



PUBLIC UTILITY DISTRICT NO. 1

of Jefferson County

February 21, 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 Vice President of the Board of Commissioners (Board) at 5:00 p.m. at the PUD Administration office at 230 Chimacum Road, Port Hadlock, Washington, 98339. Present:

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

Jim Parker, Manager

Kevin Streett, Assistant Manager

Bill Graham, Resource and Conservation Manager

Debbie Lund, Human Resources and Communications Manager

Tammy Lehman, Interim Financial Director

Kim Younger, Controller

Richard Hughes, General Counsel

Don McDaniel, Consultant

Pete Lauritzen, Citizen's Advisory Board

Roger Risley, Citizen's Advisory Board

Dale Wilson, Executive Director of

Olympic Community Action Programs (Olycap)

Leo Boyd

Tom Thiersch

Cammy Brown, Recorder

CALL TO ORDER

Meeting called to order Commissioner Kenneth Collins at 5:00 p.m.

Self Introductions by Commissioner Kenneth Collins, Commissioner Wayne King, Commissioner Jeff Randall, Richard Hughes, General Counsel and Jim Parker, Manager for the PUD.

Jim Parker, Manager, stated that there was no reason to have a closed session.

Commissioner Kenneth Collins stated we do need an executive session to discuss the need for potential litigation. He requested 20 minutes. Put at the end of the Agenda. **New Item 14.**

Commissioner Wayne King stated that a discussion was needed about the contract – survey. He suggested that it be taken off the agenda.

Commissioner Kenneth Collins stated we need closure on that.

MOTION

Motion by Commissioner Jeff Randall, seconded by Commissioner Wayne King to **remove Item No. 8.5 from the Agenda.** Unanimously passed.

MOTION

Agenda as changed unanimously passed.

APPROVAL OF MINUTES

Commissioner Jeff Randall made the following corrections.

February 7, 2017 Minutes, Page 4, left hand side, 7.2 Resolution Sewer Assessment Segregation.

Page 5: Correction: COMMISSIONER CALENDAR “Commissioner Randall will do **home** show not “home staffing”.

Page 6: Correction: ADJOURNMENT. Commissioner King adjourned the meeting at 7:51 p.m. **Seconded by “Commissioner Collins”.**

Page 6 Correction: Statement was made by Jim Parker: Replace “**if all three commissioners go with**. It should be “**if any two commissioners go**”.

MOTION

Motion made by Commissioner Jeff Randall and seconded by Commissioner Kenneth Collins to approve the Minutes with corrections. Unanimously carried.

MOTION

Commissioner Wayne King made a motion to approve the Minutes of February 3. Seconded by Commissioner Jeff Randall. Unanimously carried.

MOTION

Motion made by Commissioner Jeff Randall and seconded by Commissioner Wayne King to approve the minutes of February 7, 2017, with corrections. Unanimously carried.

MOTION

Motion made by Commissioner Jeff Randall and seconded by Commissioner Wayne King to pass the February Special Meeting Minutes of February 8. Unanimously carried.

APPROVAL OF VOUCHERS

4.1 – Interim Financial Director Tammy Lehman made a PowerPoint presentation. Two handouts – Overview of Finance Area (two pages) and General Ledger Financial and Operating Budget (four pages).

Key points: Depreciation changed significantly since last month.

Work Orders. Tammy recognized Kevin Street and his team for doing such a great job. She stated they were very organized. Books will be kept open for another month.

- What do you want to do? Cut Costs? Increase rates?
- We are better – debt coverage.
- Status of Audit Findings – compliance got done.
- Internal controls: started
- Training: Approved \$150,000 budget this year
- Software: Great
- Work Orders
- Cash: Have to manually do.

- Depository bank account – difficult to monitor. People paying by credit card makes this difficult to monitor.

Commissioner Jeff Randall: How many payments are made by credit cards?

Response by Controller Kim Younger: About 40%.

PUD has a lot of payment arrangements.

Talk about a credit card policy.

Tammy wants Jim to review cash transactions.

There was a discussion about the credit card policy and Manager Jim Parker pointed out that he was looking into getting a different credit card (a corporate card).

Tammy will come back for a couple of weeks in March. Susan Clark is the new Financial Director and will start on April 3. Second week in April Tammy will be here.

VOUCHERS

Motion to approved vouchers made by Commissioner Jeff Randall. Commissioner Wayne King seconded. Unanimously carried.

ITEMS FROM THE FLOOR

None.

COMMISSIONER REPORTS: Commissioners gave their reports.

ACTION ITEMS:

7.1 Low Income Program – Resolution 2017-002. Manager Jim Parker went over low income program. (handout 2017 Low Income Discount Income Thresholds).

Discussion. Commissioner Kenneth Collins had a question about the current program proposal on real estate tax records. If someone is not a property owner how do they qualify?

Manager Jim Parker stated that if you are a senior you can get a discount.

Commissioner Jeff Randall stated that the intent is not to kick anyone out.

Commissioner Kenneth Collins wanted to know how we can change it so it works?

He stated he is good with leaving in the program that is in existence now to not restrict to low income seniors. He is concerned that it should not be limited to seniors and should be for low income too.

Commissioner Jeff Randall questioned if we need to open up that program for more than just seniors.

Commissioner Wayne King stated that we need to simplify. He is fine with simplicity and looking at the full picture. How much staff time does is involved in taking care of all this?

Commissioner Kenneth Collins wanted to clarify. People receiving assistance would automatically qualify for \$35.00 assistance whether their income entitled them or not. Commissioner Kenneth Collins was fine with not touching the program.

