

**PUBLIC UTILITY DISTRICT # 1**  
of Jefferson County  
February 18, 2009

**REGULAR MEETING  
MINUTES**

**DRAFT**

**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 5:00 p.m. at the District Office, 230 Chimacum Road, Port Hadlock, Washington. Commissioners and staff present were:

Wayne G. King, President  
Ken McMillen, Vice-President  
Dana Roberts, Secretary  
James Parker, District Manager  
Bill Graham, District Resource Manager  
Thomas C. Neal, District Auditor  
Kate Pike, Brisa Services

**AGENDA**

The Agenda was approved with the following additions: Under Discussion, add item c) Response to letter from the City of Port Townsend.

**APPROVAL OF MINUTES**

MOTION: By Commissioner Roberts, Second by Commissioner McMillen, carried unanimously, to approve the Regular Meeting Minutes of February 4, 2009 and the Special Meeting Minutes of February 4, 2009.

**APPROVAL OF VOUCHERS**

MOTION: By Commissioner Roberts, Second by Commissioner McMillen, carried unanimously to approve payment of:

Warrants No.14672 through 14686 in the amount of \$ 23,469.42; and  
Warrants No.14687 through 14724 in the amount of \$ 54,851.34

For a Total of \$ 78,320.76

## ITEMS FROM THE FLOOR (not listed on the Agenda)

None

## COMMISSIONER'S REPORTS

### Commissioner McMillen

February 12 & 13(? correct dates?): Attended meetings (introductory/refresher & legislative) at the Washington Public Utility District in Olympia.

### Commissioner Roberts:

February 10: While expected to attend a meeting of the WRIA 17 Planning Unit, it was cancelled due to weather.

February 19: Expect to travel to the Columbia River PUD (CPUD) in Oregon with the District Manager to research public power.

February 24: Expect to attend meeting of the WRIA 17 Steering Committee.

February 26: Provide assistance to the Jefferson County Conservation District at the annual fundraiser.

### Commissioner King

February 17: Met (spoke ??) with Michele Sandoval, City of Port Townsend Mayor, regarding perceptions of January 29 meeting with Rep. Lynn Kessler and of Ms. Sandoval's letter to the Representative.

February 18: Expect to attend a meeting of the Peninsula Development Association (did you say a new name?--can't find it online).

February 24: Expect to attend meeting of the WRIA 17 Steering Committee.

February 25: Expect to meet with Jim Parker and Karl Karzmar, Puget Sound Energy

## ACTION ITEMS

a) Resolution - PUD Joins Energy Northwest

Tabled for future consideration.

b) Resolution - Changes to LUD #14 Assessment Roll

MOTION: By Commissioner McMillen, Second by Commissioner Roberts, carried unanimously, to adopt RESOLUTION No. 2009-002, Correcting Assessments of Local Utility District No. 14, Marrowstone Extension of Quimper Water System.

## DISCUSSION ITEMS

a) LUD #14 Financing

The Manager presented for review RESOLUTION NO. 2009-004,

authorizing the issuance and sale of a Local Utility District No. 14 Bond.

b) Water Resources - Tri-Area

The Manager presented updated information on Quimper Water System needs, identifying existing systems, number of current and projected connections and future growth expectations through 2034. Additionally, he addressed the District's current water right allotments, as well as the District's relationship with the City of Port Townsend at LUD#3 and options to continue that relationship or not.

c) Response Letter to City of Port Townsend

The Resource Manager presented a draft letter from the Board President to Representative Lynn Kessler, thanking her for the meeting with PUD, Jefferson County and City of Port Townsend officials and identifying some Jefferson County water resource issues. One such issue is the halt of forward motion on a DOE-funded aquifer storage and recovery (ASR) project due to limited availability of source options. The only viable source option, as determined by the consultant, is the City of Port Townsend Olympic Gravity Water System (OGWS). The City has commented that use of this source is not in its "best interest", and, according to correspondence from City Mayor Michelle Sandoval, renewal of a U.S. Forest Service Special Use Permit for City water diversion across federal lands is a major factor in not granting access to the (OGWS). As the terms of the DOE grant funding are to expire on June 30, 2009, the potential to lose it is great. The letter urges reconsideration of any reticence to use the (OGWS) as a source and repeats the support by the PUD of the WRIA 17 Planning Unit as the optimum body for long-range water supply planning.

## **MANAGER'S REPORT/OLD BUSINESS**

**LUD 14 (Marrowstone Island):** Note ACTION ITEM b) and DISCUSSION ITEM a). As of February 18, 2009, \$1,141,768.70 in early payments has been received. Regarding funding, the State Revolving Fund, at 3 per cent interest with a \$10,000 set-up fee will not be accessed.

The Public Works Trust Fund loan has been closed out at \$2 million. Concerning installation of a new supply line in the causeway between Indian and Marrowstone Islands, Department of Transportation permit application has been submitted, and the Manager met with Jefferson County staff to determine permitting requirements.

**Olympic Mobile Village:** Canal Pumps is to install pump within the week.

**Power Authority:** Staff has submitted application to DOE for Big Quilcene River hydro power water right and received reply. (Note correspondence).

The Manager and Commissioner Roberts expect to meet with Columbia

River PUD (CPUD) in Oregon staff, and the Manager is setting up meetings with Lewis PUD and Pacific PUD, regarding deliverance of public power. Economic & Engineering Services (EES) will address the Board March 4 on power-related issues. Requests for Qualifications have been posted for project manager, legal and appraisal services. Commissioner King will again meet with Karl Karzmar, Puget Sound Energy.

## **STAFF REPORTS**

### **Auditor Report**

The Auditor, Thomas C. Neal, reported that all was in order. Additionally, he reported that he is retiring as PUD Auditor and that this meeting is his final to attend in that capacity.

## **PUBLIC COMMENT**

None

## **CORRESPONDENCE**

1. Letter from City of Port Townsend Mayor
2. Letter from Washington Department of Ecology regarding water right application.
3. Letter from PUD No. 1 of Chelan County requesting support for Northwest Public Power Association Board Trustee recommendation.

## **ADJOURNMENT**

**MOTION:** By Commissioner McMillen, Second by Commissioner Roberts, carried unanimously, to adjourn the Regular Meeting at 7:02 p.m.