

**PUBLIC UTILITY DISTRICT # 1**  
of Jefferson County  
February 4, 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  
Kate Pike, Brisa Services

**AGENDA**

The Agenda was approved with the following additions: Under Discussion, add items d) Resolution for making application to Energy Northwest, and e) Solar Power Discussion.

**APPROVAL OF MINUTES**

MOTION: By Commissioner McMillen, Second by Commissioner Roberts, carried unanimously, to approve the Regular Meeting Minutes of January 21, 2009, the Special Meeting Minutes of January 14, 2009, and the Special Meeting Minutes of January 28, 2009.

**APPROVAL OF VOUCHERS**

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

Warrants No.14616 through 14630 in the amount of \$ 22,078.82; and

Warrants No.14631 through 14671 in the amount of \$ 81,446.98

For a Total of \$ 103,525.80

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

None

## **COMMISSIONER'S REPORTS**

### **Commissioner King**

January 21: Attended a meeting of Jefferson County Planning Commission regarding a Shoreline Master Program.

January 22: Met in District Office with the Manager and with Karl Karzmar and Tim Caldwell, Puget Sound Energy.

January 27: Attended the public meeting regarding UGA/sewer plan.

January 28: Attended the meeting with District's bond counsel, Nancy Neraas.

January 29: Traveled with Jefferson County Commissioner David Sullivan and Port Townsend City Councilmember Michele Sandoval to Olympic for meeting with legislators.

February 4: Attended meeting at the District office with Energy Northwest.

### **Commissioner McMillen**

January 27: Attended the public meeting regarding UGA/sewer plan.

January 28: Attended meeting with District's bond counsel, Nancy Neraas.

February 4: Attended meeting at the District office with Energy Northwest.

### **Commissioner Roberts:**

January 15: Participated in the WPUDA water committee meeting via telecom.

January 27: Attended the public meeting regarding UGA/sewer plan.

January 28: Attended the meeting with District's bond counsel, Nancy Neraas.

January 28: Attended the Climate Action Committee meeting.

February 2: Attended a briefing by Neil Harrington, Jefferson County Environmental Health, to Jefferson BOCC on water.

February 4: Attended the meeting at the District office with Energy Northwest.

February 10: Expect to attend a meeting of the WRIA 17 Planning Unit.

## **ACTION ITEMS**

### **a) Attorney RFQ**

The Manager presented a Request for Qualifications for Legal Services to assist PUD No. 1 of Jefferson County in developing a public power utility.

### **b) System Appraisal RFP**

The Manager presented a Request for Proposals by Consulting Firms to perform a system appraisal for PUD No. 1 of Jefferson County.

After brief discussion the Board took the following ACTION:

MOTION: By Commissioner Roberts, Second by Commissioner McMillen, carried unanimously to approve distribution of both the RFQ for Legal Services and the RFP for Consulting Firms to perform system appraisal.

### **c) Letter of Support for Tri-Area Sewer**

The Manager presented a letter from the Board to Senators Patty Murray and Maria Cantwell and Congressman Norm Dicks supporting the Port Hadlock Wastewater System. After discussion the Board took the following ACTION:

MOTION: By Commissioner McMillen, Second by Commissioner Roberts, carried unanimously, to sign and send the letter from the Board to Senators Patty Murray and Maria Cantwell and Congressman Norm Dicks supporting the Port Hadlock Wastewater System.

d) Division of PUD Board of Commissioners Responsibilities

The Manager presented a memorandum providing a listing of possible assignments for members of the Board.

## **DISCUSSION ITEMS**

a) LUD #14 Assessment - Tandoo

The Manager presented correspondence from Mr. George Tandoo, Marrowstone Island, regarding confusion over water equipment installation, assessment and billing. After discussion regarding assessments for three lots, only one of which is currently used and one in unbuildable, the Board took the following ACTION:

MOTION: By Commissioner McMillen, Second by Commissioner Roberts, carried unanimously, to assign to Mr. Tandoo one full assessment, one partial assessment and one exemption.

b) Water Resource Discussions

Bill Graham addressed the Board regarding "informal" comments submitted by the National Marine Fisheries Survey (NMFS) Habitat Conservation Division Branch Chief Matt Longenbaugh to the Washington Department of Ecology on the preliminary draft of a proposed Water Resources Management Program (instream flow) for WRIA 17. The comments recommend that proposals for additional, capped allocations of water from the Big Quilcene River and Chimacum Creek be revised to zero and that reserves be revised to zero for Chimacum, Salmon, Snow Creeks and the Little Quilcene River. Mr. Graham also presented a draft letter, for the President's signature, to U.S. House Representative Norm Dicks, taking issue with the "informal" comments and asking that the state agency be permitted to continue the water management process without federal interference from the NMFS or NOAA. Herb Beck, Port of Port Townsend Commissioner, was present and requested that Mr. Graham attend the next Port BOC meeting to address this issue. After further discussion, the Board took the following ACTION:

MOTION: By Commissioner Roberts, Second by Commissioner McMillen, carried unanimously to direct the Resource Manager to refine the draft letter for signature by the Board President. It was suggested that copies be sent to Senators Cantwell and Murray.

