

PUBLIC UTILITY DISTRICT #
of Jefferson County
April 16, 2008
REGULAR MEETING
MINUTES

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
M. Kelly Hays, 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 as submitted.

APPROVAL OF MINUTES

MOTION: By Commissioner Hays, Second by Commissioner Roberts, carried unanimously, to approve the Regular Meeting Minutes of April 2, 2008.

APPROVAL OF VOUCHERS

MOTION: By Commissioner Roberts, Second by Commissioner Hays, carried unanimously to approve payment of:
Warrants No.13615 through 13629 in the amount of \$21,360.77; and
Warrants 13630 through 13637 in the amount of \$96,875.23;
For a Total of \$118,236.00.

ITEMS FROM THE FLOOR (not listed on the Agenda)

None

COMMISSIONERS' REPORTS

Commissioner Hays:

None

Commissioner Roberts:

April 8: Attended a meeting regarding accounting of PUD taxes covering the City of Port Townsend.

April 8: Attended a WRIA 17 Planning Unit Meeting.

April 13: Attended a presentation to Jefferson County by the District Manager.

April 17: Expect to meet in Seattle regarding the PUD public power process.

April 18: Expect to attend talks regarding a global temperature evolution.

April 22: Expect to attend a WRIA 17 Steering and Technical Committees meeting.

Commissioner King:

April 8: Attended a WRIA 17 Planning Unit Meeting.

April 21: Expect to meet with the Manager and attorney for the Peterson Estate.

April 24: Expect to attend meeting of the Peninsula Development Association in Blyn.

ACTION ITEMS

a) Request for Quote on Public Power Feasibility Study

The Manager presented a Request for Proposals by Consulting Engineering Firms to perform a preliminary feasibility study for PUD No. 1 of Jefferson County to add electric service. The PUD was asked by the City of Port Townsend, Jefferson County and the Port of Port Townsend to act as the lead agency to determine advantages and disadvantages of public power for eastern Jefferson County, to include a study on economic feasibility of adding electric authority to PUD services provided within the

County, both including and excluding the City of Port Townsend. After discussion, the Board took the following ACTION:

MOTION: By Commissioner Roberts, Second by Commissioner Hays, carried unanimously, to authorize the Manager to proceed with the feasibility study Request for Proposals process.

b) Resolution 2008-02, Olympic Mobile Village

The Manager presented for execution Resolution No. 2008-002, accepting the Olympic Mobile Village Water System, DOH ID #20514, as a gift and contribution from the Owners and an agreement for PUD No. 1 of Jefferson County to commence operation and management of the facilities. The Board took the following ACTION:

MOTION: By Commissioner Hays, Second by Commissioner Roberts, carried unanimously to authorize execution of Resolution 2008-02.

c) Resolution for Beckett Point

The Manager presented Resolution 2008-03 authorizing issuance and sale of a revenue bond for LUD 15 in the principal amount of \$1,053,076, providing form and terms of the bond and accepting the offer of First Federal Savings & Loan Association of Port Angeles to purchase the bond. The Board took the following ACTION:

MOTION: By Commissioner Hays, Second by Commissioner Roberts, carried unanimously to authorize execution of Resolution 2008-03.

DISCUSSION ITEMS

a) WRIA 17 Planning Update

Bill Graham addressed the Board with a current update of WRIA 17 actions and recommendations for water resource planning. In its process of prioritizing for the remainder of dollars available from Ecology for Phase IV funding (\$114,500), the Planning Unit accepted the recommendation of the Steering Committee to fund the City of Port Townsend's request for leak detection equipment, the PUD request for an ambient groundwater monitoring network and three others. The PUD project will install and maintain 12 digital water level sensors in WRIA 17 area wells and develop a monitoring plan for future monitoring. Additionally, Mr. Graham has heard of further interest by the State for additional loggers to increase the scope of the network. Further, monitoring of an old network to be used in calibrating the USGS groundwater model is in process.

