



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

July 16, 2019

**Board of Commissioners
Regular Meeting**

Final Minutes

The Regular Meeting of the Public Utility District No. 1 of Jefferson County (PUD) was called to order by the President of the Board of Commissioners (Board or BOC) at 5:00 p.m. on July 16, 2019, at the Jefferson Transit Conference Room, 63 Four Corners Road, Port Townsend, Washington, 98368. Present:

Commissioner Jeff Randall, President
Commissioner Kenneth Collins, Secretary
Commissioner Dan Toepper, Vice President

Kevin Streett, General Manager
Joel Paisner, General Counsel
Will O'Donnell, Communications Manager
Annette Johnson, Executive Assistant/Records Officer
Bill Kolden, Interim Human Resources Manager
Mike Bailey, Financial Services Manager
Jean Hall, Customer Services Manager
Bill Graham, Interim Water Supervisor
Jimmy Scarborough, Interim Electrical Engineering Supervisor
Scott Bancroft, Special Projects Coordinator
Don McDaniel, Consultant

Recording Secretary Cammy Brown (Absent)

1. CALL TO ORDER:

Commissioner Jeff Randall called the regular meeting of the PUD Board of Commissioners for July 16, 2019, to order at 5:00 p.m.

INTRODUCTIONS: Commissioner Jeff Randall started the meeting asking for voluntary introductions from the commissioners and staff.

2. AGENDA APPROVAL:

Commissioner Dan Toepper requested that Emergency Management discussion be added as an item on the Agenda. This was added at the end of Action Items Requiring Board Discussion.

MOTION: Commissioner Kenneth Collins made a motion to approve the agenda as modified. Commissioner Dan Toepper seconded the motion. Motion carried unanimously.

3. GENERAL PUBLIC COMMENT: Commissioner Jeff Randall presented the guidelines for members of the public to submit their comments. Topics abbreviated.

- Establish a reliable historical narrative of the PUD. Response: PUD has a history of the water system plans which has the history of each individual water system but with regards to individuals within the organization there is none.
- Annual report every year.

4. APPROVAL AND ADOPTION OF THE CONSENT AGENDA:

Commissioner Jeff Randall announced that one item that was added after the initial packet went out was 4.3.3 Bid Award for Swansonville Road 2nd Phase. Commissioner Jeff Randall requested this item be removed from the Consent Agenda. This item was removed and placed at the beginning of the Action Items Requiring Board discussion.

MOTION: Commissioner Kenneth Collins made a motion to approve and adopt the Consent Agenda as modified. Commissioner Dan Toepper seconded the motion. Motion carried unanimously.

4.1 APPROVAL OF MINUTES:

Draft minutes BOC Regular Meeting June 18, 2019.
Draft minutes BOC Regular Meeting July 2, 2019.

4.2 APPROVAL OF VOUCHERS

- 4.2.1 Voucher certification form with supporting warrant register and payroll form.
- 4.2.2 BOC approval of voucher approval form.

VOUCHER CLAIM FORMS FOR INVOICES PAID:

WARRANTS	AMOUNT	DATE
Accounts Payable: #120536 to #120540	\$ 144,092.30	6/27/2019
Accounts Payable: #120541 to #120597	\$ 403,053.38	7/02/2019
Payroll Checks: # 70608 to # 70613	\$ 9,659.11	6/28/2019
Payroll Direct Deposit	\$ 85,142.73	6/28/2019
TOTAL INVOICES PAID	\$ 641,947.52	
WIRE TRANSFERS PAID	AMOUNT	DATE
Peterson Lake	\$ 14,328.62	7/02/2019
GRAND TOTAL	\$ 656,276.14	
VOIDED WARRANTS		
120403	1,427.00	

4.3 ACTION ITEMS

- 4.3.1 Write-offs for June 2019.
- 4.3.2 Asplundh tree trimming bid award.
- 4.3.3 Bid Award for Swansonville Rd. 2nd Phase – removed and placed under 7.0 Action Items Requiring Board Discussion 7.1.0.

4.4 PUD CALENDAR.

END OF CONSENT AGENDA.

