



**PUBLIC UTILITY DISTRICT NO. 1
of Jefferson County**

August 20, 2019

**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 or BOC) at 5:00 p.m. on August 20, 2019, at the Jefferson Transit Conference Room, 63 Four Corners Road, Port Townsend, Washington, 98368. Present:

Commissioner Jeff Randall, President
Commissioner Kenneth Collins, Secretary
Commissioner Dan Toepper, Vice President

Kevin Streett, General Manager
Joel Paisner, General Counsel
Will O'Donnell, Communications Manager
Annette Johnson, Executive Assistant/Records Officer
Mike Bailey, Financial Services Manager
Jean Hall, Customer Services Manager
Bill Graham, Interim Water OP Supervisor
Jimmy Scarborough, Interim Elec. Engineer Supervisor
Don McDaniel, Consultant

Recording Secretary Cammy Brown

1. CALL TO ORDER:

Commissioner Jeff Randall called the regular meeting of the PUD Board of Commissioners for August 20, 2019, to order at 5:00 p.m.

INTRODUCTIONS: Commissioner Jeff Randall started the meeting asking for voluntary introductions from the commissioners and staff.

2. AGENDA APPROVAL:

Commissioner Jeff Randall requested an additional item be placed on the Agenda – Olympic Work Force Development Council.

MOTION: Commissioner Dan Toepper made a motion to approve the agenda as amended. Commissioner Kenneth Collins seconded the motion. Motion carried unanimously.

3. GENERAL PUBLIC COMMENT: Commissioner Jeff Randall presented the guidelines for members of the public to submit their comments. Topics abbreviated.

- Clarification of a statement made regarding solar energy and renewable energy sources.

- Question was asked regarding marijuana and power. Customer has been waiting for a response.
- In regards to Commissioner Dan Toepper's remark about whether other commissioners had a problem with EES. The EES helps with getting more revenue.

4. APPROVAL AND ADOPTION OF THE CONSENT AGENDA:

Commissioner Jeff Randall requested that the minutes of July 16, 2019, meeting be removed and placed under 7.0 Action Items Requiring Board Action.

Commissioner Dan Toepper requested the CAB report be removed and placed under 7.0 Action Items Requiring Board Action.

MOTION: Commissioner Kenneth Collins made a motion to approve and adopt the Consent Agenda as amended. Commissioner Dan Toepper seconded the motion. Motion carried unanimously.

4.1 APPROVAL OF MINUTES:

Draft Minutes BOC Regular meeting 7/16/19 – removed and placed under Action Items Requiring Board Action.

Draft Minutes BOC Special meeting – Magellan 7/30/19.

Draft Minutes BOC Special meeting – CAB/BOC 7/31/19.

Draft Minutes BOC Special meeting – 3rd Qtr. update 8/5/19.

4.2 APPROVAL OF VOUCHERS

4.2.1 Voucher certification form with supporting warrant register and payroll form.

4.2.2 BOC approval of voucher approval form.

VOUCHER CLAIM FORMS FOR INVOICES PAID:

WARRANTS	AMOUNT	DATE
Accounts Payable: #120776 to #120832	\$ 427,170.10	8/01/2019
Accounts Payable: #120833 to #120882	\$ 436,922.80	8/08/2019
Accounts Payable: #120883 to #120883	\$ 71,668.17	8/13/2019
Payroll Checks: # 70620 to # 70626	\$ 10,403.72	7/26/2019
Payroll Checks: # 70627 to # 70632	\$ 11,040.05	8/09/2019
Payroll Direct Deposit	\$ 97,071.49	7/26/2019
Payroll Direct Deposit	\$ 90,728.16	8/09/2019
TOTAL INVOICES PAID	\$ 1,145,004.49	
WIRE TRANSFERS PAID	AMOUNT	DATE
Peterson Lake	\$ 14,328.62	8/02/2019
BPA	\$ 1,120,409.00	8/12/2019
GRAND TOTAL	\$ 2,279,742.11	
VOIDED WARRANTS		
120685	\$ 5,662.50	

4.3 ACTION ITEMS

- 4.3.1 Write-offs for July 2019.
- 4.3.2 CAB report. This agenda item was removed and placed under Agenda Item 7.0 Action Items Requiring Board Discussion.

4.4 PUD CALENDAR.

END OF CONSENT AGENDA.

5. COMMISSIONER REPORTS:

Commissioner Dan Toepper:

- 8/10 Worked in PUD booth at Jefferson County Fair. The booth won a number of awards.
- 8/12 Attended CAB Meeting.
- 8/18 Attended All County Picnic.
- 8/19 Attended Jefferson County Chamber Luncheon.
- 8/22 Will attend Special Meeting on Employee Manual.

Commissioner Kenneth Collins:

- 8/7 to
- 8/8 Attended PPC (Public Power Council) meeting. There was a Legislative wrap-up and discussion of the Spring Dam spillage levels that had been agreed to. BPA is down 47 million dollars from anticipated revenue but they will reallocate 182 million from transmission to power services as a result of a misallocation that started 15 years ago. They anticipate a 1½% financial reserves policy surcharge for fiscal year 2020. The transmission rates are going to go up 3.6% but the average change in electricity rates will equal zero. There will be some drops and there will be some increases but the net affect will be zero.
- 8/10 Worked in PUD booth at Jefferson County Fair. The booth won a number of awards.
- 8/14 Participated by phone in the NoaNet Board meeting. Lengthy presentation from Energy NW Chief Financial Officer regarding the potential merger of NoaNet with Energy NW. There was also an executive session.
- 8/14 Attended a meeting of the Jefferson County Port commissioners and provided them with an update on broadband progress.
- 8/18 Attended All County Picnic.
- 8/19 Participated in PURMS audit exit interview by phone. No findings. Clean audit.
- 8/19 Met with General Manager Kevin Streett.
- 8/22 Will attend Special Meeting on Employee Manual.
- 8/29 Will attend JBAT (Jefferson Broadband Action Team) meeting.
- 8/30 Will meet with General Manager Kevin Streett.

Commissioner Jeff Randall:

- 8/8 Attended Local 2020 Climate Action Outreach Group meeting.
- 8/9 Worked in PUD booth at Jefferson County Fair. The booth won a number of awards.
- 8/14 Attended Jefferson County Homeless and Affordable Housing Task Force committee meeting. OlyCAP has proposed a 44 unit, multi-story apartment complex in the City of Port Townsend adjacent to the Jefferson County Permit Center in the QFC Castle Hill Mall.
- 8/16 Met with Bill Wise, Cindy Jayne, Kevin Streett and Will O'Donnell to discuss energy

- data and climate emissions in Jefferson County.
- 8/18 Attended the All County Picnic.
 - 8/19 Attended Jefferson County Chamber Luncheon on Emergency Management Planning.
 - 8/21 and
 - 8/23 Will be taking a tour of the PUD's water system with some of the staff.
 - 8/22 Will attend CAB Low Income Assistance Subcommittee meeting at 1:30 p.m. at the Jefferson County Library.
 - 8/23 Will meet with General Manager Kevin Streett as well as Cindy Jayne and Laura Tucker from the Climate Action Outreach Group.
 - 8/29 Plan to attend NODC (North Olympic Development Council) meeting on climate change at Sequim City Hall at 2:00 p.m.

The commissioners discussed future calendar dates and meetings.

6. **GENERAL MANAGER REPORT.**

- Interim Water OP Supervisor Bill Graham gave a report on a resolution to move segregation of water assessment. The assessment has to be transferred in order for the customer to get water access to the parcel. This requires BOC action in approving a resolution to make that happen. The resolution will be completed and submitted for BOC approval at the next BOC meeting. This has been done before.
- General Counsel Joel Paisner gave a report on the conference with the newly appointed Executive Director Scott Sims and Attorney Irene Scruggs of the PPC. General Counsel Paisner suggested having a briefing in the middle of next year.
- There is a plan to move employees September 3rd through September 6th to the new modular. Customer Service employees will move September 13th. The office will be closed at noon on the 13th. Office will be re-opened on September 16th. All of CSRs (Customer Service Representatives) and management will be over in the new modular and the line crew will stay in the modular. In the second BOC meeting in September the staff will bring a contract to the BOC for the new building. If the contract is approved the contractors could start October 1st on part of that building.
- September 10th there is a Strategic Planning meeting with Liz Anderson of WPUDA. There was some discussion on how to prepare for that meeting. BOC committed to coming up with questions or a visionary statement that expresses the values that are important to the commissioners with respect to the PUD at the next meeting (deadline August 28th). Where do you want the PUD to be in five years?

PUBLIC COMMENT:

- Question: How would you get feedback from 19,000 customers? Response: Send draft strategic plan in a newsletter and post draft on the website.
- Suggestion that CAB should be involved with the strategic plan.
- Question: What is Opt Out policy status? Response: Staff will bring to BOC the first meeting in September.
- Suggestion for the BOC to hold meeting in different communities.

There was a discussion among the commissioners concerning communication to the public regarding projects the PUD is launching, i.e. Marrowstone Island (Kilisut Bridge) project, Swansonville Road project. Suggestions made were to do press releases, postcards to customers, and social media.

7. **ACTION ITEMS REQUIRING BOARD DISCUSSION:**

Corrections to draft minutes BOC Regular Meeting 7/16/19:

- Page 8 under MOTION: Fourth sentence down - "Once the CAB has some ..." should be "Once the staff has some ...".
- Page 9 under 7.1.4 CAB/BOC Meeting Agenda CAB projects July 31, meeting: second sentence "Jessie Dillion" should be "Jessica Dillon".

MOTION: Commissioner Kenneth Collins made a motion to approve the minutes of the Jefferson County Board of Commissioners dated July 16, 2019, as amended. Commissioner Dan Toepper seconded the motion. Motion carried unanimously.

PUBLIC COMMENT:

- On the July 31st BOC/CAB meeting minutes they did not reflect what happened. Response: for more information on the meeting go to audio recording.
- Public member corrected comment that was made on Page 7 of the July 16, 2019, BOC Regular Meeting, under Public Comments, first bullet – instead of "19 million dollar ..." it should be "multi-million dollar ...".

MOTION : Commissioner Jeff Randall made a motion to correct the minutes of the Jefferson County Board of Commissioners dated July 16, 2019, on Page 7 of the July 16, 2019, BOC Regular Meeting, under Public Comments, first bullet – instead of "19 million dollar ..." it should be "multi-million dollar ...". Commissioner Kenneth Collins seconded the motion. Motion carried unanimously.

4.3.2 CAB Report: Commissioner Dan Toepper requested clarification regarding details left out of the CAB report. Don McDaniel gave some clarification.

- The low income report needed to be reviewed.
- The Operating Guidelines will not be coming back to the BOC. (BOC requested a final version of the guidelines that were approved by the CAB).
- CAB approved recommendation to change the Senior Low Income subsidy and recommended that it be equalized with the regular low income rate of \$39.50. There is a subcommittee meeting on Thursday to determine whether or not the PUD can index an increase in the subsidy to base rate increases. There was some question as to whether this could be done.
- Increase of low income rate. Response: This will be on the next Agenda.
- