



PUBLIC UTILITY DISTRICT NO. 1
of Jefferson County

October 2, 2017

**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) at 5:53 p.m. at the at the Jefferson County Transit Administration office at 63 Four Corners Road, Port Townsend, WA Washington, 98368. Present:

Commissioner Kenneth Collins, President
Commissioner Jeff Randall, Vice President
Commissioner Wayne King, Secretary (absent)

Kevin Streett, Assistant General Manager
Debbie Lund, Human Resources and Communications Manager
Kim Younger, Controller
Bill Graham, Resource and Conservation Manager
Susan Carter, Chief Financial Officer
Richard Hughes, General Counsel
Annette Johnson, Records Administrator
Don McDaniel, Consultant

Cammy Brown, Recorder

1. CALL TO ORDER:

The meeting was called to order by Commissioner Kenneth Collins at 5:53 pm.

2. AGENDA APPROVAL: The following corrections and/or additions were made:

Add to Agenda under Action Item 6.4 – Review of Interim Financial Officer’s contract and approve.

MOTION: Commissioner Kenneth Collins moved to approve the agenda as amended, seconded by Commissioner Jeff Randall. Motion carried unanimously.

3. ITEMS FROM THE FLOOR

There were some comments regarding fire hydrants in Kala Point.

4. APPROVAL AND ADOPTION OF THE CONSENT AGENDA:

Remove from consent agenda:

4.3.3 Resolution 2017-21: To increase regular levy vs. District’s prior levy amount

4.3.4 Resolution 2017-22: Resolution that prepares a budget for 2018

4.3.5 Resolution 2017-23: Resolution adopting the limit factor for 2018 property tax

4.4.4 Waiver of Moving Costs

MOTION: Commissioner Jeff Randall moved to approve the consent agenda as amended, seconded by Commissioner Kenneth Collins. Motion carried unanimously.

4.1 APPROVAL OF MINUTES

4.1.1 Minutes of Special Meeting of September 11, 2017.

4.2 CFO REPORT AND APPROVAL OF VOUCHERS

4.2.1 Finance Director's Report – approved.

4.2.3 BOC Approval of Voucher approval form:

| Warrants | Amount | Date |
|--|----------------------|-------------|
| Accounts Payable: # 115037 to # 115079 | \$ 173,037.11 | 9/14/2017 |
| Accounts Payable: # 115080 to # 115135 | \$ 436,902.44 | 9/21/2017 |
| Payroll Checks: # 70354 to # 70359 | \$ 10,756.60 | 9/22/2017 |
| Payroll Direct Deposit: | \$ 83,429.17 | 9/22/2017 |
| TOTAL INVOICES PAID | \$ 704,125.32 | |
| WIRE TRANSFERS PAID | AMOUNT | DATE |
| GRAND TOTAL | \$ 704,125.32 | |

4.3 RESOLUTIONS:

- 4.3.1 Resolution 2017-019: Adjustment of compensation for Assistant Manager.
- 4.3.2 Resolution 2017-20: Declaring Tammy Lehmann as Auditor.
- 4.3.3 **Removed** - Resolution 2017-21: To Increase regular levy vs. District's prior level amount.
- 4.3.4 **Removed** - Resolution 2017-22: Resolution that prepares a budget for 2018.
- 4.3.5 **Removed** - Resolution 2017-23: Resolution adopting the limit factor for 2018 property tax.

4.4 ACTION ITEMS:

- 4.4.1 MOUs (3) for IBEW Contract.
- 4.4.2 Approval of Vehicle.
- 4.4.3 Update of Union Bank Don McDaniel.
- 4.4.4 **Removed** - Waiver of Moving Costs.

4.5 CAB REPORT:

- 4.5.1 Agenda for upcoming CAB meeting.

4.6 STAFF REPORTS not requiring Board action.

- 4.6.1 HR and Communications Report
- 4.6.2 Operations – Monthly Work Order Report – August 2017.

4.7 PUD Calendar of upcoming meeting – not requiring Board action.

- 4.7.1 PURMS Operations Committee Annual Meeting

4.8 CORRESPONDENCE not requiring Board action.

- 4.8.1 Congratulations letter from IBEW to Jim Parker

5. COMMISSIONERS' REPORTS: Commissioners Jeff Randall and Kenneth Collins gave their reports. Commissioner Wayne King was not present.

Commissioner Jeff Randall:

- September 25 Attended Budget Workshop
- September 25 Attended CAB Low Income Energy Assistant Subcommittee Meeting

Commissioner Jeff Randall stated that he is planning to be out of the area October 3 through October 13 but he will call in at meetings already scheduled.

