

**FINAL DRAFT**

**PUBLIC UTILITY DISTRICT # 1**  
of Jefferson County  
November 1, 2006  
BUDGET HEARING  
and  
REGULAR MEETING  
MINUTES

**CALL TO ORDER**

The Budget 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:

M. Kelly Hays, President  
Dana Roberts, Vice President  
Wayne G. King, Secretary  
James Parker, District Manager  
William Graham, District Resource Manager  
Thomas C. Neal, District Auditor  
Kate Pike, Brisa Services

**PUBLIC COMMENT**

There was none.

**ADJOURNMENT**

MOTION: By Commissioner Roberts, Second by Commissioner King, carried unanimously, to close the Public Hearing on Budget at 5:04 p.m.

**REGULAR MEETING**

**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 5:04 p.m. at the District Office, 230 Chimacum Road, Port Hadlock, Washington. Commissioners and staff present were:

M. Kelly Hays, President  
Dana Roberts, Vice President  
Wayne G. King, Secretary  
James Parker, District Manager  
William Graham, District Resource Manager  
Thomas C. Neal, District Auditor  
Kate Pike, Brisa Services

## **AGENDA**

After moving DISCUSSION Item f. Resolution 2006-013, Sneed water meter transfer LUD #3, ACTION Item c. Peterson Lake Rental, and DISCUSSION Item a. Beckett Point Bid Schedule to directly after Approval of Vouchers, the Agenda was approved as submitted.

## **ITEMS FROM THE FLOOR**

There were none.

## **APPROVAL OF MINUTES**

MOTION: By Commissioner Roberts, Second by Commissioner King, carried unanimously, to approve the Budget Hearing and Regular Meeting Minutes of October 18, 2006.

## **APPROVAL OF VOUCHERS**

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

Warrants No. 11203 through 11217 in the amount of \$18,442.02

Warrants No. 11217 through 11245 in the amount of \$140,248.32

For a total of: \$158,690.34.

## **DISCUSSION**

*f. Resolution 2006-013, Sneed water meter transfer LUD #3*

The Manager presented a draft Resolution, to be adopted at the next Regular Meeting, ordering the transfer of water, Assessments on the Assessment roll of Local Utility District No. 3. Mr. S. Sneed was present and advised that ACTION would be taken at the next Regular Meeting.

## **ACTION**

*c. Peterson Lake Rental*

Larry and Kathy Ross addressed the Board regarding the letter received from the Manager informing them that, as of April 1, 2007, their residence agreement with the estate of Bernard Peterson would terminate and the PUD would be owner of the property. It is uncertain that the PUD will legally be able to enter into a new rental agreement. The Board will notify the Rosses when it is known if the PUD can enter into such an agreement.

## **DISCUSSION**

*a. Beckett Point Bid Schedule*

The Manager commented on his meeting with Beckett Point representatives, Parametrix, and Malcolm Harris, legal counsel, regarding proposed scheduling for the Beckett Point sewer system project. Further discussion ensued regarding costs and funding sources for the project, with information from the Beckett Point representative that there is a promise of private loan funds.

MOTION: By Commissioner Roberts, Second by Commissioner King, carried

unanimously, that the Jefferson County PUD No, 1 request the necessary paperwork, based on this meeting's information, to provide us with the necessary secure financial information to underlie the award of a bid, with a letter of understanding from anyone offering private funding.

### **ITEMS FROM THE FLOOR NOT LISTED IN THE AGENDA**

Mr. Tom Seavoy, Marrowstone Island, asked about the possibility of fire hydrants on the Island, specifically to access residences on Schwartz Road.

Mr. Paul Heinzinger, Marrowstone Island, commented on being very impressed with the work of the contractor for the Fort Gate extension project.

### **COMMISSIONER'S REPORTS**

#### **Commissioner Roberts**

On October 19, attended a WPUDA Water Committee meeting in Chehalis.

On October 21, attended a WSU Beach and Water Watchers Watershed Day at Fort Worden State Park, particularly for long-term snowpack outlook research report.

On October 21, expect to attend Jefferson County Fruit Club at Jefferson County Fairgrounds.

On October 24, attended WRIA 17 Steering Committee meeting, outlining Scope of Work for Phase 4 Plan Implementation at WSU.

On October 25, attended a Tri-Area Sewer System open house at WSU.

On November 3, expect to attend a workshop regarding WRIA 17 Instream Flow Rule.

