

October 4th, 1940.

On October 1st the Board of Jefferson County Commissioners
was called in a special session to o.k. the certified petitions
to the election board and so ordered that they be placed on the
General Election ballot of November 5th, 1940.

Board of Jefferson County Commissioners

Attest :

P. M. Richardson
Clerk of the Board.

Roy L. Nordby, Chairman
Ray E. Ammeter, Member
Bertil Kruse, "

AFFIDAVIT OF POSTING.

STATE OF WASHINGTON)
COUNTY OF JEFFERSON) ss

P. M. Richardson, being first duly sworn, upon his oath
deposes and says; that he is now, and at all times herein mentioned
has been a citizen of the United States and of the State of
Washington, over and above the age of 21 years and a resident of
said County; that on October 3rd, 1940, affiant posted a true and
correct copy of that certain Notice of General Election of Nov 5th,
1940, the original copy of which is on file in the office of the
Auditor of said County and made by this reference a part thereof,
at each and every polling place in each and all of the following
named precincts:

City of Port Townsend :
Precincts 1-2-3-4-5-6-& 7.

Brinnon
Chimacum
Center
Coyle
Hadlock
Hob
Irondale
Gardiner
Leland
Nordland
Port Discovery
Port Ludlow
Queets
Quilcene
Shine
Tarboo
Woodman
Quinault

(Signed)

P. M. Richardson,
Auditor

Subscribed and sworn to before me this 4th day of October, 1940.

Marion Nisbet
Deputy Auditor.

SEAL

Copy of the number of votes received by the
PUBLIC UTILITY DISTRICT - JEFFERSON COUNTY
as certified by the canvassing Board for the election held on
the 5th day of November, 1940, and canvassed on the 15th day
of November, 1940.

FOR - - - - - 1675
AGAINST - - - - - 1262

also the number of votes received by the three P. U. D.

Commissioners:-

Commissioner	1st District	WESLEY J. MARTIN	1808
"	2nd "	ALBERT GALLER	1702
"	3rd "	FRED STUTLER	1754

(Signed)

P. M. Richardson
Auditor of Jefferson County.

1
November 22nd, 1940

PUBLIC UTILITY DISTRICT NO. 1, JEFFERSON COUNTY:

The first meeting of the Jefferson County Public Utility District No. 1, was held at the Grange Hall, Port Townsend on November 22nd, 1940.

Business of the meeting was the election of the following officers of the Commission :-

W. J. MARTIN, President & Chairman

A. S. GALLEAR, Secretary

FRED STUTLER, Member.

(Signed) Albert S. Gallear
Secretary

December 4th, 1940

PUBLIC UTILITY DISTRICT NO. 1, JEFFERSON COUNTY

A meeting of the Jefferson County Public Utility District No. 1, was held at the home of W. J. Martin, Port Townsend, on January 4th, 1940.

MEMBERS PRESENT : W. J. Martin, President & Chairman
Albert S. Gallear, Secretary
Fred Stutler, Commissioner

Meeting called to order by the Chairman W. J. Martin presiding.

After a discussion a resolution was drawn up relating to negotiations with the Puget Sound Power & Light Company; whereas, the commissioners requested the Bonneville Power Administrator should conduct the negotiations with the Puget Sound Power & Light Company in such manner he deems proper.

A copy of this resolution was sent to the Administrator and one placed in the secretary's file.

A lengthy discussion then took place concerning the drawing up a preliminary budget; it was finally decided a one mill levy would be sufficient to cover operating expenses until such times as P. U. D. is operating. This was tabled for further consideration.

(Signed) A. S. Gallear
Albert S. Gallear,
Secretary.

December 7th, 1941

PUBLIC UTILITY DISTRICT NO. 1, JEFFERSON COUNTY

A meeting of the Jefferson County Public Utility District No. 1, was held in the Commissioner's Room at the County Courthouse on Friday December 7th, 1940.

MEMBER PRESENT : Wesley J. Martin, President
Albert S. Gallear, Secretary
Fred Stutler, Commissioner

Meeting called to order with Chairman W. J. Martin presiding. Mr E. G. Ziebell, Mr Ernest Cluck and Mr Johnson were present to discuss ways and means of getting the P. U. D. under way, which were very instructive and helpful.

The Resolutions of the Jefferson County P.U.D. were drawn up at this meeting.

A motion was made and seconded to have the secretary order a seal, uniform vouchers having the names of the commissioners on them, a minute book - loose leaf type.

A motion was made and seconded to appoint an auditor and an assistant secretary. Several names were mentioned but no action was taken at this meeting.

Signed

A. S. Gallear
Albert S. Gallear
Secretary

December 12th, 1940

JEFFERSON COUNTY PUBLIC UTILITY DISTRICT NO. 1

The Jefferson County Public Utility District No. 1, met in County Commissioner's office at the County Courthouse on the above named date with the chairman, W. J. Martin, presiding. Represented at the meeting were Kitsap and Clallam County P.U.D. Commissioners; also the negotiating committee composed of Mr A.G. Ziebell, President, and Mr C. A. Bundy of Douglas County met to give us a picture of the work they are trying to do.

Mr C. G. Davidson, Consultant for Bonneville was introduced and outlined the boundaries for the new territory. He also gave a very detailed talk on some of the problems they have had to face in trying to negotiate with the P. S. P & L. Co., the price to be paid the P.S.P & L Co. is to be based on the earning power, although the total price will cover the entire system which includes physical condition with earning power.