5. COMMISSIONER REPORTS:

Commissioner Dan Toepper:

- 7/8 Attended CAB (Citizen Advisory Board) meeting as an observer only.
- 7/10 Met with General Manager Kevin Streett.
- 7/11 Travelled to Peninsula College in PA to review streaming of the film Damned to Extinction which focuses on the declining orca population of the West Coast.
- 7/12 Attended Management and BOC Goals and Objectives workshop.
- 7/15 Attended 2019 Budget update meeting.
- 7/16 Attended Executive Session meeting.
- 7/16 to
- 7/19 Will attend WPUDA training in Leavenworth.
- 7/30 Will attend Magellan broadband update.
- 7/31 Will attend BOC/CAB Joint Meeting.
- 8/1 Will meet with GM Kevin Streett.
- 8/5 Will attend Quarterly Staff Update.

Commissioner Dan Toepper advised the BOC that he studied the paper surveys on broadband that were received by the PUD and gave a short report.

Commissioner Kenneth Collins:

- 7/11 Met with General Manager Kevin Streett and Port Commissioner Bill Putney. There was a discussion about opportunities for partnering on grants for upgrades to the available voltage and broadband for Port offices. There was a general acceptance of the concept that there should be a joint meeting between our BOC and the Port BOC for planning purposes.
- 7/12 Attended Management and BOC Goals and Objectives workshop.
- 7/15 Met with General Manager Kevin Streett.
- 7/15 Attended 2019 Budget update meeting.
- 7/16 Attended Executive Session Special Meeting.
- 7/16 to
- 7/19 Will attend WPUDA training in Leavenworth.
- 7/23 to
- 7/25 Will attend meeting for Energy NW Board Meeting.
- 7/30 Will attend Magellan broadband update.
- 7/31 Will attend BOC/CAB Joint Meeting.
- 8/5 Will meet with General Manager Kevin Streett.
- 8/5 Will attend Quarterly Staff update meeting.

Commissioner Jeff Randall:

- 7/8 Attended CAB (Citizen Advisory Board) meeting.
- 7/11 Travelled to Peninsula College in PA to review streaming of the film Damned to Extinction which focuses on the declining orca population of the West Coast.
- 7/12 Attended Management and BOC Goals and Objectives workshop.
- 7/15 Attended 2019 Budget update meeting.
- 7/16 Attended Executive Session meeting
- 7/16 Met with General Counsel Joel Paisner.
- 7/16 to
- 7/19 Will attend WPUDA training in Leavenworth.
- 7/22 to
- 7/26 Will be out of town.
- 7/30 Will attend Magellan broadband update.
- 7/31 Will attend BOC/CAB Joint Meeting.

- 8/5 Will meet with General Manager Kevin Streett.
8/5 Will attend Quarterly Staff Update.

6. GENERAL MANAGER REPORT.

Scott Bancroft, Special Projects Coordinator, gave an updated report on tree trimming projects.

General Manager Kevin Streett is in the process of arranging a broadband meeting with neighboring PUDs to be scheduled before the end of the year.

7. ACTION ITEMS REQUIRING BOARD DISCUSSION:

7.1.0 Bid Award for Swansonville Rd. Second Phase. Scott Bancroft, Special Projects Coordinator, gave a report on replacing existing underground service on Swansonville Road Second Phase. Two bids from Landmark Excavating and Shold Excavating were submitted. Landmark Excavating was the qualified low bidder. Commissioner Dan Toepper requested communication with the public to make them aware that the PUD will be there and loggers will be there also.

PUBLIC COMMENT:

- Question on original conduit.

MOTION: Commissioner Jeff Randall made a motion to approve authorizing staff to award the bid to the low bidder Landmark Excavating. Motion was seconded by Commissioner Kenneth Collins. Motion carried unanimously.

7.1.1 CAB Report. PUD Consultant Don McDaniel gave a report.

PUBLIC COMMENT: (topics abbreviated).

- Public member wanted clarification on third bullet point in written CAB report regarding CAB meetings not a platform for public hearing but are for conducting business meetings.
- OPMA (Open Public Meetings Act). Status report to be made at next board meeting.
- Five new members of the CAB were introduced.

7.1.2 Opt Out. Commissioner Jeff Randall read the Summary from the CAB. "The majority of the Jefferson PUD Citizen Advisory Board has approved the following Opt-Out Policy language to be forwarded to the Jefferson Board of Commissioner for consideration.