On November 8, expect to attend a meeting of Water Utility Coordinating Committee (WUUC) in Chimacum.

#### **Commissioner King**

On November 2, expect to attend, with Bill Graham, a luncheon regarding WRIA 16.

On November 3, expect to attend meeting with Instream Flow facilitator, Tom Anderson.

On November 8, expect to attend meeting with Bill Graham and Olympic Water User regarding reverse osmosis.

On November 16, expect to attend a class regarding reverse osmosis.

#### **Commissioner Hays**

On October 19, attended meeting with District Manager and State Auditor at the District office.

On October 25, attended meeting with members of the Beckett Point Fishermen's Club.

On November 8, expect to attend a meeting of Water Utility Coordinating Committee (WUUC) in Chimacum.

On November 8, expect to attend meeting with Bill Graham and Olympic Water User regarding reverse osmosis.

On November 15, 16, and 17, expect to attend meetings of the WPUDA.

On November 15, expect to be absent for PUD No. 1 Regular Meeting.

### **ACTION ITEMS**

*a. Policy - Replacement Cost - Rate Study*

The Manager presented an update on the ongoing rate study with a needed guidance for a method of funding for system maintenance and repairs. The Board agreed on declaring depreciation and developing reserves for replacement costs through rates.

*b. Notice to Proceed - SR116 (LUD 14, Marrowstone Island Project)*

The Manager reported that, as the first available opportunity for pre-conference with the State is November 21, Notice to Proceed on the Quimper Water System North SR116 Extension to Seton Construction, Inc. will be sent, with work to commence on or before November 27, said work to be completed within 90 consecutive working days thereafter.

**DISCUSSION ITEMS**

*b. IFR Workshop Scheduling*

Instream Flow Rule workshop, with facilitator Tom Anderson, is scheduled for Friday, November 3 at 10:00 a.m. at Washington State University.

*c. Quilcene Property*

Commissioner Hays presented information from the State Office of the Attorney General regarding RCW 43.09.210 which requires that, in disposing of property from one government agency to another, "full value" be received. "Full value" has a flexible meaning and does not necessarily mean cash dollars but can also include conservation value. After discussion regarding putting property to the highest bidder and regarding pursuit of legal transfer to the Skokomish Indian Tribe, more information is anticipated.

*d. Budget Resolution 2006-11*

MOTION: By Commissioner King, Second by Commissioner Roberts, carried unanimously, to adopt Resolution No. 2006-011, Adopting the Budget for the Calendar Year 2007.

*e. Levy Resolution 2006-012*

MOTION: By Commissioner King, Second by Commissioner Roberts, carried unanimously, to adopt Resolution No. 2006-012, to increase regular levy by an amount which exceeds the District's prior year's levy amount, not including increases that would occur from new construction and increases in states valued assessed properties, which is a 1 per cent increase from the previous year's levy amount.

*g. SCADA*

The Manager presented an update from the Clallam County Sheriff's office indicating their readiness to proceed with the Ocean Grove portion of the SCADA project.

**MANAGER'S REPORT/OLD BUSINESS/ UPCOMING EVENTS**

**At the Airport Well**, screen cleaning process continues with search for a well driller.

**On the LUD 14 (Marrowstone Island) project**, regarding the Fort Gate extension, work is expected to be completed within the week. Concerning the North SR 116 extension, bid was awarded to Seton Construction, Inc. on October 2, with pre-construction meeting scheduled for November 21 and a Notice to Proceed set for November 27. Staff is completing Department of Transportation permit for length of SR 116 and anticipates going to bid in late February for this portion of the project. Manager will request first draw from Public Works Trust Fund.

**In Quilcene**, project is near completion. Staff will submit grant requests from the County and from Public Works Trust Fund prior to next Regular Meeting. There is

possible additional grant funding from Department of Health.

**Concerning Olympic Mobile Village Water System Acquisition**, preliminary engineering design is complete. RUS grant/loan requests have been submitted and bank verification of non-funding is secured. Staff is preparing easement information.

#### **STAFF REPORTS**

**Auditor's Report.** Everything is in order.

#### **CORRESPONDENCE**

Invitation from Irene Gutierrez.

#### **PUBLIC COMMENT**

None

#### **ADJOURNMENT**

MOTION: By Commissioner King, Second by Commissioner Roberts, carried unanimously, the Regular Meeting was adjourned at 8:09 p.m.