Condemnation suits have been started in Whatcom, Thurston & Lewis Counties; dates have been set for the hearings.

R. F. C. funds is to finance the whole system which will apply only to overall acquisition.

Mr Davidson explained fully what had been done to put the P.U.D's in position to make a proposition to P.S.P & L., which was hoped to be made next week. A committee would have to go to California as Mr McLaughlin is still there.

Mr Ziebell spoke of the efforts put forth in Washington D.C., he gave our Congressmen there much praise in the assistance given them while there. He also spoke of the donations given the negotiating committee from the different counties. The following amounts have been given per month :-

Whatcom -	\$290.00	Skagit -	\$190.00
Snohomish	298.00	Thurston	130.00
Douglas	22.00	Chelan	132.00
Lewis	135.00		

The following flat rates have been adopted :-

Whatcom -	\$100.00	Douglas -	\$ 75.00
Snohomish	150.00	Lewis -	100.00
Skagit	150.00	Chelan -	100.00
Thurston	100.00	Pacific	10.00

New Counties:-

Clallam	50.00	Jefferson	50.00
Kitsap	125.00		

The New York Holding Co. holds 99% of the P. S. P & L Co. bonds.

Continued.

December 12th, 1940

Puget Sound Power & Light Co. not only serves light and power, but also owns gas and telephone system on Vashon Island.

Seattle, Tacoma and Centralia have their own municipal power company besides being hooked up with P.S. P & L.

P. S. P & L also own 16 generating plants, 13 hydro-electric and 3 steam plants; they have 700 miles of transmission lines; 350 miles high voltage lines, 20 miles sub-marine cable, and 200 sub-stations.

Sixteen Counties have formed P.U.D. systems.

Mr Ward was introduced as the new district manager, the new office is to be in Seattle, at 1202 Smith Building, Phone - Elliott 7801. He wished the Commissioners to feel free to write or phone him concerning any problems arising at any time, slides and movies are available for educational instructions, also a great deal of printed material is available.

(Signed)


Albert S. Gallear
Secretary

December 28th, 1940

JEFFERSON COUNTY PUBLIC UTILITY DISTRICT NO.1,

A meeting of the Jefferson County Public Utility District No.1 was held at the home of Mr Wesley J. Martin, President.

All members of the Commission being present.

Chairman, W. J. Martin called the meeting to order.

MINUTES: The minutes of the two previous meetings were read and approved.

RESOLUTIONS : The following resolutions were adopted at this time:-

RESOLUTION NO. 1,

Organization of district

RESOLUTION NO. 2,

Relating to negotiations with Bonneville

RESOLUTION NO. 3,

Appointing a negotiating committee to act for this P.U.D.

RESOLUTION NO. 4,

Adoption of the official seal.

RESOLUTION NO. 5,

Appointing of a secretary and auditor, James F. Richmond being appointed.

RESOLUTION NO. 6,

Appointing an attorney; Mr David Rhea being appointed.

RESOLUTION NO. 7,

Fixing of the assessed valuation of the district for tax purposes.

RESOLUTION NO. 8,

Adoption and issuance of warrants.

(Signed)

A. S. Gallear
Albert S. Gallear
Secretary

SATURDAY - January 25th, 1941

JEFFERSON COUNTY PUBLIC UTILITY DISTRICT NO. 1,

Regular meeting of Jefferson County P. U. D. No. 1, was held in the Commissioners Room at the County Courthouse at the hour of 7:30 P.M. on the above named date.

PRESENT: W. J. Martin, President
A. S. Gallear, Secretary

ABSENT: Fred Stutler, Commissioner

VISITORS: Chester Bundy of Washington P.U.D. Commissioner's Assoon.
Mr Johnson of the Research Bureau.

MINUTES: The Minutes of the December 1940 meeting were read and approved.

RESOLUTIONS: Motion made and duly seconded that the following entitled Resolutions be adopted:-

RESOLUTION NO. 9

Resolution urging Federal Legislation in re Columbia Power.

RESOLUTION NO. 10

Employing Mr Hendricks as a competent person to compile information, conduct research, prepare literature for publication and distribution and generally to make information available of the kind and in the manner as the commission may from time to time may direct. Mr Hendricks has entered into the performance of the duties hereinafter referred to as of January 1, 1941, under the following terms and conditions of employment, to wit:

Mr Hendricks shall receive from this district the sum of \$35.00 per month, commencing as of Jan. 1, 1941, such sum including his fee, office and other ordinary expenses. The employment of Mr Hendricks hereunder may be terminated by the Commission at any time by 30 days written notice.

Adopted by the P.U.D.No.1, of Jefferson County this 25th day of January, 1941.

RESOLUTION NO. 11

Adopting Auditing and Account Forms..

BUDGET : Moved and seconded that a preliminary budget of \$6000 be appropriated, and that interest bearing warrants not to exceed 3% interest be issued to meet general expenses and other contingencies during the year 1941.

Negotiations with the First American National Bank of Port Townsend for handling funds are pending.

MEETING TIME: Motion made and seconded that a change in the time for regular meetings on every 4th Saturday be held at the hour of 2:00 oclock P.M. instead of 8:00 P.M.

Motion carried.

ADJOURN: No further business appearing the Commission adjourned until Tuesday February 25th, cause being that Saturday Feb. 22nd is a legal holiday.

Attest: A. S. Gallear
A. S. Gallear
Secretary.

(Signed) Wesley J. Martin
Wesley J. Martin
President.