Manager Jim Parker suggested to just have a sentence that says “for individuals that don’t qualify”. Could do an evaluation.

Exhibit - 2017 Low Income Discount Income Thresholds amended – Manager Jim Parker got

most of it. Work Appeal on Denial of Claim (Discuss with Olycap – maybe they can do an appeal process.

Dale Wilson, Executive Director of Olycap said he does not have a problem with changing it.

Resolution 2017.002 did not pass.

Manager Jim Parker asked Kim Younger, Controller to make changes. He would like to have in two weeks.

Handout: Proposed Agreement with Olycap – Miscellaneous Professional Services Agreement. Suggestion made to spell out the acronym for Olycap.

Richard Hughes looked over the revisions – put on agenda for March 7.

7.2 Motion: Hiring of CFO and conditions of hiring.

MOTION: Commissioner Jeff Randall made a motion to approve the hiring of Susan Clarke as the new Chief Financial Officer. Seconded by Commissioner Wayne King. Unanimously carried.

7.3 Telecom – contract for services. Manager Jim Parker makes a presentation.

MOTION: Commissioner Wayne King made a motion to approve Interlocal Agreement Between Public Utility District One of Kitsap County and Public Utility District One of Jefferson County for COS Survey Software Suite Procurement. Seconded by Commissioner Jeff Randall. Unanimously carried.

7.4 Resolution 2017-006 appointing RUS positions:

MOTION: Commissioner Jeff Randall made a motion to adopt Resolution No. 2017-006 appointing RUS positions. Seconded by Commissioner Wayne King. Unanimously carried.

7.5 Board approval of Meter RFP: Savings of \$25,000 a month.

MOTION: Commissioner Jeff Randall made a motion to approve the Meter RFP. Seconded by Commissioner Wayne King. Unanimously carried.

8. DISCUSSION ITEMS:

8.1 Removed.

8.2 Resolution 2017-00X

8.3 Governance Policy (Manager evaluation)- To be done in Executive Session.

8.4 PUD Credit Card – get policy next meeting.

8.5 Teann Jefferson Contract for Telecom Survey – to be put on agenda at next meeting as an action item. Commissioner Jeff Randall to forward to Manager Jim Parker.

8.6 Resolution amending Resolution 2016-003 Non-Represented Staff

9. **CAB REPORT:** Don McDaniel, Consultant, gave the CAB report.. There was no quorum so no business took place. Next meeting is March 13, 2017.

10. **MANAGER'S REPORT:** Manager Jim Parker presented his report (attachment). Reminder to ask about Fire District Lawsuit. Okay with draft – CAB Ceremony for them.

11. **COMMISSIONER CALENDAR:** None.

12. **CORRESPONDENCE:** None.

13. **FUTURE PLANNING:**

14. **CLOSED SESSION:** 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 interpretations 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 negotiation, or grievance or mediation proceedings, or reviewing the proposals made in the negotiations or proceedings while in progress.

Commissioner Kenneth Collins adjourned the meeting at 7:20 p.m. to go into Executive Session with General Counsel to return at 7:40 p.m.

15. **EXECUTIVE SESSION:** Meeting reconvened at 7:40 p.m. The regular meeting of the Board of Commissioner of the Jefferson County PUD was reconvened from its Executive Session.

16. **ADJOURNMENT: MOTION** by Commissioner Wayne King made a motion to adjourn the February 21, 2017 Regular Meeting of the Jefferson County PUD. Seconded by Commissioner Jeff Randall. Unanimously carried.

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

4-17-17

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PUBLIC UTILITY DISTRICT NO. 1
of Jefferson County
March 7, 2017

Special Board Meeting
Budget and RUS Loan Compliance
Final Minutes

The Special Meeting of Public Utility District No. 1 of Jefferson County (PUD) was called to order by the President of the Board of Commissioners at 3:00 p.m. at the PUD Administration office at 230 Chimacum Road, Port Hadlock, WA 98339. Present:

Commissioner Kenneth Collins, President
Commissioner Jeff Randall, Vice President
Commissioner Wayne King, Secretary (by call-in)
Jim Parker, Manager
Kevin Streett, Assistant Manager
Bill Graham, Resource and Conservation Manager
Kim Younger, Controller
Annette Johnson, Records Administrator
Richard Hughes, General Counsel
Don McDaniel, Consultant
Gammy Brown, Recorder

Meeting Purpose:

- To review the PUD financial obligations to USDA – for our RUS Loan;
- To review current PUD Current and past situation; and
- To review PUD BOC guidance for meeting RUS borrowing requirements and planning for future compliance.

Commissioner Kenneth Collins called the meeting to order at 3:00 p.m.

Manager Jim Parker gave power point presentation of on RUS Compliance and also handed out paper version. Other handouts included WPUDA 2016 Sourcebook, General Ledger Electric Division Income Statement for January 2017, Exhibit A 2017 General Fund Budget and Exhibit B 2017 PUD Electric and Water Utility Budgets.

Manager Jim Parker briefly went over what Tammy Lehman, former Interim Financial Director had presented at last PUD meeting.

Manager Parker mentioned that the financial documents are being worked on for year end.

The power point presentation consisted of PUD's history and some background, RUS loan requirements, meeting RUS loan requirements, PUD's current status, and how to affect ratios. Manager Parker went over what the requirements were for the RUS process and how difficult it was. He stated that the PUD needs to plan out and move forward. The PUD is moving forward and that the PUD is running out of conservation dollars for the current rate period.