The Aquifer Storage and Recharge (ASR) Step 1 draft (Screening of Prospective Sources and Recharge Sites) of the Golder Associates report "Groundwater Storage in the Chimacum Creek Basin" has been posted on the PUD website. Two areas have been identified as possible candidate sites: 1) the Southern Upland Area, a preferred site, includes Gibbs Lake and is bounded by the west fork of Chimacum Creek from Delanty Lake to approximately the community of Center; and 2) a relatively shallow zone in the Four Corners area of Chimacum Valley. The Golder Associates' report is expected to be presented to the WRIA 17 Steering Committee at its April 22, 2008 meeting.

b) WWUC Memo

The Manager presented a memorandum from the Washington Water Utilities Council (WWUC) regarding the possible relinquishment of municipal water rights. There is concern about State interpretation of "municipal water supply purposes" in the 2003 Municipal Water Law, which may allow relinquishment of rights if unused at any time during a five-year period. The WWUC advises municipal water suppliers to document water use, list all rights in self-assessment and water system plans, and consult with a water rights attorney if needed. Staff is in the process of submitting an application to the Department of Health to increase the PUD's WFI (Water Facilities Inventory); however the self-assessment of water rights must be submitted to DOE for approval and there is concern about that approval. The Resource Manager is investigating water project proposals that may increase beneficial uses of PUD water (i.e. a well-development scientific experiment measuring hydrologic response to seasonal pumping and dumping to benefit Chimacum Creek).

MANAGER'S REPORT/OLD BUSINESS

LUD 14 (Marrowstone Island): Friberg Construction and Seton Construction are making good progress on the Meade Road and Griffith Point portions of the project. Assessment letters have been mailed. Staff has requested the next \$500,000 reimbursement from Public Works Trust Fund. Sign-off process is continuing for the SRFDW (State Revolving Fund for Drinking Water) loan. Private bank financing will be necessary for the remainder. Regarding the southeast portion of the Island, staff is investigating funding, wetlands concerns, pressure and easement issues.

Indian Island: The US Navy may be ready to resume discussions and negotiations.

Becket Point: Note Action Item c). Monthly billing has begun.

Quilcene: No change.

Olympic Mobile Village: Note Action Item b). Requests for bids for construction have been sent with an expected opening of bids on April 30. Staff is investigating extension of three-phase power to pump house.

SCADA: Staff is in receipt of a new radio design for Sparling Well and four additional sites.

WUCC: Meeting has been set for May 8, 2008.

STAFF REPORTS: Auditor's Report

The Auditor reported that all is in order.

PUBLIC COMMENT

Norm MacLeod commented that regarding the DOE Instream Flow Rule, now known as the Water Management Rule, there is difficulty with Ecology on a negotiated process. It is his opinion that the need is to engage DOE in a process broad enough to investigate solutions for people, farms and fish, not just fish. If habitat use of water is a beneficial use, DOE should allow temporary use of **PUD** water to assist in making it available until such time as another source is obtainable. Thus, the need is to coordinate activities toward actually managing water in a Water Management Rule.

Mo Rogers questioned the possibility of re-zoning on Marrowstone Island.

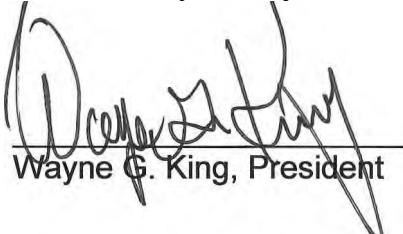
Commissioner Roberts answered that County Commissioner Sullivan had mentioned in conversation there had been re-zoning requests, but that he remembers well the PUD Board approval specifying that the Island system was to be sized to deliver water for the current rural zoning density of the development.

CORRESPONDENCE

1. Letter from NoaNet (Northwest Open Access Network) regarding a May 14, 2008 workshop in Stevenson, Washington to recap network activities, pending updates and financial performance.

ADJOURNMENT

MOTION: By Commissioner Hays, Second by Commissioner Roberts, carried unanimously, to adjourn the Regular Meeting at 6:58 p.m.



Wayne G. King, President



M. Kelly Hays

M. Kelly Hays, Vice President



Dana Roberts

Dana Roberts, Secretary