



Board of Commissioners Meeting
August 7, 2018- 5:00 PM
63 Four Corners Rd. Jefferson County Transit

PUD REGULAR BOARD MEETING

1. CALL TO ORDER
2. AGENDA APPROVAL
3. GENERAL PUBLIC COMMENT: This public comment period is for any items not specifically listed on the current Agenda or for items listed on the Consent Agenda. The Chair will also permit public comments on the other agenda items as they come up during the meeting. The Chair may place time limits on public comments to allow the meeting to be conducted in an efficient and orderly manner. **(15 min)**
4. APPROVAL AND ADOPTION OF THE CONSENT AGENDA: Items listed below have been distributed to the Commissioners in advance for study and will be enacted by one motion. If separate discussion is desired on an item, that item may be removed from the Consent Agenda and placed on the Regular Agenda, at a specific time, at the request of any of the Commissioners.
 - 4.1 APPROVAL OF MINUTES
Draft Regular BOC Minutes July 17, 2018
 - 4.2 CFO REPORT AND APPROVAL OF VOUCHERS (Not included in this packet, will be in the packet for 8/21/2018)
 - 4.2.1 Voucher Certification form with supporting warrant register and payroll
 - 4.2.2 BOC Approval of Voucher approval form
 - 4.3 ACTION ITEMS
 - 4.3.1 Contractor Bidding list addition
 - 4.4 PUD Calendar of upcoming meetings – not requiring Board actionEND OF CONSENT AGENDA
5. COMMISSIONER REPORTS
6. GENERAL MANAGER REPORT/FUTURE ITEMS (Information Only)
7. ACTION ITEMS REQUIRING BOARD DISCUSSION
 - 7.1 Membership Assignments
 - 7.2 Shine Plat LUD
 - 7.3 Resolution 2018- for Bond Reimbursement
8. SIGNING OF DOCUMENTS
9. ADJOURNMENT



PUBLIC UTILITY DISTRICT NO. 1
of Jefferson County

July 17, 2018

**Board of Commissioners
Regular Meeting**

Draft 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) at 5:00 p.m. on July 17, 2018, at the Jefferson Transit Conference Room, at 63 Four Corners Road, Port Townsend, Washington, 98368. Present:

Commissioner Jeff Randall, President
Commissioner Kenneth Collins, Secretary

Larry Dunbar, General Manager
Joel Paisner, General Counsel (phone conference)
Kevin Streett, Assistant General Manager
Will O'Donnell, Communications Manager
Bill Graham, Resource Manager
Annette Johnson, Executive Assistant and Records Administrator
Don McDaniel, Consultant

1. CALL TO ORDER:

The meeting was called to order by Commissioner Jeff Randall at 5:00 p.m.

INTRODUCTIONS: Commissioner Jeff Randall started out the meeting with voluntary introductions from the commissioners and staff.

Commissioner Jeff Randall announced that Commissioner Wayne King has an excused absence.

2. AGENDA APPROVAL:

MOTION: Commissioner Jeff Randall made a motion to approve the agenda. This motion was seconded by Commissioner Kenneth Collins. Motion carried unanimously.

3. GENERAL PUBLIC COMMENT: Topics:

- Code Enforcement Officer need. Neighbor stealing power and water.
- Search for Chief Financial Officer.

4. APPROVAL AND ADOPTION OF THE CONSENT AGENDA:

Cammy Brown, Recorder for the PUD, requested that the Minutes of the July 3, 2018, meeting be taken off the consent agenda and moved to end of agenda as a first action item.

A written report narrative to accompany the monthly financial statements that is commonly provided by our contract Chief Financial Officer, Tammy Lehman, was not a part of the packet. It is being submitted tonight to go into the record.

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

4.1 APPROVAL OF MINUTES: Draft Regular BOC Minutes July 3. 2018. Moved to Action Items Requiring Board Discussion.

4.2 CFO REPORT AND APPROVAL OF VOUCHERS:

- 4.2.1 Voucher Certification form with supporting warrant register and payroll.
- 4.2.2 BOC Approval of Voucher Approval form.
- 4.3.3 Financial Review June 2018

VOUCHER CLAIM FORMS FOR INVOICES PAID:

WARRANTS	AMOUNT	DATE
Accounts Payable: # 117544 to # 117587	\$ 319,251.07	6/28/2018
Accounts Payable: # 117588 to # 117618	\$ 124,693.45	7/05/2018
Payroll Checks: # 70466 to # 70470	\$ 9,546.55	6/29/2018

Payroll Direct Deposit:	\$ 100,008.96	6/29/2018
TOTAL INVOICES PAID	\$ 553,500.03	
WIRE TRANSFERS PAID	AMOUNT	DATE
USDA/RUS Loan	\$ 1,526,058.32	6/29/2018
<hr/>		
GRAND TOTAL	\$ 2,079,558.35	

VOIDED WARRANTS

117615 \$ 11,958.02

4.3 ACTION ITEMS:

- 4.3.1 Interlocal Agreement with the Noxious Weed Control Board.
- 4.3.2 Citizen’s Advisory Board Update.
- 4.3.3 Write-off of delinquent accounts from active accounts receivables.

