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**PUBLIC UTILITY DISTRICT NO. 1**
**of Jefferson County**

**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 5:03`p.m. at the District Office, 230 Chimacum Road, Port Hadlock, Washington. Commissioners and staff present were:

Ken McMillen, President
Barney Burke, Vice-President
Wayne King, 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 Burke, Second by Commissioner King, carried unanimously, to approve the Regular Meeting Minutes of June 21, 2011.

**APPROVAL OF VOUCHERS**
MOTION: By Commissioner King, Second by Commissioner Burke, carried unanimously to approve payment of:
Warrants No.17550 through 17565 in the amount of $ 22,799.69; and
Warrants No.17566 through 17604 in the amount of $ 40,780.27;
For a Total Amount of $ 63,579.96

**COMMISSIONER'S REPORTS**
**Commissioner King**
June 22: Attended, via telecom in District Office, meeting of Transition Advisory Committee.
June 22: Attended workshop on the use of ammonia as a fuel to store energy during peak generation of wind and hydro.
**Commissioner McMillen**
June 30: Attended WPUDA meeting of the Water Committee.
July 13: Expect to attend WPUDA Board of Directors meeting.
**Commissioner Burke**
June 22: Attended workshop on the use of ammonia as a fuel to store energy during peak generation of wind and hydro.
June 23: Attended meeting of Peninsula Development District.
June 24: Attended meeting of NoaNet, City of Port Townsend, Jefferson County and Team Jefferson.
July 1: Attended meeting of Citizens for Local Power.
July 21: Expect to attend meeting of City of Port Townsend and Jefferson County on a climate change plan.

**MANAGER REPORT - electrical power transition update**
The Manager presented a summary of 2011 costs related to power transition ($180,214.57) with total to-date costs of $1,189,349.66. Concerning contract with Bonneville Power Administration (BPA), see Action Item A. Concerning the financing process, the engineering write-up by Browne & Kayser is near completion and the Manager is communicating with Co-Bank and CFC (Cooperative Financial Corporation) regarding supplemental and bridge financing, and the RUS application process continues.

**ITEMS FROM THE FLOOR** (not listed on the Agenda)
None

**ACTION ITEMS**
a) *Bonneville Power Administration (BPA) Transmission Contract(s)*
The Manager presented two contracts for execution with the U.S. Department of Energy, acting by and through the Bonneville Power Administration (BPA). After discussion the Board took the following ACTIONS:
MOTION: By Commissioner King, Second by Commissioner Burke, carried unanimously, to authorize signature and execution by the District Manager of a Service Agreement for Network Integration Transmission Service executed by the United States of America Department of Energy acting by and through the Bonneville Power Administration and Public Utility District No. 1 of Jefferson County.
MOTION: By Commissioner Burke, Second by Commissioner King, carried unanimously, to authorize signature and execution by the District Manager of a Long-Term Firm Reservation Agent Agreement executed by and through the Bonneville Power Administration and Public Utility District No. 1 of Jefferson County.
b) *Loan Documents*
   i. Certification Regarding Debarment, Suspension & Other Responsibility Matters
   ii. Lobbying Certification
   iii. Assurances Required by 49 CFR Section 24.2(A)
   iv. Federal Debt Delinquency Certification
The Manager presented the documents noted above which are necessary to execute for application and receipt of Rural Utilities Service (RUS) funding. After discussion the Board took the following ACTION:
MOTION: By Commissioner Burke, Second by Commissioner King, carried unanimously, to authorize execution and signature of all above-noted documents.
c) *Resolution 2011-004 - Approve Load Forecast*
Howard Barnes, consultant for loan application process with Rural Utilities Service (RUS), was present via telecom and apprised the Board of some pending activities, document preparation and timelines for submittal of the PUD application for funding with RUS. He also addressed some information for the supplemental funding processes. Regarding the Load Forecast, he offered some data on "system losses", which reflect a difference between power purchased and power actually used, and some assumptions on future commercial and residential growth. The Manager recommended the Board accept the Load Forecast documentation prepared and presented by Howard Barnes at this Regular Meeting. The Board then took the following ACTION:
MOTION: By Commissioner King, Second by Commissioner Burke, carried unanimously, to approve Resolution 2011-004, Approval of June 2011 Load Forecast, prepared and presented at this Regular Meeting by Howard Barnes and reviewed by the Board of Commissioners, said Load Forecast reasonably projecting the number of consumers and kWh sales in the financial forecasts.
d) *Resolution 2011-009 - Change on the Assessment Roll of Local Utility District #14*
The Manager presented Resolution No. 2011-009 regarding an incorrect assessment on the Assessment Roll of Local Utility District #14. After discussion the Board took the following ACTION:
MOTION: By Commissioner King, Second by Commissioner Burke, carried unanimously, to adopt Resolution No. 2011-009, ordering the change to an assessment on the Assessment Roll of Local Utility District #14, specifically with regard to Parcels No. 976200303 and No. 021332035.

**DISCUSSION ITEMS**
a) *NoaNet - Frank Needham*
The Resource Manager noted that Mr. Needham was unable to attend, thus this discussion is to be postponed.
b) *Redistricting*
The Manager presented, for review, a map identifying a draft redistricting Plan A for East Jefferson County.
c) *Recycling of drugs*
The Manager presented, for review, correspondence from Thurston County Public Works regarding the Secure Medicine Return Bill SB 5234 creating a statewide residential take-back program for unwanted medications, financed by the

pharmaceutical companies.

d) *Power Resolutions*

1. 2011-005 - Request FFB Loan
2. 2011-006 - Approve Financial 10-year Forecast
3. 2011-007 - Request RUS Co-financing Loan

The Manager noted that the above-noted Resolutions are pending.

**MANAGER'S REPORT/OLD BUSINESS**

**Indian Island:**

No updates are available on any proposed water system transfer. Easement legal writeup by David Evans Associates is complete and some minor comments have been received by the U.S. Navy. Archeological report and legal easement identification are complete.

**Sahara Water System Extension**: Line is in place; pressure testing is pending.

**Sparling Well:** CH2M Hill has begun work. Manager and staff have reviewed plans and specs. Wetland delineation has been done. A class on the State Revolving Fund loan was held at the District Office with the Manager and the Utility Accountant attending.

**Sewer:** Jefferson County has begun the process of purchase of land for a Tri-Area Sewer.

**PUBLIC COMMENT**

None

**CORRESPONDENCE**

1. Letter from John Malinowski, Client Services Manager of Clearing Up (CU) an energy policy tracking publication
2. Letter from Andy Cochrane, Power Trip Energy Corp regarding a July 9, 2011 Jefferson Solar Home Tour
3. Announcement from Rick Van Auken of the July Jefferson County Public and Professional Energy Luncheon Program speech on "Energy Systems for Commercial Buildings".

**ADJOURNMENT**

MOTION: By Commissioner Burke, Second by Commissioner King, carried unanimously, to adjourn the Regular Meeting at 8:13 p.m.

Kenneth A. McMillen, President

Barney Burke, Vice President

Wayne G. King, Secretary