'The PUD will offer a non-transmitting meter to single phase ratepayers who wish to opt out of their current RF transmitting meter. Until the PUD calculates the actual cost, a \$5.00 monthly fee will be assessed. The actual cost will then be applied. If the ratepayer requests a subsequent meter change, charges to do so will be assessed.' "

COMMENTS: (interactive conversations and comments by everyone in meeting):

- The process should have involved getting more input from members of the community.
- Staff needs to be interviewed.
- Need more information, i.e. comparison with what other PUDs are doing and why they are doing it.
- How many meters are actually being read?

- Look at areas where there is available data to be gathered and integrate that into the process.
- Need more discussion.
- Don't need to worry about work plan now – CAB has enough to do.
- Minority Report.
- The first sentence of the opt out policy should state specifically that the PUD will offer analog and digital non-transmitting meters.
- The second issue was meter charge. The \$5.00 per month recommendation that was in there and the minority report was recommending considering the base charge is something that we charge all customers. It doesn't cost the PUD the same to provide service and to read the meters to all our customers because in some places you have high density of customers so it is less expensive to do it. Some places that are further out there are more miles per line per customer and you kind of average that cost out with the electricity rate as well as the meter base charge.
- Task staff with taking the CAB recommendation as well as the minority report and review and study it and come back with both a recommendation on how we could implement an opt out policy,
- Cost benefit analysis. That is where staff should take this up and tell us how they see it.
- Each commissioner provide a list of questions and turn them over to the staff.
- Schedule a subsequent meeting on the policy issue.
- Work plan for the CAB is not a priority now.
- Policy needs tweaking word wise.
- CAB was tasked with developing a model policy.
- What is intent of the policy?
- Language as written is what the CAB voted for.
- The initial meter replacement in the recommendation would not have a fee associated with it and if the customer then wanted a subsequent meter change again, then that would possibly have a meter charge.
- Does the language represent the majority's opinion? Response: Yes.
- Staff can work on policy and bring it back.
- Comment was made that the Recording Secretary read back the policy language very clearly.

PUBLIC COMMENTS:

- Charging the customers twice. – paying for meter choice and paying for infrastructure cost associated with new multi million dollar AMR or AMI system.
- Arbitrary nature of PUD frugality. When is the cost of doing business acceptable and when is it not acceptable?
- Cost of PUD clothing. (Response: Commissioners purchase own clothing).
- SMOG meter research.
- Examples of opt out policies from different counties and states.
- SMOG is asking three things:
 - 1) To add analog to the opt out meter choice.
 - 2) To remove the customer cost of opting out.
 - 3) To have a brainstorming workshop to explore how the cost of an opt out program can be reduced for everyone.
- The industry model is the most common. The customer oriented model is the

exception. SMOG suggests the following:

- 1) To add analog to the opt out meter choice.
 - 2) To remove the customer cost of opting out.
 - 3) To have a brainstorming workshop to explore how the cost of an opt out program can be reduced for everyone.
- Model policy is really a statement and not a policy.
 - No background work is documented on the opt out policy.
 - Self-read meters.
 - Policy needs to be edited.
 - Smart meters were included in budget in association with rates.
 - Customer having choices and keeping those choices.
 - Fairness issue on choices.
 - Electromechanical meters be among the choices that somebody choosing an alternative reading system would be able to have.
 - There are several meter remanufacturers in this country.
 - Providing light on Oak Bay Road and the charges associated with that.
 - PUD making a good business decision.
 - Idea – annual report from the PUD.

MOTION: Commissioner Jeff Randall made a motion to direct the PUD staff to take the information so far generated and draft a proposal to implement it whether that is policy language or otherwise. The commissioners would also like to task staff with scheduling a meeting at a date when they think it is suitable to do so. Once the CAB has some information for the commissioners to review, the staff would be invited and the commissioners are welcome to submit questions or comments to staff during that process. Commissioner Kenneth Collins seconded the motion. Motion carried unanimously..

PUBLIC COMMENT:

- Scheduling a public workshop for the public.
- Providing research to staff.
- Document that a member of the public was referring to has not been reviewed by the entire CAB, only the Opt Out Sub-committee.
- There was a resolution approved by the commission in 2014 that the BOC is supposed to review annually the work of the CAB.