Commissioner Kenneth Collins:

- September 25 Attended Budget Workshop
- September 27, 28, 29 Attended WPUDA Workshop
Attended workshop on State water code.
- October 2 Involved in conference calls - one having to do with Telecom and one having to do with the Moss-Adams review of our financial processes.
Met earlier today with Don McDaniel to talk about building issues and the process of selection of the PUD's next General Manager.
Had an exit interview with Susan Carter.
- October 5 Plan on attending the 20/20 special meeting on Smart Meters.
- October 10 Plan on attending the CAB meeting.

Commissioner Kenneth Collins reported on the highlights from WPUDA Workshop. In the State of Washington less than 10% of the water is used for residential. There was a considerable amount of discussion about the Hearst Decision which limits drilling of new wells absent county determination of the legal availability of water. Resolution of the Hearst Decision was tied to the State Capital budget which at the present time is frozen and has not been approved. If the Hearst Decision is not modified, then the estimated cost for a resident to dig a well is about \$40,000.00 for a hydrological study per property. It is very significant.

6. ACTION ITEMS REQUIRING BOARD DISCUSSION:

6.1 General Manager Recruitment Process: Don McDaniel, Consultant, presented his report.

6.2 Fiscal Reserve Policy: Assistant General Manager Kevin Streett was requested by Commissioner Collins to prepare a background report for discussion on dealing with the PUD's reserves. Kevin stated he would have something for the next board meeting.

4.3.3 Resolution 2017-21: Raising property tax. Commissioner Jeff Randall did not support the second WHEREAS in the resolution. It is stated as follows:

“WHEREAS, the Board of Commissioners of Public Utility District No. 1 of Jefferson County are committed to eliminate the collection of their regular levy by the year 2026; and.”

Commissioner Randall stated that this portion of the resolution was adopted before he and Commissioner Collins were on the Commission.

Commissioner Randall pointed out that the following paragraph in Resolution 2017-23 which is setting the higher property tax rate be inserted in Resolution 2017-21. That paragraph states as follows:

“WHEREAS, the Board of Commissioners of the District No. 1 of Jefferson County, Washington, has determined that, because of the startup costs associated with the electrical utility, the expansion of the PUD’s role in Telecom, and to assist in its Water and Electrical conservation measures, the Commissioners find that there is a substantial need to increase the regular property tax limit factor above the rate of inflation;”

Commissioner Randall requested that the above paragraph be inserted in Resolution 2017-21.

After conferring with Counsel Richard Hughes, it was determined by consensus of the Commissioners that two resolutions were not necessary. Resolution 2017-21 and Resolution 2017-23 are to be combined and that the second “WHEREAS” in Resolution 2017-21 be eliminated. The revised resolution will be presented at the next board meeting.

Items 4.3.3 through 4.3.5 – no further discussion.

4.4.4 Waiver of Moving Costs: There was a discussion about whether the waiver of the moving costs was a gift of public funds. Counsel Richard Hughes was consulted. Assistant Manager Kevin Streett called the Auditor who stated that the waiver of moving costs was not a gift of funds. He recommended the waiver be granted.

MOTION: Commissioner Jeff Randall moved that the Waiver of Moving Costs Agreement be approved and Commissioner Kenneth Collins seconded the motion. Motion carried unanimously.

6.4 Contract with Tammy Lehman. (not on the agenda originally). Counsel Richard Hughes requested that this item be placed on the October 17, 2017 Board meeting.

7. FUTURE ITEMS: The following were added as future items:

- General Manager Recruitment Processes Update
- Smart Meters Summary
- Opt out discussion item
- October 17 – Regular PUD Meeting
- October 30, 2017 – 5:00 p.m. Meeting – AMI Project
- November 1 – rate hearing – Fire Station (tentative)
- November 3 – 10:00 a.m. Special PUD Meeting on Facilities
- November 3 – 2:00 p.m. Special PUD Workshop on Governance
- November 7 – Regular PUD Meeting

BREAK - Signing documents: There was a short break so that any documents that needed to be signed would be done in a public meeting format.

8. ADJOURNMENT:

MOTION: Commissioner Jeff Randall made a motion to adjourn the October 2, 2017, Regular Meeting of the Jefferson County PUD and Commissioner Kenneth Collins seconded the motion. Motion carried unanimously.

Meeting was adjourned at 7:07 p.m.

Minutes prepared by
Cammy Brown, PUD Recorder

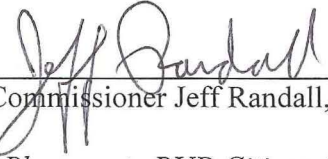
Approved:



Commissioner Kenneth Collins, President

Date

Attest:



Commissioner Jeff Randall, Vice President

11-7-17
Date

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