4.4 PUD Calendar of upcoming meetings – not requiring Board action.

5. COMMISSIONER REPORTS:

Commissioner Kenneth Collins:

- 7-5-19 Attended meeting with General Manager Larry Dunbar.
- 7-9-18 Attended meeting of the Jefferson County Board of Commissioners. Introduced General Manager Larry Dunbar. Requested support from the Jefferson County Board of Commissioners for the PUD’s CERB Grant Application. Support was pledged.
- 7-9-18 Attended Citizen’s Advisory Board Meeting.
- 7-10-18 Attended meeting of the Citizen’s Advisory Board Broadband Subcommittee.
- 7-11-18 Participated in a PUD Association Education Committee conference call.
- 7-11-18 Attended Jefferson County Port Commissioners’ Meeting. Introduced General Manager Larry Dunbar and requested support from the Board on the CERB Grant Application. Support was pledged.
- 7-16-18 Participated in conference call for the PUD Association to approve their draft of a Strategic Plan.
- 7-17-18 to
7-20-18 Attending WPUA Conference in Chehalis.

7-24-18 Attending the Energy NW Board Meeting in Pasco.
7-27-18 Attend meeting with General Manager Larry Dunbar.
8-01-18 to
8-02-18 Attend meeting of Public Power Council, Portland, Oregon.
8-3-18 Attend meeting with General Manager Larry Dunbar.

Commissioner Jeff Randall:

7-6-18 Attended meeting with General Manager Larry Dunbar.
7-7-18 Attended the Jefferson Solar Tour.
7-11-18 Participated in conference call with General Manager Larry Dunbar and Craft3.
7-12-18 Attended a meeting put on by the Marine Trades' Association in Port Townsend. Subject matter was the collective economic impact that marine trades have in Jefferson County.
7-17-18 to
7-20-18 Attending WPUA Conference in Chehalis.

6. GENERAL MANAGER REPORT/FUTURE ITEMS (Information Only)

- Water Consumption.
- Chief Financial Officer applicants – had 13 qualified applicants. Consultant recommended six for further consideration.
- Jean Hall – new Customer Service Manager.
- New entry sign has been ordered.
- Schematic Design for expansion of Operations Center nearing completion. There will be staff and commissioner involvement opportunity at end of month.
- Reviewed security measures at Operations Center.
- CERB Grant – obtaining support from community. On target.
- Conservation payments waiting for response from Department of Revenue.
- As a result of the Commission's approval in June to offer OlyCAP and St. Vincent de Paul amendments to their agreements for the unused solar energy, the excess generation is up from the prior year. This last year's excess generation was 26,000 kilowatt hours. This will provide another \$1,000.00 of contributions to help low income customers that use solar power.

FUTURE ITEMS staff is working on for future Board of Commissioner action:

- Staff will be present at summer events with Power Town Safety Demonstrator. There will be a raffle for customers that sign up for paperless billing.
- Governor's Resolution.
- Interlocal Agreement – Chelan PUD – modular building.
- Personnel Policy revision relating to VEBA.
- Parliamentary Procedure workshop in August.
- PUD's Association memberships and membership fees and who is assigned to attend various activities.
- Seeking authority to hire an engineering consultant to repair the Shine Water System Preliminary Assessment for an LUD.
- Will schedule a BOC meeting to have Customer Service Manager make a presentation regarding low income discounts.
- Schedule a meeting for a Special Board Workshop on the Budget.
- Reappointments or new appointments for the Citizen's Advisory Board.
- Real Estate Services RFP – PUD surplus properties.
- Bill Graham, Resource Manager, working on Forester Services for timber sales.
- Request for proposals for financial audit services has been advertised. Responses due end of this month.

Public Comment: Topics:

- CERB Grant timeline.
- On a regular basis look at some industry benchmarks in terms of response time to outages or other benchmarks that would tell us and the community how well the PUD is functioning. This will be part of the 2019 budget process.
- CAB expiration of appointments – equally advertising each time a position is opened up.