It was suggested that any comments or ideas can be forwarded to PUD Consultant Don McDaniel.

7.1.3 Water Rate Increase Proposal. This is a discussion item only. General Manager Kevin Street gave a brief report. The PUD has to absorb cost on the high usage of water. The proposal submitted by EES Consulting was reviewed. The question was asked are these customers' consumption of water causing other customers the inability to get on the system? More clarification was requested on the proposal. This is a first touch. There will be further communication with the community on the water waste increase.

PUBLIC COMMENT:

- Report is unintelligible. Bad numbers, fallacies, bad English. (details given).
- Calculations in document are erroneous.
- Company is subpar.
- Proposal should be done in-house.

- Value of rate structure comparing to City of Seattle.
- Example of water rationing in California. Exceeding limit.
- If considering a Tier 4 policy consider putting a strict upper limit on consumption.
- Higher prices alone will not be enough with some consumers to stop them from going over the limit.
- EES Consulting has had several complaints from CAB members. Why is the PUD using them?
- What is excess water consumption for? (Response: irrigation of lawn).
- EES Consulting does not state how much revenue they provide.

General Manager Kevin Streett will revise the document and bring it back to the BOC. Commissioner Kenneth Collins suggested using WPUDA to get more benchmarking information, particularly this side of the Cascades. PUD staff was directed to bring proposal back and come forward with a recommendation to the BOC for what seems to be a reasonable Tier 4 level. Commissioner Collins would like more information on what the outlying users are using the water for.

7.1.4 CAB/BOC Meeting Agenda CAB projects July 31, meeting.

The CAB needs to have a discussion about the need for an annual work plan. The sub-committee members are Jessica Dillon, Gary Rowe and Russ Michel. CAB Co-Chair Russ Michel went over proposal for agenda for the July 31, 2019 joint meeting with the BOC.

CAB members will put together an agenda and submit it to Executive Assistant Annette Johnson before the 26th of July, 2019.

PUBLIC COMMENT:

- Difficult for the CAB to send a report if they don't have direction from the BOC.
- Annual workshop good idea.
- There is a resolution from 2014 that says the Board is supposed to review annually the work of the CAB.

MOTION: Commissioner Dan Toepper made a motion that the BOC take the meeting scheduled for July 31, 2019, and split it for the first hour for opt out and the second hour for work plan. There was no second to the motion. **Motion dies.**

There was direction from the commissioners that any further suggestions for the Agenda for the meeting of July 31, 2019 be forwarded to PUD Consultant Don McDaniel and that Executive Assistant Annette Johnson will prepare the Agenda.

PUBLIC COMMENTS:

- Suggestion that BOC set a second meeting as soon as possible after the July 31st meeting to go over Opt Out Policy.
- Disappointment that Opt Out policy will not be part of the July 31st meeting.
- Would like the BOC to propose a second meeting as soon as possible after that meeting.

7.1.5 Emergency Management Discussion: BOC involvement in events:

- All county picnic (all commissioners attending).
- KPTZ radio interviewed (Commissioner Dan Toepper representing BOC).
- Jefferson County Chamber luncheon (Commissioner Dan Toepper representing BOC).

There was consensus among the commissioners that Commissioner Dan Toepper will be

involved in the Emergency Management program for the PUD.

PUBLIC COMMENT:

- The PUD does not have much of a plan for emergency management.
- Citizens need clear understanding of what the PUD expects them to do regarding emergency management.

Interim Water Supervisor Bill Graham reported that there is a plan that is being developed regarding water storage and emergency preparedness.

8. **SIGNING OF DOCUMENTS:** The signing of documents was done in an open public meeting forum.

9. **ADJOURNMENT:**

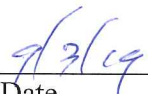
Commissioner Jeff Randall declared the July 16, 2019, Regular Meeting of the Board of Commissioners of the Jefferson County Public Utility District No. 1 adjourned at 7:25 p.m.

Minutes prepared by
Recording Secretary Cammy Brown
from Audio Recording

Approved:



Commissioner Kenneth Collins, Secretary

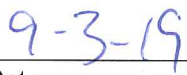


Date

Attest:




Commissioner Jeff Randall, President



Date



Commissioner Daniel Toepper, Vice President



Date

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