

PUBLIC UTILITY DISTRICT # 1

of Jefferson County

January 7, 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 as submitted.

APPROVAL OF MINUTES

MOTION: By Commissioner Roberts, Second by Commissioner King, carried unanimously, to approve the

Regular Meeting Minutes of December 10, 2008.

APPROVAL OF VOUCHERS

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

Warrants No.14494 through 14508 in the amount of \$ 22,953.00; and

Warrants No.14509 through 14524 in the amount of \$ 22,232.74; and

Warrants No.14525 through 14567 in the amount of \$ 62,275.42

For a Total \$

107,461.16

acknowledging a VOID of Warrant No. 14453 in the amount of \$53,757.46

ITEMS FROM THE FLOOR (not listed on the Agenda)

Bob Henderson, Quilcene, expressed interest in any current issues in Quilcene.

COMMISSIONER'S REPORTS

Commissioner Roberts:

December 16: Attended the annual meeting of the Jefferson County Conservation District.

December 17: Attended Climate Action Committee meeting. (????)

January 5: Attended presentation of David Timmons at the meeting of the Port Townsend Chamber of Commerce.

January 13: Expect to attend meeting of WRIA 17 Planning Unit.

January 14: Expect to attend presentation by D. Hittle & Associates regarding public power.

January 15: Expect to participate in the WPUA water meeting via telecom.

Commissioner King

December 23: Met with District Manager and State Auditor in District Office.

January 14: Expect to attend presentation by D. Hittle & Associates regarding public power.

January 15: Expect to attend WPUA legislative reception and water meeting.

ACTION ITEMS

Bill Stuffing Policy

MOTION: By Commissioner Roberts, Second by Commissioner McMillen, carried unanimously, to accept the Guidelines for Utility Bill Inserts from Community Groups as presented by the Manager.

DISCUSSION ITEMS

a) *Water Management Concepts Update - Norm MacLeod*
Mr. MacLeod, Gaelic Wolf Consulting, further updated the Board on water management opportunities' progress. He believes the information also should be made available to the Jefferson BOCC and Port Townsend City Council to inform what has been learned and what opportunities may present.

At the last Four Corners Group meeting, it was suggested to prepare legislation parallel to that being offered by

Walla Walla, to make comparisons in light of east side and west side testing of concepts. Puget Sound Partnership efforts are concurrent, and can be beneficial to have these opportunities leveraged as well as possible. Norm has prepared a draft legislation (submitted to the PUD Board, House of Representatives staff, and the office of Representative Kessler). It is hoped that the legislation would be sponsored by Representative Kessler and Senator Hargrove. It is written in that the first line of funding would be legislative appropriation, which Norm believes could be available. A first step is to approach the WRIA 17 Planning Unit to address any and all issues. In answer to a query by Commissioner McMillen, Norm expects acceptance by the Department of Ecology is likely as that agency is engaged with the Walla Walla procedure; there will be opportunity to respond with any concerns. The draft legislation is partially based on the Walla Walla project, as well as the Water Roundtable group comprised of business, agriculture and environmental groups (i.e. Washington Environmental Council, American Rivers, Farm Bureau, Columbia Snake River Irrigators, realtors, PUD, WPUDA). From here we review the draft and take comment.

Public Comment

Bob LaCroix, City of Port Townsend Water Department, commented that the City of Port Townsend is not interested in managing anyone else's water nor tin having anyone manage its water; and the City is not willing to be part of any proposed management board.

b) Power Authority

The Manager reminded that authority of the PUD to supply power was granted by the 2008 general election and that authority allows for determining source (hydro, tidal, solar, wind, gas, electric), entering into partnerships, initiation conservation programs, and acquiring distribution system (by purchase, condemnation, new construction). The Manager is to meet with the Bonneville Power Administration to discuss power purchase options and D.Hittle & Associates is to present final revisions to its electric system acquisition feasibility study. The Board discussed some steps to proceed, with attention on providing good public information, receiving accurate information and advice from power sellers, legal counsel, financial counsel and appraisal experts. Members of the public commented on not excluding an address of alternative energies, focusing on a scope-of-effort and identifying a process, the importance of purchasing through BPA and obtaining a CRC credit.

c) Department of Ecology Water Right Application - Big Quilcene River

The Manager presented the Board with historical information, relative to a DOE water right application, on a 1980's IFIM study for hydro on the Big Quilcene River. Those proceedings were terminated, apparently by an inability to reach agreement on instream flows at the time. Staff would like to re-start the process and re-submit the 1980's water right application. Bob LaCroix,, City of Port Townsend, as a member of the public commented that, in

addition to obtaining a water right, it is also necessary to get a special use permit from the U.S. Forest Service, which can be expensive and time-consuming.

d) Office Phone and Computer Upgrade Proposal

Bill Graham presented updated information from Voice & Data Technology, Inc. regarding upgrade of telephone and televiewantage network systems at the District office. After brief discussion of various options, the Board took the following ACTION:

MOTION: By Commissioner McMillen, Second by Commissioner Roberts, carried unanimously, to authorize computer and office telephone upgrades at a cost of approximately \$6,000.

e) Resolution - Kelly Hays

The Manager presented for review Resolution 09-001 showing appreciation to former Commissioner M.Kelly Hays.

f) Resolution - Accepting Marrowstone Island Construction

The Manager presented for review Resolution 09-002 accepting Marrowstone Island Water System Improvements.

MANAGER'S REPORT/OLD BUSINESS

LUD 14 (Marrowstone Island): Assessments are to be mailed imminently to residents from the Jefferson County Treasurer. The process of line installation on the causeway is to be begun.

Olympic Mobile Village: A first draw of funds from the Department of Health has been requested. Staff is attempting to get the well on line. Residents are now being billed.

Sahara Water System extension: A wetland report has been provided by Dr. Ken Brooks. Staff is currently addressing JARPA and easements.

Commissioner Positions: It is to be noted that, for 2009 Wayne G. King will serve as President; Ken McMillen will serve as Vice-President; and Dana Roberts will serve as Secretary. Positions are to rotate every two years. Additionally, Commissioner McMillen has offered to serve as the PUDA representative with Commissioner Roberts as the alternate; and Commissioner King has agreed to serve as a WPUDA water committee representative.

STAFF REPORTS

Auditor Report

None

PUBLIC COMMENT

None

CORRESPONDENCE

- 1) Letter from PUD No. 1 of Douglas County regarding Northwest Public Power Association representation
- 2) WPUDA water meeting agenda
- 3) Puget Sound Business Journal article regarding biomass energy project at the Simpson Tacoma Kraft Company

ADJOURNMENT

MOTION: By Commissioner Roberts, Second by Commissioner McMillen, carried unanimously, to adjourn the Regular Meeting at 7:31 p.m.