7. ACTION ITEMS REQUIRING BOARD DISCUSSION:

4.1 Approval of Minutes of July 3, 2018.

Correction: Top of Page 5. Commissioner Jeff Randall seconded the motion – not Commissioner Kenneth Collins.

Correction: Joel Paisner, General Counsel, was in attendance and not on phone

conference.

MOTION: Commissioner Jeff Randall made a motion to approve the minutes of July 3, 2018, meeting of the Jefferson County PUD Board of Commissioner as amended. Commissioner Kenneth Collins seconded the motion. Motion unanimously carried.

7.1 Resolution 2018-015 Updating and Clarifying the Role of the Citizen’s Advisory Board (Verbal report). General Counsel Joel Paisner discussed the proposed resolution. This was an update only.

Public Comments: Topics

- Emails that are used by the CAB members. Only use PUD email for all correspondence.
- Emails or other records that CAB members might have personally. It was mentioned that if a CAB member happens to have a document and the CAB member intentionally destroys it, the CAB member could be subject to criminal penalties (Class C Felony – Willful Destruction of Public Record).
- Comment on using personal email accounts and providing documents.
- Comment in favor of keeping the policy the way it is drafted now.
- Specific legal language CAB members should be using that says something specific about the public record.
- General Manager Larry Dunbar and Annette Johnson, Executive Assistant and Records Administrator are working on some email etiquette that will apply to both staff, commissioners and CAB members.
- Commissioner Wayne King is scheduled to attend the next CAB meeting (August 13, 2018). Consultant Don McDaniel to confirm this.

7.2 Irondale Substation Expansion Project Bid Award.

Assistant General Manager Kevin Streett gave a report. This project is budgeted this year. Recommendation is to move forward with the project.

MOTION: Commissioner Jeff Randall made a motion that the Jefferson County Public Utility District award the bid to the lowest responsive bidder, which is Michels Corporation, and the amount is \$1,117,327.34 plus taxes, and authorize the General Manager of the Jefferson County Public Utility District to accept this construction contract to upgrade the Irondale Substation.

This motion was seconded by Kenneth Collins. Motion carried unanimously.

7.3 Water System Plan Scope of Work and Budget. Bill Graham, Resource Manager, gave a report on the water system plan.

Public Comment: Topics

- Ramifications of unfunded mandate.
- Impact of RUS requirements.
- File versions that were unrecoverable.
- New data delivered in generic format.
- Definition of word “transient” in Scope of Services.

MOTION: Commissioner Kenneth Collins made a motion to authorize the General Manager of the Jefferson County Public Utility District to sign the short form agreement with HDR Consultant to complete the state mandated Water System Plan Update for the amount of \$122,000.00 including all applicable taxes. Commissioner Jeff Randall seconded the motion. Motion carried unanimously.

Update from General Manager: General Manager Larry Dunbar announced that a job description for the Water Operations Superintendent is being drafted. This position was not included in the 2018 budget. There is sufficient funding available in the budget to fund this position. This is an essential leadership position. Recruitment will begin soon.

8. SIGNING OF DOCUMENTS: The commissioners signed documents during the public meeting.

9. ADJOURNMENT:

MOTION: Commissioner Kenneth Collins made a motion to adjourn the July 17, 2018, Regular Meeting of the Jefferson County Public Utility District No. 1. Commissioner Jeff Randall seconded the motion. Motion carried unanimously.

Meeting was adjourned at 6:13 p.m.

Minutes prepared by
Cammy Brown, PUD Recorder

Approved:

Commissioner Kenneth Collins, Secretary

Date

Attest:

Commissioner Jeff Randall, President

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.



DATE: August 7, 2018
TO: **Board of Commissioners**
Thru: Larry Dunbar, General Manager
FROM: Kevin Streett, Assistant General Manager
RE: Add Titan Electric Inc. to the list of approved electric contractors

SUMMARY: Titan Electric has requested to be placed on our approved electrical contractors list. They are opening an office outside of Tumwater

BACKGROUND: Titan Electric has hired personnel that have knowledge and a working experience with the PUD and our service territory. Titan Electric has also stated some of the crews will be crews that have worked on PUD property. RCW 54.04.085 requires that contractors must seeking prequalification by submitting required documentation.

ANALYSIS/FINDINGS: We have reviewed the supporting documents from Titan Electric and find they supplied all necessary information to be placed on our approved contractor list.

