



PUBLIC UTILITY DISTRICT NO. 1
of Jefferson County

January 3 2017

Regular Board Meeting

Approved Minutes

The regular Board of Commissioners (Board) meeting of Public Utility District No.1 of Jefferson County (PUD) was called to order by the President of the Board at 5:00 p.m. on January 3 2017 at 230 Chimacum Road, Port Hadlock, Washington. Attending:

Commissioner Kenneth Collins, President
Commissioner Jeff Randall, Vice President
Commissioner Wayne King, Secretary
James Parker, District Manager
Kevin Streett, District Assistant Manager
Bill Graham, District Resource & Conservation Manager
Debbie Lund, District Human Resources & Communications Manager
Kim Younger, District Controller & Auditor
Richard Hughes, District General Counsel
Don McDaniel, District Consultant
Pamela Browning, District Minute Taker
Leo Boyd, North Olympic Peninsula Data Centers
Norm Norton, District Customer & Eaglemount Resident
Nikki Russell, Director of Community Engagement, United Good Neighbors

Agenda Review:

Move Item 8.2: *United Good Neighbors Presentation* to Item 5: Items from the Floor
Add Discussion Item: Richard Hughes update regarding East Jefferson Fire & Rescue taxation issue

MOTION: By Commissioner King, seconded by Commissioner Randall, and unanimously carried: to approve the agenda as amended.

Minutes Approval:

Changes to December 13 2016 regular Board meeting minutes:

- Pamela Browning's questions regarding names, Port Townsend Paper charges, and taxing districts were answered and the minutes so amended.
- Page 3: last paragraph: "Limited Utility District" corrected to "Local Utility District".

MOTION: By Commissioner King, seconded by Commissioner Randall, and unanimously carried: to approve the minutes of the following meetings:

- Regular Meeting of 13 December 2016, *with changes*;
- Special Meeting of 13 December 2016, *as submitted*.

Financial Director Report:

Kim Younger will present the December 2016 month-end report at the first regular Board meeting in February 2017. She distributed and briefly reviewed the *PUD December 2016 / Year End Closing Schedule*.

She confirmed the State Auditors will hold the 2015 Exit Conference, a public meeting, on February 7 2017 at 3:00 p.m. Commissioner King requested Moss Adams review the 2015 financial reports. Kim will work with Tammy Lehman, District Interim Chief Financial Officer, to involve Moss Adams in the review - in a similar fashion as in previous years.

Kim reported on the research she has done to clarify why the budget billing plan is not used by all low income customers.

Payroll and Vouchers Review and Approval:

MOTION: By Commissioner King; seconded by Commissioner Randall; and carried unanimously: to approve the *Voucher Approval Form* dated 3 January 2017, as presented by Kim Younger, in the amount of \$3,483,490.57. This includes vouchers:

Accounts Payable:	#112768 to 112795	in the amount of	\$ 94,394.21
Accounts Payable:	#112796 to 112844	in the amount of	\$ 214,509.00
Accounts Payable:	#112845 to 112911	in the amount of	\$ 217,381.41
Payroll Checks:	# 70250 to 70253	in the amount of	\$ 7,255.56
Payroll Checks:	# 70254 to 70258	in the amount of	\$ 10,101.61
Payroll Direct Deposit:		in the amount of	\$ 90,864.74
Payroll Direct Deposit:		in the amount of	\$ 85,627.64
<u>Total Invoices Paid:</u>			\$ <u>720,134.17</u>

Wire Transfers Paid:

Bonneville Power Administration (BPA)	\$ 1,234,414.00
United States Department of Agriculture/Rural Utilities Service Loan	1,528,942.40

For a Grand Total of \$ 3,483,490.57

Voided Warrants:	#112308	in the amount of	\$ 4,054.80
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Items from the Floor, not listed on the Agenda:

- Leo Boyd addressed the Board regarding his problem with perceived over-charges by NoaNet. Jim Parker distributed PUD Resolution No. 2016-017, which established the PUD's telecommunications network and network access charges for dark fiber and a copy of Joel Paisner's email on this topic. Jim Parker and Kevin Streett will contact Joel Paisner to help resolve the issue. Commissioner Randall offered to continue the discussion outside the Board meeting.
- Leo Boyd expressed concerns regarding erroneous internet service hook-up quotes given to potential customers. The quotes apparently originated with the Port of Port Townsend or the Transit Authority.
- Norm Norton offered commentary regarding broadband access in outer Jefferson County. Commissioner King recommended pressure be brought to bear on State Legislators to allow public utility districts to provide end-user service. Commissioner Collins offered to continue the discussion outside the Board meeting.
- United Good Neighbors of Jefferson County (UGN) presentation: Nikki Russell gave a slide show overview of the organization's work and how it serves county residents. She asked the PUD to implement a payroll deduction to help fund UGN - that deduction option is already in place.

