



PUBLIC UTILITY DISTRICT NO. 1
of Jefferson County
November 21, 2017

**Public Hearing and
Regular PUD Board Meeting**

FINAL MINUTES

The Public Hearing of the Public Utility District No. 1 of Jefferson County (PUD) was called to order by the Vice President of the Board of Commissioners (Board) at 5:00 p.m. at the Jefferson County Transit Administration office at 63 Four Corners Road, Port Townsend, Washington, 98368. Present:

Commissioner Kenneth Collins, President
Commissioner Jeff Randall, Vice President
Commissioner Wayne King, Secretary

Kevin Streett, Assistant General Manager
Debbie Lund, Human Resources Manager
Bill Graham, Resource and Conservation Manager
Richard Hughes, General Counsel
Will O'Donnell, Communications Manager
Don McDaniel, Consultant

Cammy Brown, Recorder

1. **CALL TO ORDER:**

Commissioner Jeff Randall called the public hearing on the Jefferson County PUD Budget for 2018, to order at 5:00 pm. He is sitting in for Commissioner Kenneth Collins. Introductions were made which were strictly voluntary. Commissioner Kenneth Collins arrives at 5:04pm and takes the Chair position. Purpose of the hearing was to take any testimony and answer any questions from the public on the budget and then reconvene for the Jefferson County PUD regularly scheduled meeting.

2. **PUBLIC HEARING ON BUDGET:**

Commissioner Jeff Randall explains purpose of meeting. Following the conclusion of this hearing the Board will go into the regular PUD agenda board meeting.

Kevin Streett, Assistant General Manager, goes over the budget material and referenced the process going forward. Budget has to be adopted today or there will have to be a special meeting. There is a county deadline on budget adoption.

There were no public comments or questions.

Commissioner Jeff Randall expressed his thoughts on the budget adoption and stated he supported the adoption of the resolution.

Commissioner Kenneth Collins stated that the rate adjustment is very much in line with

increasing costs of the power from the BPA.

MOTION: Commissioner Jeff Randall moved to adopt the Resolution 2017-22 adopting a Budget for the Calendar Year 2018 of the Jefferson County Public Utility District No. 1 and Commissioner Wayne King seconded that motion. Motion carried unanimously.

3. ADJOURN HEARING.

Hearing on the Jefferson County PUD NO. 1 Budget was adjourned at 5:06 p.m.

PUD REGULAR BOARD MEETING

1. CALL TO ORDER:

The November 21, 2017, Regular Meeting of the Jefferson County PUD was called to order by Commissioner Kenneth Collins at 5:06 p.m.

2. AGENDA APPROVAL:

Correction Paragraph 6.3: Last name of new CAB board member is spelled Michel.

MOTION: Commissioner Jeff Randall moved to approve the agenda with that clarification and motion was seconded by Commissioner Wayne King. Motion carried unanimously.

3. ITEMS FROM THE FLOOR:

Commissioner Kenneth Collins made a call for additional items. There were no additional items from the floor not listed on the agenda.

Comment from the floor: Commissioner Jeff Randall gives a brief explanation on AMI. Suggestion was made from the floor that “AMI” should from now on say “Smart Meters”. Members of the public do not really know AMI means Smart Meters.

4. APPROVAL AND ADOPTION OF THE CONSENT AGENDA:

4.4.2 Mycoff Update. Take off consent agenda and insert at 6.9 for discussion.

MOTION: Commissioner Jeff Randall moved to approve the consent agenda as modified and it was seconded by Commissioner Wayne King. Motion carried unanimously.

4.1 APPROVAL OF MINUTES

- 4.1.1 Special Meeting of 10/30/17.
- 4.1.2 Special Meeting 11/1/2017.
- 4.1.3 Special Meeting 11/3/2017.
- 4.1.4 Special Meeting 11/6/2017.
- 4.1.5 PUD Budget and Regular Meeting 11/7/2017.

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.