FISCAL IMPACT: The PUD bids out many small projects, this addition to the contractor list might increase competition among the contractors.

RECOMMENDATION: Staff recommends that the Board of Commissioners place Titan Electric Inc on the approved electrical contractor list.

August 7, 2018

PUD CALENDAR

August 7, 2018	Regular BOC Meeting 5:00 p.m. Transit Center
August 10, 11, 12	Jefferson County Fair (Fairgrounds) Schedule varies
August 13, 2018	CAB meeting 2:30 p.m. Four Corners Location
August 14, 2018	NWPPA Jurassic Park Parliamentary Procedure Class 8:00 a.m.-1:00 p.m. Four Corners location
August 20, 2018	Budget Workshop Special Meeting 1:00 p.m.-3:00 p.m. Four Corners location
August 21, 2018	Regular BOC Meeting 5:00 p.m. Transit Center
August 30, 2018	Special Meeting NoaNet Workshop 10:00 a.m.-12:00 p.m. Four Corners location



AGENDA REPORT

DATE: August 7, 2018
TO: Board of Commissioners
FROM: Larry Dunbar, General Manager
RE: Membership Associations

SUMMARY: Staff is seeking guidance from the Board of Commissioners regarding membership associations.

BACKGROUND: The District currently belongs to the following associations:

Membership Association	Staff Participation	BOC Participation	Annual Dues Amount
1. Washington PUD Association	Training- Various Staff members	Jeff Randall Ken Collins Wayne King	\$ 63,984.00
2. Northwest Public Power Association	Training- Various Staff members	Jeff Randall Ken Collins Wayne King	\$17,193.00
3. Northwest Open Access Network	Kevin Streett Colton Worley	Wayne King	\$0
4. Public Power Council	N/A	Ken Collins	\$18,818.00
5. Energy Northwest	N/A	Ken Collins	\$0
6. National Rural Electric Cooperative Association	Recruitment		\$29,881.00
7. Jefferson County Infrastructure Advisory Committee	N/A	Wayne King	\$0
8. Public Utility Risk Management Services	Debbie Lund Annette Johnson	Ken Collins	\$0
9. Washington Association of Public Records Officers	Annette Johnson		\$25
10. Western Washington Public Utility Districts	Debbie Lund		\$0
11. SHRM Society of Human Resource Management	Debbie Lund		\$209.00

12. WSHRMA West Sound Human Resources Management Association	Debbie Lund		\$0
13. PNWS-NWWA-WWUC (Part of AWWA)	Lobbying for all water utilities		\$250.00
14. Tri-City Construction Council	Don McDaniel		\$480.00
15. NODC- North Olympic Development Council		Jeff Randall	\$800.00
16. American Water Works Association	Staff Training and certification		\$345.00

ANALYSIS/FINDINGS: To receive the greatest membership benefits, a combination of staff and Board of Commissioner representatives should participate in each association.

FISCAL IMPACT: The cost of membership in the above associations is included in the 2018 budget.

Staff is planning to discontinue the membership with the National Rural Electric Cooperative Association in 2019, and reconsider membership in 2020.

Staff is planning to join the Western Public Agencies Group at \$12,000.00 annual dues and the Evergreen Rural Water of Washington at \$700.00 annual dues in 2019.

RECOMMENDATION: Staff is seeking guidance on various assignments to membership associations, and if any memberships should not be included in the 2019 budget.



DATE: August 7, 2018
TO: **Board of Commissioners**
Thru: Larry Dunbar, General Manager
FROM: Bill Graham, Resource Manager
RE: Shine Plat Local Utility District (LUD)

SUMMARY: The scope of work, schedule and fee for Shine Plat Consolidation and Bywater Bay System Improvements has been negotiated as Task Order 4 in the Master Services Agreement with HDR

BACKGROUND: The PUD was petitioned for an LUD by citizens in 2017 to consolidate the Shine Plat water system into the Bywater Bay water system. In September 2017, the board approved moving forward with a preliminary assessment to determine the cost of the project. In April 2018, the PUD contracted with HDR as our “on-call” engineering firm. HDR worked with staff to develop a scope of work, schedule and fee that will include a preliminary assessment of the cost of the project as well as perform the pre-engineering design and bid document preparation. This project would be added as Task Order 5 on the HDR Master Services Agreement.