Commissioner Reports:

The Commissioners reported on meetings and events they attended, and those they plan to attend, on behalf of the PUD.

Action Items:

- 2017 PUD Board Positions, Washington Public Utility Association (WPUDA) and Other Representation: The Board reviewed the proposed 2017 assignments, including:
 - Public Power Council: Commissioners rotate attendance.
 - Energy Northwest: Commissioner Collins.
 - PUD Citizen Advisory Board: Commissioners rotate attendance.
 - North Olympic Peninsula Resource Conservation and Development Council: Commissioner Randall.
 - WPUDA Education Committee: Commissioner Collins, with Commissioners King and Randall as alternates.

MOTION: By Commissioner Randall, seconded by Commissioner Collins, and unanimously carried: to approve the proposed 2017 PUD Board, WPUDA and other Board assignments as submitted.

Jim Parker will notify WPUDA of the assignments.

- Transformer Purchase Bids: The Board reviewed the *Preliminary Bid Tabulation* and the PUD policy regarding equipment purchases. Kevin Streett will provide the Board with the number of transformers of each type to be initially purchased.

MOTION: By Commissioner Randall, seconded by Commissioner King, and unanimously carried: to approve the low bids for a year's worth of overhead and pole mounted transformers to General Pacific-Howard and General Pacific-Ermco, as described in the documents provided to the Board.

Rick Hughes recommended the PUD review and, if necessary, update its procurement policy.

Discussion Items: The Commissioners, PUD staff and consultants discussed several topics:

- Team Jefferson Service Proposal: Reviewed limits and processes related to personal and professional service contracts. Jim Parker will gather more information and bring it to the Board for discussion.
- Resolution 2017-001: Retired Commissioner Barney Burke: Distributed the draft resolution recognizing Commissioner Burke's service. The Commissioners will review the resolution and send any suggested changes to Jim Parker.
- Meter Replacement Strategy: Discussed the meter replacement deployment timeline, pedestal replacement policy, and customer communication. Commissioner Randall will work with Debbie Lund to develop a draft communication plan.
- Resolution 2017-002: Low Income Program: Distributed a draft resolution adopting low income reduced rates. Discussed:
 - Program implementation timeline,
 - Coordination with other organizations involved in providing assistance,
 - Communication with customers,
 - Legal implications of using Olycap low income certification,
 - Commitment to continue studying program implementation and process - making revisions as needed.

Commissioner Randall suggested the Board consider convening a working group of PUD Citizen Advisory Board (CAB) members and representatives from Olycap, Saint Vincent de Paul and other key organizations - to meet with Michael Karp, with the "Energy Project", and develop an overall low income assistance plan. Commissioners King and Collins preferred to adopt a low income rate program as soon as possible.

The Commissioners will review the resolution and send comments to Jim Parker for review at the next regular Board meeting.

- Brinnon Telecom Request: Reviewed the request for financial assistance to implement a wireless broadband system. Commissioner King suggested the PUD ask local Planning Commissions to require communications conduit installation for new construction projects.
- Resolution: Water Meters and Encoder Receiver Transmitters (ERT) Purchase: Briefly reviewed the draft sole source purchase resolution. Jim Parker will finalize the resolution and bring it to the Board for review/approval at its next regular meeting.
- East Jefferson Fire District Proposal Update: Rick Hughes has contacted the Fire District's General Counsel and the Jefferson County Prosecuting Attorney to arrange a meeting between the three parties to discuss the issue.

CAB Report: Don McDaniels reported.

Commissioner Collins will attend the January 9 CAB meeting. There are three openings on the CAB, which are being advertised. Currently-sitting members will continue to serve until replaced.

District Manager Report: Jim Parker briefed the Board. Issues reviewed:

- Personnel
- Meetings
- Electrical
- Fiber
- Water and Sewer
- Customers & Billings
- Fire District
- Heating Degree Days Report
- Transmission Report: PUD to Port Townsend Paper (PTP)
- BPA Transmission Report, less PTP
- Transmission System Peak Kilowatts Report

Commissioner Calendar Review: The Board reviewed upcoming events, including:

- January 5 PUD Special Board Meeting
- January 9 CAB Meeting
- January 17 PUD Regular Board Meeting
- February 7 2015 Auditor Exit Meeting & PUD Regular Board Meeting

Correspondence:

- December 13 2016 letter from Jefferson County Department of Community Development regarding Comprehensive Plan Update
- WPUA 2017 Dues Calculation

Future agenda items:

- Kitsap broadband program presentation
- Team Jefferson proposal
- Commissioner Burke recognition resolution
- Meter replacement communication strategy
- Low income program
- Procurement policy update
- Resolution: water meters and ERTs
- Creating additional space
- NoaNet quarterly update
- East Jefferson Fire & Rescue taxation issue

Adjournment: Commissioner Collins adjourned the meeting at 8:05 p.m. for a five minute break before entering Closed Session.

Closed Session:

January 3 2017 PUD Administration Building

Present:	Commissioner Kenneth Collins	James Parker
	Commissioner Jeff Randall	Kevin Streett
	Commissioner Wayne King	Richard Hughes
		Debbie Lund

The Jefferson County PUD Board of Commissioners convened into Closed Session at 8:10 p.m. under the provisions of RCW 42.30.140 (4)(a) as follows: (4)(a) Collective bargaining sessions with employee organizations, including contract negotiations, grievance meetings, and discussions relating to the interpretation or application of a labor agreement; or (b) that portion of a meeting during which the governing body is planning or adopting the strategy or position to be taken by the governing body during the course of any collective bargaining, professional negotiations, or grievance or mediation proceedings, or reviewing the proposal made in the negotiations or proceedings while in progress.

The Closed Session was anticipated to last thirty minutes. The attending group remained in the Administration Building Conference Room for the Closed Session, all other Board meeting attendees vacated.

The Closed Session was adjourned at 8:40 p.m. There was no action taken at this meeting.

Adjournment:

MOTION: By Commissioner King; seconded by Commissioner Randall; and carried unanimously: to adjourn the January 3 2017 Regular Board Meeting at 8:41 p.m.

Minutes prepared by Pamela Browning.

[Click here to access main meeting audio file.](#)

[Click here to access adjournment audio file.](#)

Follow-up Items:

- **Commissioner Randall** will work with Debbie Lund to develop a draft communication plan regarding meter replacement.
- **Commissioners** will review the Barney Burke recognition and low income program resolutions and send suggested changes/comments to Jim Parker.
- **Jim Parker** and Kevin Streett will contact Joel Paisner to help resolve the issue related to NoaNet's fiber charges to North Olympic Data Centers.
- Jim will notify WPUA that Commissioner Collins will represent the PUD on the Education Committee, with Commissioners King and Randall serving as alternates.
- Jim will gather more information related to the Team Jefferson proposal and bring it to the Board for discussion.
- (Jim) Commissioner King suggested the PUD ask local Planning Commissions to require communications conduit installation for new construction projects.
- Jim will finalize the water meter/ERT resolution and bring it to the Board for review/approval at its next regular meeting.
- **Kevin Streett** and Jim Parker will contact Joel Paisner to help resolve the issue related to NoaNet's fiber charges to North Olympic Data Centers.
- Kevin will provide the Board with the number of transformers of each type to be initially purchased.
- **Kim Younger** will present the December 2016 month-end report at the first regular Board meeting in February 2017.
- Kim will work with Tammy Lehman to involve Moss Adams in reviewing 2015 year-end financial reports.
- **Debbie Lund** will work with Commissioner Randall to develop a draft communication plan regarding meter replacement.

Approved:



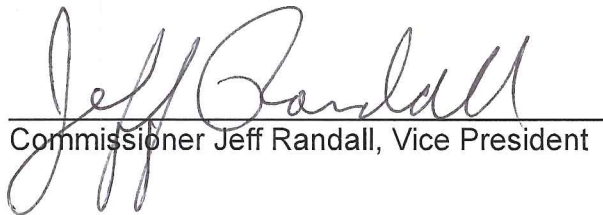
Commissioner Wayne King, Secretary

Date

Attest:

Commissioner Kenneth Collins, President

Date



Commissioner Jeff Randall, Vice President

2-7-17
Date

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