The Resource Manager further updated the Board on the Aquifer Storage and Recovery (ASR) project. Through negotiations with the Department of Ecology, Golder Associates and others, the PUD is attempting to alter the scope of the source assessment amendment to include the operational feasibility of the Olympic Gravity Water System for ASR, looking at the number of days able to

take water (based upon turbidity and instream flows to the stream), engineering concerns, etc. There are two specific scenarios, if an instream flow rule goes through as proposed, to be addressed: 1) to include Port Townsend Paper (mill) operations and 2) to exclude mill operations. The ASR option can remain on table until physical capability can be determined if desired by this Board. Another element for consideration is storage at Peterson Lake. There is a current application for grant funding pending, with a good likelihood of acceptance. A third possibility presented by Mr. Graham is that of using inchoate water rights for interim mitigation or for use in permit-exempt wells (for outdoor watering). In an attempt to mitigate impact of future wells or water rights in this basin, the WRIA 17 Planning Unit, or another water resource group, will look at this possibility. Use of water banking is a consideration and recognition by DOE should protect any PUD water rights. Manager Jim Parker, who has some concern around using inchoate, suggested, in an effort to become independent of purchasing water from the City of Port Townsend, the PUD enhance the Four Corner's well outputs and eliminate LUD #3 use.

There was further discussion concerning pending legislation, similarities and differences between this watershed and that in Walla Walla and a scope of work proposed by the PUD consultant who previously investigated some watershed planning "ideas". There is concern about a possible perception in the WRIA 17 community that the PUD is spearheading proposed legislation. The Resource Manager believes that this effort is better generated by the local community and members of the WRIA 17 Planning Unit. He suggested that the PUD wait for the Planning Unit process to evolve, revisit the Watershed Plan, attempt to resolve some complicated future water supply issues, complete the ASR project, look at mitigation plans, particularly those of the PUD for the Four Corners water right, float ideas before PU and encourage others to bring additional ideas forward.

c) Shared Leave Agreement

The Manager submitted a draft "Shared Leave Agreement by and between Jefferson County Public Utility District #1 and Laborers Local 252" for review.

d) Resolution for making application to Energy Northwest

The Manager submitted for review a draft Resolution making application for membership in Energy Northwest.

e) Solar Power Discussion

Commissioner King suggested investigation of a program to provide and support use of solar power in Jefferson County. Herb Beck, Port of Port Townsend Commissioner, commented on having some experience and that funding programs are available.

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

**LUD 14 (Marrowstone Island):** Regarding assessments, ability to make pre-payments to the Jefferson County Treasurer will close on February 6. As of February 4, 2009, \$810,183.70 in early payments has been received. Regarding

funding, the final \$100,000 has been received from the Public Works Trust Fund, and likely the State Revolving Fund will not be accessed. Concerning installation of a new supply line in the causeway between Indian and Marrowstone Islands, boring costs may run approximately \$80 per foot. Staff has met with the Department of Transportation regarding permits; approximately 300 feet of directional boring is estimated, and DOT requires double incased line under highway. February 12 is scheduled for a pre-application meeting with Jefferson County.

**Olympic Mobile Village:** Low bidder Canal Pumps is to drop pump into the hole; cost is approximately \$5,000.

**Power Authority:** Staff has submitted application to DOE for Big Quilcene River hydro power water right. Board supports participation in tidal power project with Snohomish PUD and supports Lynn Heminger for state representative on the Northwest Public Power Association Board of Trustees. The Manager has begun discussion with an IBEW77 union representative on any future role. Economic & Engineering Services (EES) has expressed interest in addressing the Board on power-related issues, as in steps to evaluate service expansion.

## **STAFF REPORTS**

### **Auditor Report**

None

## **PUBLIC COMMENT**

None

## **CORRESPONDENCE**

1. Washington State Audit Summary
2. Copy of letter of support from Wayne G. King, President, for the nomination of Lynn Heminger for the Washington State seat on the Northwest Public Power Association Board of Trustees.
3. Copy of letter to Snohomish County PUD from Wayne G. King, President, regarding participation in a proposed Admiralty Inlet Energy Project.
4. Notice from State Department of Health on 2009 Drinking Water State Revolving Fund program.

## **ADJOURNMENT**

**MOTION:** By Commissioner McMillen, Second by Commissioner Roberts, carried unanimously, to adjourn the Regular Meeting at 8:00 p.m.