ANALYSIS/FINDINGS: LUDs are financing mechanism prescribed within the RCW. A rough summary of the steps that need to be completed include:

1. Certification of petition signatures – This has been done by staff but needs to be certified by an engineer (HDR).
2. SEPA determination – Whether the project is categorically exempt or if it requires an environmental checklist to be prepared in which case a determination of non-significance or an environmental impact statement is necessary.
3. Cost estimation – via a preliminary assessment needs to determine overall cost of the project. Will include appraisal to determine increased value to properties.
4. Preliminary Assessment Hearing – A public hearing required to decide whether or not to further pursue the LUD. To be scheduled Fall 2018. Includes decision to form LUD.
5. Obtain financing (see Bond Reimbursement Agenda Report)
6. System design, surveying and solicitation of bids for construction.

In a consolidation feasibility study performed in 2016, a rough cost estimate for the project approached \$500,000 or over \$16,000 per assessment (25 total customers).

This value is high because a relatively small number of property owners must share in the cost of the improvements. A portion of these costs may be paid by the PUD outside the LUD process if they are deemed as improvements that would have been made regardless of the petition. These costs are, at this point, highly speculative.

Note that in general, the LUD needs to be both “economically and financially feasible” - this is inferred to mean both to the assessed citizens and the PUD. The property value added due to the improvement cannot be less than the cost of the assessment. If either of these conditions are not met, and/or or a majority of property owners reject the proposal, the board can stop the LUD from forming.

FISCAL IMPACT: To date \$60,000 in Washington State grant funds have been spent on this project as well as many hours of PUD staff time not directly attributed to the Shine Plat LUD. All future time spent on this project will be attributed to an ongoing work order for the Shine Plat LUD so all expenses from this point forward will be reimbursed through the bond and the property assessments.

The preliminary rough estimate of \$500,000 for the improvements did not include design and engineering costs.

To finance the improvements, the PUD would go out for a reimbursement bond where the PUD would pay for the cost of the project initially through bonds and then use the bond proceeds to reimburse for the capital project costs (See Bond Reimbursement Agenda Report for details).

Initial cost of the preliminary assessment proposed by HDR is \$46,200. Cost for design, engineering and bid preparation area were included separately. Whether or not the PUD proceeds with the design, engineering and bid preparation though HDR will depend on the decision to move forward with LUD formation and if a water engineer is then on staff at PUD.

RECOMMENDATION: Staff recommends that the board authorize the general manager to proceed with Task Order 4 for the preliminary assessment of Shine Plat water system consolidation.

EXHIBIT A. Shine Plat Consolidation and Bywater Bay System Improvements – Scope of Work, Schedule and Fees.

**Jefferson County PUD No. 1
Task Order 4: Shine Plat Consolidation and
Bywater Bay Water System Improvements**

Scope of Services

August 2, 2018



**905 Plum Street SE
Suite 200, Town Square 3
Olympia, WA 98501-1516
(360) 570-4400**

Table of Contents

Background	1
Scope of Services	1
Task 1 - Project Management.....	1
Objective	1
HDR Services.....	1
Client Responsibilities	2
Assumptions.....	2
Deliverables.....	2
Task 2 - Preliminary Assessment	2
Objective	2
HDR Services.....	2
Client Responsibilities	3
Assumptions.....	3
Deliverables.....	4
Task 3 – Public Meetings.....	4
Objective	4
HDR Services.....	4
Client Responsibilities	4
Assumptions.....	4
Task 4 – Prepare Bid Documents	4
Objective	4
HDR Services.....	4
Client Responsibilities	5
Assumptions.....	5
Schedule	5
Fee.....	5

EXHIBIT A

SCOPE OF SERVICES

Background

HDR, Inc. is currently contracted with Jefferson County PUD No. 1 (PUD) to provide on-call engineering services. This scope of services covers Task Order 4 which includes work for engineering services related to improvements for the Shine Plat and Bywater Bay Water Systems, in support of a Local Utility District (LUD) assessment.

The Bywater Bay Water System is operated by the PUD. Adjacent to the Bywater Bay Water System is the Shine Plate Water System which is not operated by the PUD. The PUD has been petitioned to consolidate the Shine Plat system into the Bywater Bay system. Piping in the Shine Plat system has reached the end of its useful life and is deteriorating. As part of the consolidation, the complete replacement of distribution piping throughout the Shine Plat system will be necessary. Piping will also need to be added to intertie the existing Bywater Bay system to the new Shine Plat distribution piping. Wellhead improvements also need to be made to the Reynolds Well which was recently drilled to provide additional source capacity to the Bywater Bay Water System.

HDR will provide engineering services to support the consolidation of Shine Plat into Bywater Bay and provide design of necessary system improvements.

Scope of Services

Task 1 - Project Management

Objective

The purpose of this task is to monitor, control and adjust scope, schedule, and budget as well as provide monthly status reporting, accounting, and invoicing for all tasks as part of Task Order 4.

HDR Services

1. Coordinate and communicate with PUD staff on a routine basis throughout the duration of the project.
2. Prepare and provide up to two invoices and monthly status reports describing the following:
 - A. Services completed during the month
 - B. Services planned for the next month
 - C. Needs for additional information
 - D. Scope/schedule/budget issues
 - E. Schedule update and financial status summary
 - F. Key issues to be addressed
3. Prepare monthly invoices formatted in accordance with contract terms.

4. Attend one conference call meeting with the PUD to discuss project, deliverables, and any other key project issues.
5. Prepare meeting minutes for project meetings with the PUD.

Client Responsibilities

1. Attend project management meetings.
2. Timely processing and payment of invoices.
3. Review and process contract change requests and amendments, if needed.

Assumptions

1. The project duration will be for 6 months after NTP.
2. Six project meetings with PUD will be held with 1 hour of project manager time required for meeting for preparation, attendance (via phone), follow-up, and notes.
3. Invoices will be HDR standard invoice format.
4. Expense backup will not be provided with invoices but will be available for review at HDR.

Deliverables

1. Scope of services, schedule (project milestones), and budget (PDF file and two copies).
2. Monthly reports (providing schedule, budget, and progress updates) and invoices (one copy with invoice can be mailed or e-mailed PDF file)
3. Project management meeting agenda and notes (e-mailed PDF files).

Task 2 - Preliminary Assessment

Objective

Prepare a preliminary assessment to support the PUD public hearing.

HDR Services

1. Obtain and review PUD and DOH records for Shine Plat Water System and Bywater Bay Water Systems relevant to consolidation and system improvements.
2. Review ability of the Shine Plat system to consolidate with the Bywater Bay system from a hydraulic, supply, and storage perspective. This will incorporate and build upon the previously prepared Feasibility Study of the consolidation completed in 2016.
3. Certify signatures of petitioners with County by verifying signatures of petitioners with County assessor information on property owners.
4. Develop to a 30% design level the necessary system improvements. This includes:
 - A. Modifications necessary at the Reynolds Well to address water quality issues.
 - i. Evaluate water quality concerns.
 - ii. Determine treatment required and other necessary modifications for the well.
 - B. Distribution system piping for the Shine Plat area. Special consideration needs to be made for building new distribution system in parallel to existing water system.

Geotechnical services will also be conducted to support 30% design of infrastructure in high groundwater areas.

- C. Piping necessary to connect the Shine Plat distribution piping to the Bywater Bay System.
- 5. Develop an engineer's opinion of probable construction cost (OPCC) for the 30% design.
- 6. Provide assessment level project cost estimates/ranges for improvements including, but not limited to, system design, permits, treatment, labor, infrastructure, and all other related costs required to complete the construction of the system extension.
- 7. Prepare and submit draft assessment with overall project cost and cost breakdown per individual assessed parcel. Submit to PUD for review and comment.
- 8. Prepare an evaluation of the economic feasibility of implementing the LUD, by providing appraisal-level services to determine the potential increase in property value resulting from the improvements and comparing that against the per-property assessment cost. (Note: Additional detail regarding the level of effort for this task pending input from PUD legal counsel.)
- 9. Incorporate PUD review comments and submit revised preliminary assessment to PUD.

Client Responsibilities

- 1. Provide HDR with relevant PUD and DOH records and documents of the Shine Plat and Bywater Bay Water Systems.
- 2. Provide consolidated set of review comments for the 30% design within two weeks.
- 3. Provide consolidated set of review comments for the 30% design OPCC within two weeks.
- 4. Provide consolidated set of review comments for draft assessment within two weeks.
- 5. Provide consolidated set of review comments for draft Project Report within two weeks.

Assumptions

- 1. PUD will contract directly for survey services to support design.
- 2. HDR will subcontract geotechnical services to support design.
- 3. No electrical or structural design services are required of HDR.
- 4. No specifications will be prepared for the 30% design.
- 5. Water line design will be based off of PUD standard details and specifications.
- 6. Required fire flow is 500 gpm.
- 7. Legal considerations to be handled by PUD.
- 8. SEPA process and determinations will be handled by PUD staff and management.
- 9. PUD financing of project (i.e. bonds) to be handled by PUD bond council.
- 10. PUD responsible for mailings and notifications to public and assessed citizens.
- 11. No Department of Health (DOH) review will occur during this phase.
- 12. Upon completion of this task, if the economic feasibility analysis determines that the per-property cost exceeds the additional value provided by the improvements (i.e., if the LUD

will not advance further to the public hearing phase), the PUD may elect to not move forward with the subsequent tasks in this task order.