VOUCHER CLAIM FORMS FOR INVOICES PAID:

Warrants	Amount	Date
Accounts Payable: # 115453 to # 115521	\$ 325,073.05	11/2/2017

Accounts Payable: # 115522 to # 115583	\$ 379,892.06	11/9/2017
Payroll Checks: # 70373 to # 70378	\$ 9,800.74	11/3/2017
Payroll Direct Deposit:	\$ 98,902.29	11/3/2017

TOTAL INVOICES PAID \$ 813,668.14

WIRE TRANSFERS PAID	AMOUNT	DATE
BPA	\$ 1,117,426.00	11/9/2017

GRAND TOTAL \$ 1,931,094.14

Voided Warrants

115464	1,182.66
--------	----------

4.3 RESOLUTIONS:

4.3.1 Resolution 2017-24 Declaration of Emergency Nov. 13, 14, 2017.

4.4 ACTION ITEMS:

- 4.4.1 Interlocal for Radios with Mason 1.
- 4.4.2 Mycoff Update. Moved off Consent Agenda and added to 6.0 Action Items Requiring Board Discussion.
- 4.4.3 TCF Update.
- 4.4.4 Tree bid Paradise Bay/Shine.

4.5 CAB REPORT not requiring Board action.

- 4.5.1 CAB Agenda for 11/13/17.
- 4.5.2 CAB Update.

4.6 STAFF REPORTS not requiring Board action.

- 4.6.1 Quote Spread Sheet Operations.
- 4.6.2 HR Report.

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

4.8 CORRESPONDENCE not requiring Board action.

5. COMMISSIONERS' REPORTS: Commissioners gave their reports.

Commissioner Wayne King:

- 11/13/17 Attended CAB Meeting.
- 11/13/17 Attended WPUDA meeting in Olympia.
- 11/21/17 With the Port Ludlow Utility Committee about Smart Meters.
- 11/27/17 Plan on attending PUD Annual Meeting in Spokane.

Commissioner Jeff Randall:

- 11/08/17

CAB had a second or third meeting on low income policies that we currently have at OLYCAP. St. Vincent de Paul representatives were in attendance.

There was a presentation by Craft 3 which is a non-profit financial institution that offers financing for customer's weatherization improvement but they work out agreements with the utility (called On Bill Financing). The utility is not offering the financing. It is the bank and the utility. They are basically just passing through the repayment on the loan. There was a presentation on a way for a customer to afford weatherization improvements where they don't necessarily have the money up front. There will be a full presentation at one of the CAB meetings. Members that are on the CAB Subcommittee are Larry Dennison, Peter Lauritzen, and Doug Huber.

- 11/13/17
Attended WPUDA Conference in Olympia. The industry that is promoting 5G wireless is doing it at all levels now. They are approaching the federal government and the states. They are trying to supersede the PUD's authority to regulate the stuff on the power poles.

Commissioner Kenneth Collins:

- 11/13/17
Attended WPUDA meeting in Olympia. Commissioner Collins commented that Counsel Richard Hughes got "very high marks" on the evaluation form that was filled out by the 28 people in attendance. There was discussion in the Telecom Committee of Senate Bill 5935, also known as the Shelton/Carlyle Bill which would create a task force in the Governor's Office to extend broadband to underserved areas in rural Washington. This piece of legislation has a reasonable chance of passing. There may be funding for broadband expansion in Jefferson County. Nationally there is zero load growth. We are not a nation increasing our consumption of electricity. It was also mentioned that the market for electricity is significantly depressed as a result of the over-abundance of natural gas which came about due to fracking. That has made it very difficult for BPA to make any money selling on the wholesale market when they have the surplus. It may be that the large energy companies will find a way of manipulating the market and increasing the price of natural gas.
- 11/20/17
Gave a presentation for the Marrowstone Island Community Association looking at various options for broadband expansion. Bill Graham, Resource and Conservation Manager for the PUD, also did a presentation which was very well received on the geology on Marrowstone Island and a need for study of the water table. There were reports from the community on a number of wells that have gone dry. The fact that now only half of the Marrowstone residents are on PUD water suggests that we need to get a sense of what that water table looks like a dozen or so years after it was previously studied and be able to predict what the coming need is going to be.
- 11/29/17 – 12/01/17 - will attend the annual conference of the WPUDA in Spokane.
- 12/07/17 Will attend meeting in Portland, Oregon.
- 12/08/17 Will attend Orcas Power and Light Company meeting in Port Townsend

6. ACTION ITEMS REQUIRING BOARD DISCUSSION:

6.1 Rotation of BOC Commissioner for 2018 vote.

There was some discussion on how Commissioner Jeff Randall's role changes as he becomes President. Counsel Richard Hughes added that this was a good discussion to have as to changes in leadership, what projects stay with each commissioner so that there is no overlap as to the roles of President and Vice-President as they transition to a new President. There should be a conversation in a meeting where it is formally on the agenda where the commissioners will reach consensus as to items that the President may be handling that may extend into the next term.

Commissioner Wayne King made the comment that the PUD needs to get back on the schedule where the manager does the hiring with the Human Resources Manager. The commissioners should not be involved with hiring staff. The Governance Manual and RCW 54 outline that the manager is responsible for hiring staff. The commissioners hire the manager and the CFO. This would be a good discussion for the Governance Policy workshop which is coming up. December 6, 2017, at 10:00 a.m. is the meeting date set up on Governance Policy workshop.

6.2 AMI Project. Assistant General Manager Kevin Streett gave a presentation. There was "An Open Letter to Our PUD" that was handed out (Handout #1) by the Smart Meter Objectors Group (SMOG). Also handed out (Handout #2) a fact sheet on ITRON AMI Smart Meters vs. GE Analog Meter.

Assistant General Manager Kevin Streett gave a report. There were some questions from the public and the commissioners on the AMI project. It was requested that the PUD put together a glossary of PUD acronyms.

There was a question and answer period during this part of the meeting.

6.3 Vote on CAB for Russ Michel.

MOTION: Commissioner Kenneth Collins moved to nominate Russ Michel to the Citizen's Advisory Board, and it was seconded by Commissioner Wayne King. Motion carried unanimously.

6.4 Review of Don McDaniel's contract. There was some discussion on the contract. It was pointed out that the contract can be changed by either party on thirty days' notice and that he is very flexible to work with.

MOTION: Commissioner Wayne King moved to approve the contract between the Jefferson County Public Utility District and Consultant Don McDaniel with a start date of December 1, 2017. Motion was seconded by Commissioner Jeff Randall. Motion carried unanimously.

6.5 Items from the Floor. Commissioner Kenneth Collins would like to rename "Items from the Floor" to "General Public Comment".

There was a recommendation to improve the process of the meetings. Specifically to rename "Items from the Floor" to "General Public Comment". Comment was made that the Board continue to allow reasonably open discussion as they go through their various items on the agenda and that the Board provide an explanation to the general public during the "General Public Comment". That is general public comment for any items not specifically listed on the current agenda or for items listed on the consent agenda. The chair will also permit other 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.

There was some discussion on whether items on the consent agenda should be included in this recommendation. The conclusion was yes. The more descriptive you can be with the public about what the intent was on the agenda is a good thing. Result would be changing the format of the next Agenda. It would have that language so that the public knows more about what this is for. This would replace Item 3.

MOTION: Commissioner Jeff Randall moved that the Board direct staff that on future agendas change “Items from the Floor” to “General Public Comment” with the language presented by Commissioner Kenneth Collins. Motion was seconded by Wayne King. Motion carried unanimously.

Bill Kaune mentioned that minutes from the October 30, 2017, referred to him as a staff member of the PUD. He is not. Recording secretary was instructed to correct the minutes to reflect this change.

6.6 Meal’s Policy draft. Kevin Streett provided some comments on the policy. He commented that this was a way to show support to the staff and the crews. This is a benefit to all the staff and workers. This is how you start building morale. This is a good step for moving forward by looking not only this policy but other policies that help build unity.

Is this a gift of public funds? The answer is no. Counsel Rick Hughes worked with Debbie Lund, Human Resources Manager on this policy. The reason it is not a gift of public funds is because you only do it to benefit the utility. You don’t do it out of the goodness of your heart. It is not charity. It is to facilitate PUD business and there are some pretty strict requirements. There is some accountability written into it. If an employee abuses the policy potentially it is a performance issue.

6.7 Round-up proposal. Will O’Donnell, Communications Manager, gave a report on improvements that could be made on our Power Boost Program. Specifically mentioned were round-up provisions on the billing software paper copies.

MOTION: Commissioner Jeff Randall made a motion, seconded by Commissioner Kenneth Collins, to direct staff to make round-up provisions on the billing software paper copies as proposed. Motion carried unanimously.

6.8 Dental (Debbie Lund). Human Resources Manager Debbie Lund gives a comparison overview of other dental plans. The Board gave the following direction:

- Under Class III Major Services: move that up to 75% .
- Include under Class III Major Implants.
- Increase maximum to \$3,000.00.
- Emergency Room exams are covered.
- PUD alert IBAW (Union) of proposed changes.
- Effective date of the plan would be January 1, 2018.
- This is to be brought back and put on the consent agenda.
- Finalized Dental Plan will be presented at next PUD meeting (12/12/17)

6.9 Mycoff Update:

Commissioner Jeff Randall requested the Mycoff process be discussed. There was emailed to each of the commissioners two very different processes from Mycoff. Consultant Don McDaniel gives a background on the processes. There was some discussion on interviewing and confidentiality. After some discussion all three commissioners stated they were comfortable with the process.

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

- Set informational meetings (Board with the public) regarding rates in

Port Ludlow, Quilcene, Gardiner and Port Townsend

- CAB Meeting (Commissioner Jeff Randall to attend next meeting)
- Dental Plan finalized on consent agenda.
- Mycoff update. Vote on process.
- December 6 – Governance Workshop 10am to 12pm
- December 8 – Audit exit interview 2:30pm
- December 11 – Cab Meeting
- December 12 – PUD Meeting 5:00pm
- Meeting minutes of 10/30/17 on agenda to be approved with correction.

8. **SIGNING OF DOCUMENTS:** There was a short break so that any documents that needed to be signed would be done in a public meeting format.

9. **EXECUTIVE SESSION:** To discuss with legal counsel representing the agency matters relating to agency enforcement actions, or to discuss with legal counsel representing the agency litigation or potential litigation to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency.

Commissioner Kenneth Collins gave an estimated time of ten minutes and the executive session will begin at 7:35pm.

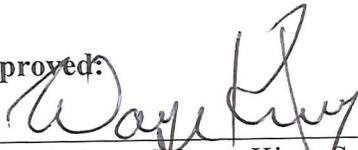
Meeting reconvened at 7:45pm with no action taken.

MOTION: Commissioner Wayne King made a motion to adjourn the November 21, 2017, Regular Meeting of the Jefferson County PUD No. 1 and Commissioner Jeff Randall seconded the motion. Motion carried unanimously.

Meeting was adjourned at 7:46 p.m.

Minutes prepared by
Cammy Brown, PUD Recorder

Approved:



Commissioner Wayne King, Secretary

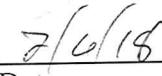


Date

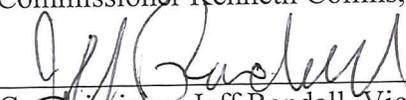
Attest:



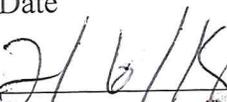
Commissioner Kenneth Collins, President



Date



Commissioner Jeff Randall, Vice 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.