

**PUBLIC UTILITY DISTRICT NO. 1
of Jefferson County
March 20, 2012**

**REGULAR MEETING
MINUTES**

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:

Barney Burke, President
Wayne King, Vice-President
Ken McMillen, Secretary
James Parker, District Manager
Kate Pike, Brisa Services

AGENDA

The Agenda was approved as submitted.

APPROVAL OF MINUTES

MOTION: By Commissioner McMillen, Second by Commissioner Burke, carried with abstention by Commissioner King who had been absent, to approve the Regular Meeting Minutes of March 6, 2012.

APPROVAL OF VOUCHERS

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

Warrants No.18419 through 18434 in the amount of \$ 24,056.49; and

Warrants No.18435 through 18477 in the amount of \$ 50,697.76;

For a Total Amount of \$ 74,754.25

COMMISSIONER'S REPORTS

Commissioner King

March 6: Absence from PUD No. 1 Regular Meeting as had out-of-state travel.

March 21: Expect to attend meeting with Karl Karzmar regarding power transmission.

March 28: Expect to attend meeting of Transition Advisory Committee with Puget Sound Energy.

March 29: Expect to attend meeting with Bonneville Power Administration representatives to discuss conservation.

Commissioner McMillen

March 7-9: Attended meetings of Washington PUD Association in Olympia.

March 29: Expect to attend meeting of Washington PUD Association Water Committee.

Commissioner Burke

March 16 & 20: Met with Karl Karzmar to draft press release.

March 20: Attended meeting to address energy issues at Port Townsend Community Center.

March 22: Expect to attend meeting of Peninsula Development District.

March 29: Expect to attend meeting with Bonneville Power Administration representatives to discuss conservation.

MANAGER REPORT - electrical power transition update

The Manager presented a summary of total costs of \$1,446,819.18. Costs for lawsuit relative to Peterson Lake is \$190,809.10.

With regard to Bonneville Power Administration (BPA) supply, a costumer workshop to discuss an updated Tier 1 System Firm Critical Output (T1SFCO) is scheduled for May 8. An initial posting of draft Rate High Water Mark (RHWM) and Above-Rate High Water Mark (ARHWM) loads is anticipated in mid June and late July. Customer workshops regarding Rate High Water Mark (RHWM) and loads is anticipated in mid June and late July. The Board is invited to attend either a March 30th or an April 9th meeting with BPA financial officers to discuss capital budgeting challenges, prioritizing capital investments,

maintaining utility assets, and how BPA should manage competing needs for transmission, hydro-generation and energy efficiency investments. Brown & Kayser counsel have staked a route. Staff is now to insure accurate financing, easements and pole locations. Regarding financing, the Rural Utilities Service (RUS) loan application has been cleared by the Assistant Administrator's Loan Committee (AALC) and is to be forwarded to the Senior Loan Committee (SLC). Concerning upgrade of the accounting system, Springbrook is on line to be completed by September. The next Transition Advisory Committee is scheduled for March 28, 2012.

ITEMS FROM THE FLOOR (not listed on the Agenda)

None

ACTION ITEMS

Sparling 3 Engineering Plan

The Manager presented a Scope of Services for Engineering Services in Support of the Construction of the Sparling Water Treatment Plant, as well as an Amendment No. 1, Standard Agreement for Professional Services with CH2M Hill Engineers, Inc. The Board took the following ACTION:

MOTION: By Commissioner McMillen, Second by Commissioner King, carried unanimously, to authorize signing of the Standard Agreement for Professional Services with CH2M Hill Engineers, Inc. between the District and CH2M Hill Engineers, Inc. by the District Manager.

DISCUSSION ITEMS

Roofing

The Manager presented bids for roofing repair of the PUD office building. It was agreed that the Manager be permitted to accept the bid from Hope Roofing and Construction for \$8,921.65.

MANAGER'S REPORT/OLD BUSINESS

Indian Island:

Regarding the water transmission line to Marrowstone Island, advertisement, bid opening and award, as well as County permitting has occurred. Pre-construction meeting and start of construction is likely to be held on April 12, 2012.

Sparling Well: See ACTION ITEM above.

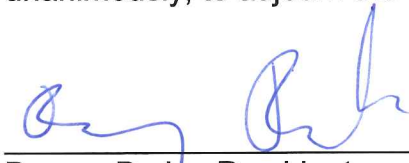
PUBLIC COMMENT

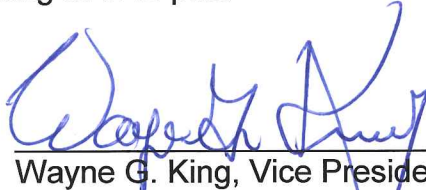
None

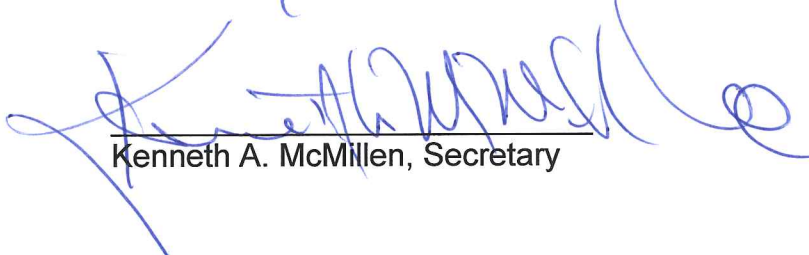
CORRESPONDENCE

ADJOURNMENT

MOTION: By Commissioner McMillen, Second by Commissioner King, carried unanimously, to adjourn the Regular Meeting at 6:49 p.m.


Barney Burke, President


Wayne G. King, Vice President


Kenneth A. McMillen, Secretary