Deliverables

1. 30% design drawings submitted electronically in a PDF format.
2. 30% design OPCC submitted electronically in a PDF format.
3. Draft preliminary assessment submitted electronically in a PDF format.
4. Final preliminary assessment submitted electronically in a PDF format and two hard copies.

Task 3 – Public Meetings

Objective

Provide support at LUD public hearing.

HDR Services

1. Provide support for one public meeting/presentation of the preliminary assessment at hearing, including preparation of meeting/presentation materials.

Client Responsibilities

1. Lead coordination and planning for public hearing.

Assumptions

1. One meeting is planned, lasting up to three hours in length. One HDR staff will be present.

Task 4 – Prepare Bid Documents

Objective

Development of bid documents for the construction phase of the project including distribution system piping for Shine Plat, piping connecting Shine Plat to Bywater Bay, and modifications necessary at the Reynolds Well.

HDR Services

1. Prepare 60% design package (plans, specifications, and OPCC) for review by PUD.
2. Prepare 95% design package (plans, specifications, and OPCC) for review by PUD.
3. Prepare 100% (issue for bid) design package (plans, specifications, and OPCC) for review by PUD.
4. Assist PUD staff as requested (and as budgeted) during bidding phases of the project.
 - A. Respond to PUD staff technical questions.
 - B. Prepare addenda as may be required during bidding and participate in pre-bid conferences, respond to questions from bidders, and provide clarification or interpretations of the bidding documents.

Client Responsibilities

1. Participate in any necessary site visits.
2. Provide consolidated set of review comments for 60% design within two weeks.
3. Provide consolidated set of review comments for 95% design within two weeks.
4. Obtain all required permits. Permitting, if applicable and required, including: environmental compliance, SEPA, and building permits.

Assumptions

1. Design is to be to PUD water system specifications.
2. Required specifications for the Reynolds and Shine Plat design packages will be included on the drawings utilizing references to WSDOT and PUD standards specifications where possible.
3. Shine Plat design drawings will be 6 sheets of plan/profiles, and 4 sheets of details and notes.
4. Reynolds Well design drawings will consist of 2 sheets of plan/profiles, and 4 sheets of details and notes.
5. Assistance during biddings assumes issuing one addenda requiring 8 hours of work, and responding to questions from bidders requiring 4 hours of work.
6. DOH review of a Project Report and construction documents will ultimately be required for project implementation. Development of the Project Report and coordination with DOH is not included in this scope of services.

Schedule

Milestones	Date
Document gathering and review completed	2 weeks after notice to proceed (NTP)
Certification of signatures	3 weeks after NTP
30% design drawings	August 31, 2018
30% OPCC	August 31, 2018
Draft Preliminary Assessment	September 14, 2018
Public Hearing	October 14, 2018
60% design package (drawings, specs, OPCC)	November 2018
95% design package (drawings, specs, OPCC)	December 2018
100% (issue for bid) design package (drawings, specs, OPCC)	January 2019

Fee

Task	Task Description	Fee
------	------------------	-----

1	Project Management	\$7,200
2	Preliminary Assessment	\$40,300
3	Public Meetings	\$2,300
4	Prepare Bid Documents	\$42,000
Total		\$91,800



AGENDA REPORT

DATE: August 7, 2018
TO: **Board of Commissioners**
THRU: Larry Dunbar, General Manager
FROM: Tammy Lehman, Interim Finance Director/District Auditor
RE: Bond Reimbursement Resolution

SUMMARY: Staff is seeking a resolution from the Board of Commissioners (BOC) that would authorize the General Manager to make a declaration of official intent to reimburse capital project expenditures that are funded via bonds to have preliminary costs reimbursed from the bond proceeds.

BACKGROUND: If the BOC authorizes staff to proceed with a capital improvement project that utilizes bond financing, there are preliminary costs incurred prior to the issuance of a bond that could be included in the bond. If costs incurred prior to the issuance of a bond are not included in the bond, the expenses incurred prior to issuance of a bond would reduce unrestricted cash reserves.

