

PUBLIC UTILITY DISTRICT
NO. 1
of Jefferson County

March 13, 2017

Citizen Advisory Board Meeting

***Final
Minutes***

A meeting of the Public Utility District No. 1 of Jefferson County (PUD) Citizen Advisory Board (CAB) was held at 310 Four Corners Road, Port Townsend, Washington, on March 13, 2017. The meeting was convened by Chairperson Jim Dow at 2:30 p.m. Attending:

CABMembers:

Roger Risley
Tom Engel
Doug Huber
Peter Lauritzen
Dan Toepper (3:50 pm)
Norm Norton
Karen Bennett
Jim Dow
Tim Tibbals

PUDRepresentatives:

Commissioner Wayne King
Bill Graham, Resource and
Conservation Manager

Cammy Brown, District Recorder

Guest: Eric Kingfisher
(Land Trust)

Call to Order 2:30 by Chair Jim Dow. There is a quorum.

Introductions of new CAB members: New CAB members were introduced.

Review of Agenda: No changes.

Approval of Minutes from Last Meeting: Meeting minutes will be approved at next CAB Meeting. CAB members needed a chance to review them.

Public Comment: Don McDaniel would like the new members to get a PUD email address. He would also like to have Annette set up an Open Public Meetings training session. He will talk with her.

Don McDaniel stated that he had attended the Special BOC meeting on RUS Financials. He stated he will check into having a workshop set up for the CAB members.

Noxious Weed Program Update: Eric Kingfisher from the Land Trust gave a slide presentation.

Elect a new Chairperson: This was moved up on the Agenda because Jim Dow, the current Chairperson, had to leave early.

Jim Dow went over duties of Chairperson.

Motion was made by Peter Lauritzen and seconded by Doug Huber to elect Roger Risley as the new Chairperson of the Citizen Advisory Board. Motion passed unanimously.

Next Meeting the Vice Chair election will take place.

Jim Dow left the meeting at 3:23pm.

Peter Lauritzen – Sub-committee. Update CAB Objectives/Purpose: Peter Lauritzen presented the updated CAB Objectives/Purpose. Major policy change in No. 3. He asked that all CAB members read the document and come back to the next board meeting with any changes.

Motion was made by Peter Lauritzen and seconded by Norm Norton that the CAB members review the original document and approve it at the next meeting. Motion carried unanimously.

Some of the changes on the document were discussed.

Commissioner Wayne King mentioned that there was governance training available.

It was suggested that this topic be a future agenda item. A general consensus of the members was taken by Chairperson Roger Risley to have this training as a future agenda item.

Update on Customer Disconnects: No report. Some discussion.

PUD Low Income Update: Copies of Resolution 2017-002 Public Utility District No. 1 of Jefferson County Low Income Customer Rate Reduction Program was handed out to the members. Peter Lauritzen gave a brief historical summary on the resolution.

Don McDaniel suggested maybe waiting a few months and have a report given on the program.

It was suggested that the subject be dropped from the agenda to be brought back at a later date.

Public Comment: Don McDaniel stated there will be a page for the CAB on the Website. It will be called CAB Corner. He asked member to take a look and send their comments to donm@cablespeed.com.

New Member Norm Norton gave his thoughts on the internet/bandwidth availability.

Peter Lauritzen suggested that a sub-committee look at this.

Motion was made by Peter Lauritzen and seconded by Norm Norton that a sub-committee be put together to look at the issues connected with the internet and its availability.

Karen Bennett, Norm Norton and Tim Tibbals volunteered to be on the committee.

CAB Recommendations: Don McDaniel went over the process of CAB member recommendations.

Motion was made by Karen Bennett and seconded by Tim Tibbals to adjourn the meeting. Meeting was adjourned at 4:17 pm.

Minutes prepared by: Cammy Brown, PUD Recorder

[Click here to access the CAB meeting audio file](#)

Approved:

Rogin D. Risley
Roger Risley, Chair

12 JUNE 17
Date

Please note PUD Citizen Advisory Board meetings are audio recorded and posted to the PUD website at www.jeffpud.org, usually within 1-2 business days of each meeting. If you experience any difficulty accessing a particular recording, you may call 360.385.5800 for assistance. Jefferson PUD provides reasonable accommodations to persons with disabilities. We invite any person with special needs to contact our staff at 360.385.8351 at least 24 hours before the meeting to discuss any special accommodations.

Exhibit "A"**Resolution 2017-002****PUBLIC UTILITY DISTRICT No. 1 OF JEFFERSON COUNTY
LOW INCOME CUSTOMER RATE REDUCTION PROGRAM.**

Low Income Customer: A "low-income customer" is a PUD utility customer whose gross household income does not exceed one hundred twenty-five percent of the Federal Poverty Guidelines (FPG) as published by the U.S. Department of Health and Human Services and as verified by Olympic Community Action Programs (OlyCAP) using their guidelines for the Low Income Heating Energy Assistance Program (LIHEAP). A low-income customer whose completed application has been approved by OlyCAP is eligible for the following rate reductions:

Residential Electrical: \$35.00 per month

Residential Water: 30% of Base Charge

Residential Sewer: 30% of Base Charge

Low Income Senior Customer: A "low-income senior customer" is a person who is 62 years of age or older and whose total household income after allowable deductions does not exceed the limits prescribed by RCW 84.36.381(5)(b)(ii) senior citizens. A low-income senior customer whose completed application has been approved by OlyCAP is eligible for the following reductions:

Residential Electrical: \$20.00 per month

Residential Water: 30% of Base Charge

Residential Sewer: 30% of Base Charge

Qualifications: To qualify for the program a PUD utility customer must make application for the PUD Low Income Customer Rate Reduction Program to OlyCAP.

A Low Income Senior can qualify for the Low Income Customer rate if they meet that criterion. Once approval is recommended by OlyCAP, the customer will automatically be enrolled in the program for a period of eighteen (18) months. A customer can only qualify for one of the classifications at a time.

Renewal: Following OlyCAP approval, the PUD utility customer will automatically be enrolled in the PUD Low Income Customer Rate Reduction Program for a period of eighteen (18) months after which they will be dropped from the program unless they have gone through the application process again and have been re-verified by OlyCAP.

Place of Use: Qualified utility customers can only apply the low income rate to their primary residence (single water/electric meter).

High Usage. Unreasonably high electric or water usage for a residential home, use of electricity or water for business or business-like purposes, multiple accounts, or other extraordinary circumstances may disqualify a customer from receiving a reduction.

Exhibit "A"

Resolution 2017-002

PUBLIC UTILITY DISTRICT No. 1 OF JEFFERSON COUNTY LOW INCOME CUSTOMER RATE REDUCTION PROGRAM.

Low Income Customer: A "low-income customer" is a PUD utility customer whose gross household income does not exceed one hundred twenty-five percent of the Federal Poverty Guidelines (FPG) as published by the U.S. Department of Health and Human Services and as verified by Olympic Community Action Programs (OlyCAP) using their guidelines for the Low Income Heating Energy Assistance Program (LIHEAP). A low-income customer whose completed application has been approved by OlyCAP is eligible for the following rate reductions:

Residential Electrical: \$35.00 per month

Residential Water: 30% of Base Charge

Residential Sewer: 30% of Base Charge

Low Income Senior Customer: A "low-income senior customer" is a person who is 62 years of age or older and whose total household income after allowable deductions does not exceed the limits prescribed by RCW 84.36.381(5)(b)(ii) senior citizens. A low-income senior customer whose completed application has been approved by OlyCAP is eligible for the following reductions:

Residential Electrical: \$20.00 per month

Residential Water: 30% of Base Charge

Residential Sewer: 30% of Base Charge

Qualifications: To qualify for the program a PUD utility customer must make application for the PUD Low Income Customer Rate Reduction Program to OlyCAP.

A Low Income Senior can qualify for the Low Income Customer rate if they meet that criterion. Once approval is recommended by OlyCAP, the customer will automatically be enrolled in the program for a period of eighteen (18) months. A customer can only qualify for one of the classifications at a time.

Renewal: Following OlyCAP approval, the PUD utility customer will automatically be enrolled in the PUD Low Income Customer Rate Reduction Program for a period of eighteen (18) months after which they will be dropped from the program unless they have gone through the application process again and have been re-verified by OlyCAP.

Place of Use: Qualified utility customers can only apply the low income rate to their primary residence (single water/electric meter).

High Usage. Unreasonably high electric or water usage for a residential home, use of electricity or water for business or business-like purposes, multiple accounts, or other extraordinary circumstances may disqualify a customer from receiving a reduction.

Handout

AGREEMENT BETWEEN
PUBLIC UTILITY DISTRICT #1 of JEFFERSON COUNTY
AND
JEFFERSON COUNTY NOXIOUS WEED CONTROL BOARD

This Agreement is made and entered into by and between Public Utility District No. 1 of Jefferson County, 310 Four Corners Road, Port Townsend, Washington, 98368, hereinafter referred to as "PUD" and the Jefferson County Noxious Weed Control Board, 380 Jefferson Street, Port Townsend, Washington, 98368, hereinafter referred to as "Weed Control Board". For the purposes of this Agreement, it is understood that all references to the PUD or Weed Control Board also include an appointed designee(s).

WHEREAS, the PUD operates and maintains the County's Public Utility infrastructure in order to provide reliable, efficient, and safe transportation of water and electricity to residents of Jefferson County, and

WHEREAS, the Jefferson County Noxious Weed Control Board has a stated mission "To serve as responsible stewards of Jefferson County by protecting the land and resources from the degrading impact of noxious weeds," and

WHEREAS, the Weed Control Board has identified certain noxious weeds requiring control on County road right-of way,

NOW, THEREFORE, pursuant to the above recitals, PUD and the Weed Control Board (collectively hereinafter "Parties" to this Agreement) acknowledge and agree to work cooperatively in accordance with the following:

PURPOSE OF AGREEMENT

The purpose of this Agreement is to define the obligations of both Parties related to weeds in the PUD right-of-way for the term of the Agreement.

SCOPE OF WORK

The Parties shall undertake the work as set out below.

The PUD will, within the limitations of this agreement, perform the following:

Transfer a cash amount of Five Thousand Six Hundred and Eighty Dollars (\$ 5,680.00) before November 30th 2016, Five Thousand Six Hundred and Eighty Dollars (\$ 5,680.00) before July 30th 2017, Five Thousand Six Hundred and Eighty Dollars (\$ 5,680.00) before July 30th 2018, and finally another Five Thousand Six Hundred and Eighty Dollars (\$ 5,680.00) before July 30th 2019, totaling at \$22,720.00 over 4 years from the PUD to the Weed Control Board Fund for the purpose of controlling listed noxious weeds present within the project area indicated in Appendix I.

The Weed Control Board will, within the limitations of this agreement, perform the following:

1. Utilize the annual cash transfers only for the purpose of controlling listed noxious weeds within the project area indicated in Appendix I by means of employing staff, contractors, or other agencies with the appropriate personnel and equipment to effectively control targeted species.
2. Take responsibility for the activities conducted by its staff and/or contractors within the project area.
3. If using herbicides, will notify adjacent property owners and the PUD prior to use and resolve any concerns of the property owners prior to proceeding.
4. If using herbicides, will conduct work with properly licensed and trained staff or contractors.
5. Will schedule and participate in at least one meeting per year with PUD staff to review work deliverables, priorities, methods, and also report on what was accomplished and how the cash contribution was used.

TIME OF PERFORMANCE

This Agreement shall be effective for calendar years 2016 through 2019, a period of four (4) years.

PROJECT ADMINISTRATION

Administration of this Agreement for PUD shall be conducted by the PUD Manager or his designee. For the Weed Control Board, the Agreement shall be administered by the Coordinator.

EMPLOYEES

All employees remain employees of their respective agency at all times and shall perform work under the sole supervision of their agency.

PAYMENT

A cash transfer a cash amount of Five Thousand Six Hundred and Eighty Dollars (\$ 5,680.00) before November 30th 2016, Five Thousand Six Hundred and Eighty Dollars (\$ 5,680.00) before July 30th 2017, Five Thousand Six Hundred and Eighty Dollars (\$ 5,680.00) before July 30th 2018, and finally another Five Thousand Six Hundred and Eighty Dollars (\$ 5,680.00) before July 30th 2019, totaling at \$22,720.00 over 4 years will be made from the PUD for the purposes outlined in this Agreement. The Parties agree that this shall constitute the full financial obligation of PUD with respect to this issue for the duration of the Agreement.

RIGHT-OF-ENTRY

Weed Control Board staff may enter upon PUD right-of-way to conduct weed control activity. Weed Control Board staff shall record when and where work was performed and shall make these records available to the PUD. Prior to using herbicides in the right-of-way, Weed Control Board staff shall notify adjacent property owners and the PUD.

JOINT HOLD HARMLESS

Each party to this Agreement shall be responsible for damage to persons or property resulting from the negligence on the party of itself, its employees, its agents, or its officers. Neither party assumes any responsibility to the other party for the consequences of any act or omission of any person, firm, or corporation not a part to this Agreement.

COMPLIANCE WITH LAWS

All work performed under this Agreement shall comply with all federal and state laws, local laws and ordinances, and applicable permit requirements.

TERMINATION

Either party may terminate this Agreement by giving written notice to the other, at the address first noted herein, of such termination and specifying the effective date thereof at least thirty (30) days before the effective date of such termination.

SEVERABILITY


Should any clause, phrase, sentence or paragraph of this Agreement be declared invalid or void, the remaining provisions of this Agreement shall remain in full force and effect.

ENTIRE AGREEMENT

The Agreement merges and supersedes all prior applications, representations, negotiations, approvals, and understandings between the Parties hereto relating to the subject matter of this Agreement and constitutes the entire Agreement between the parties.

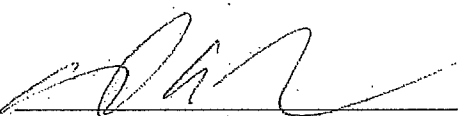
IN WITNESS WHEREOF, the parties have executed this Agreement.

COUNTY OF JEFFERSON
WEED CONTROL BOARD

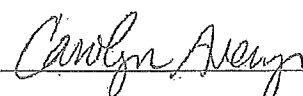

Joost Besijn, Coordinator


Kathleen Kler, Chair
County Commissioner

Approved as to form:

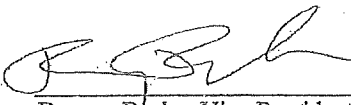

Michael Haas, Prosecuting Attorney

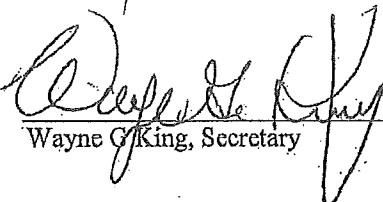
ATTEST:


Deputy Clerk of the Board

PUBLIC UTILITY DISTRICT No. 1
OF JEFFERSON COUNTY
BOARD OF COMMISSIONERS

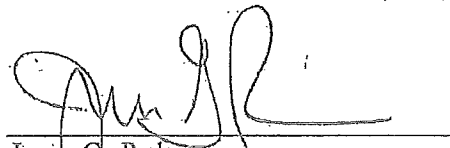

Kenneth Collins, President


Barney Burke, Vice President

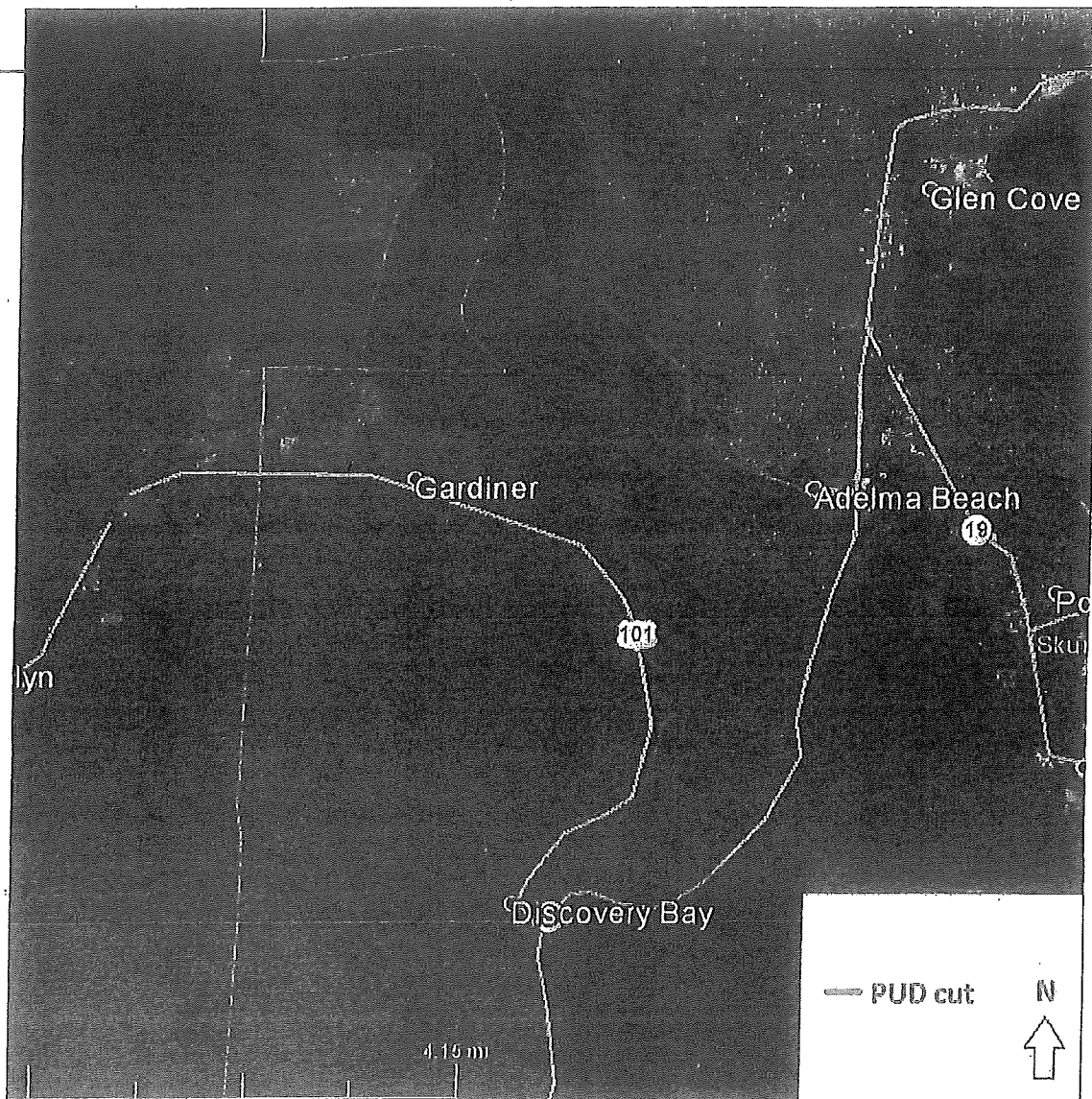

Wayne G. King, Secretary

Approved as to form only this
day of 6th Day of September, 2016.


~~District Attorney~~ General Counsel


James G. Parker
Public Utility District Manager

APPENDIX I



PUD cut = 136.98 acres (55,252 ft in length \times 108 ft avg. width)

Hours	Amount	Total
JCNWCB	320 x \$26	\$8,320
WCC crew	16 days x \$900	\$14,400
Total (for 4 years)		\$22,720

	2016		2017		2018		2019	
JCNW CB	80 x \$26	\$2,080	80 x \$26	\$2,080	80 x \$26	\$2,080	80 x \$26	\$2,080
WCC crew	4 x \$900	\$3,600	4 x \$900	\$3,600	4 x \$900	\$3,600	4 x \$900	\$3,600
Total	\$5,680		\$5,680		\$5,680		\$5,680	

HANDOUT

Jefferson County PUD No. 1
Narrative to Accompany Monthly Financial Statements
For the Period Ending January 31, 2017

January is the first month of the fiscal year for the PUD and, consequently, current period and year-to-date amounts will be the same. While we have made good progress in improving our accounting processes, occasionally we find transactions in 2016 that need correction or reclassification. Therefore, the focus of this report is on 2017 financial results with comparisons to 2016 as appropriate.

Combined Income Statement – Page 1

This report provides an overview of the revenues and expenses from all sources of the PUD for the month ended January 31, 2017. Overall, net margin for the District was \$1.3 million, which is \$333k better than the amount budgeted for the month.

Income Statement Comparison Through January 2017 – Page 2

Line 1. Operating Revenue – The current year operating revenue of \$4.8 million is ahead of last year by \$612k, or 14.7%. Approximately \$132k of this increase is from the rate changes that went into effect January 2017 in the electric division. The balance is primarily an increase in electric power usage across all customer classes.

Lines 3. & 4., Cost of Purchased Power and Transmission Expense – Included here is demand and kWh purchases from BPA, cost of electricity to run the pumps for the water system, and wholesale water purchased for resale. Because electric sales are up, the cost to provide wholesale power to the end users is also up.

Lines 6. & 7. Distribution Expense – Operations and Maintenance – On a combined basis, distribution expenses are \$28k above last year, or about 14.1%.

Line 13. Depreciation & Amortization Expense – Although 2017 depreciation expense is \$16k less than 2016, we subsequently identified an adjustment that is needed to 2016 which will reduce 2016 depreciation expense by \$26k. After taking into account this adjustment, 2017 depreciation expense is \$10k above 2016.

Lines 21. & 29., Operating Margins and Net Margins – 2017 Operating Margins are \$337k better than 2016. 2017 Net Margins are \$176 lower than 2016, primarily because of \$545k in loan forgiveness that the water utility received in January 2016.

HANDOUT

Statement of Cash Flows – Page 8

In January 2017, \$1.9 million in cash was generated from operating activities. \$315k of this was invested in utility and general plant assets, leaving a net increase in cash of \$1.6 million for the month.

TIER and DSC – 12 Month Rolling Average – Electric – Page 11

This chart shows the trends in TIER and Debt Service Coverage (DSC) on a 12-month rolling average from January 2016 through January 2017. The RUS requires that we meet an average TIER and DSC each of 1.25 in the two best years out of the three most recent years. We are also required to meet an average Operating TIER (OTIER) and Operating DSC (ODSC) of 1.10 in the two best out of three recent years. We have met the RUS requirements for 2015 and 2016.

As of January 31, 2017, the 12 month rolling ratios are as follows:]

- TIER = 1.57
- OTIER = 1.16
- DSC = 1.62
- ODSC = 1.41