ANALYSIS/FINDINGS: If the BOC authorizes staff to proceed with the Shine Plat Consolidation and Bywater Bay Water System Improvements project, staff recommends that the preliminary costs incurred prior to issuance of a bond (e.g., staff time, engineering services, financial advisor and bond counsel) are included in the bond. The debt service for the bond would be assessed to customers that are included in the Local Utility District (LUD). In other words, those that benefit pay.

The debt service for any future revenue bonds and general obligation bonds would be funded through rates.

FISCAL IMPACT: If the bond reimbursement resolution is approved, all preliminary costs associated with a project funded by a bond could be included in a bond.

RECOMMENDATION: Staff is seeking the following from the BOC:

1. Approval of the attached resolution, and
2. Permission for the General Manager to retain the services of a financial advisor and bond counsel for the bond to fund the LUD for the Shine Plat Consolidation and Bywater Bay Water System Improvements project.

Attachments: Resolution No. 2018-021
Declaration of Official Intent to Reimburse Expenditures from
Proceeds of Bonds

PUBLIC UTILITY DISTRICT NO. 1

OF

JEFFERSON COUNTY

RESOLUTION NO. 2018-021

A RESOLUTION of the Board of Commissioners of Public Utility District No. 1 of Jefferson County, Washington (“the PUD”), designating the General Manager as the official authorized to make declarations of official intent to reimburse certain funds advanced for projects on behalf of the PUD.

WHEREAS, Jefferson County PUD (the “PUD”), from time to time may reasonably expect to make expenditures for capital projects (or certain extraordinary working capital expenditures) from funds that are available but that are not (and are not reasonably expected to be) reserved, allocated on a long-term basis or otherwise set aside for those expenditures, and would reasonably expect to be reimbursed for those expenditures from proceeds of bonds or other obligations issued to finance those expenditures; and

WHEREAS, federal reimbursement regulations relating to the use of proceeds of tax exempt bonds or other obligations (“bonds”) to reimburse the issuer of the bonds for expenditures made before the issue date of the bonds require a declaration of official intent to reimburse those expenditures from proceeds of bonds;

NOW, THEREFORE BE IT RESOLVED, the Commissioners of the PUD No. 1 of Jefferson County as follows:

Section 1. Designation of Official to Declare Official Intent. The General Manager of Jefferson County PUD is designated to make declarations of official intent, substantially in the form attached to this resolution as Exhibit A, on behalf of the PUD as may be necessary or appropriate from time to time for any purpose under, and in compliance with, the requirements of the federal reimbursement regulations.

Section 2. Effective Date. This resolution shall be in full force and effect from and after its adoption.

Section 3. Rescind Resolution No. 2011-003. This Resolution supersedes and replaces Resolution No. 2011-003.

ADOPTED by the Commission of Public Utility District No. 1 of Jefferson County, Washington, at a regular open meeting held this 7th day of August, 2018.

Jeff Randall, President

ATTEST:

Wayne King, Vice President

Kenneth Collins, Secretary

Declaration of Official Intent to Reimburse Expenditures from Proceeds of Bonds

EXHIBIT A

I, the undersigned, General Manager of Jefferson County PUD, and, as such have been designated by the Jefferson County Commissioners to make declarations of official intent on behalf of the PUD when necessary or appropriate for any purpose under, and in compliance with, the requirements of certain federal regulations (the “federal reimbursement regulations”) relating to the use of proceeds of tax exempt bonds or other obligations (“bonds”) to reimburse the PUD for capital expenditures (and certain extraordinary working capital expenditures) made by the PUD before the issue date of the bonds. On behalf of the PUD, I make the following declaration of official intent under the federal reimbursement regulations (Resolution 2018-021).

1. Description of Project for Which Expenditures are to be Made. The PUD intends to incur expenditures, and reasonably expects to reimburse itself for those expenditures from proceeds of bonds, for the following project, property, or program (the “Project”) described as:
 - Engineering services and permitting
 - Design and preparatory work
 - Financial advisor and bond counsel services
 - Construction and project management of Shine Plat Consolidation and Bywater Bay Water System Improvements
2. Maximum Principal Amount of Obligations Expected to be issued for the Projects. The PUD expects that the maximum principal of bonds that will be issued to finance the Project will be \$600,000.
3. Declaration Reasonable. I have reviewed the existing and reasonably foreseeable budgetary and financial circumstances of the PUD and have determined that the PUD reasonably expects to reimburse itself for expenditures for the Project from proceeds of bonds because the PUD has no funds available that already are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside by the PUD for those expenditures on the Project.

Date of Declaration: _____

By: _____

Larry Dunbar, General Manager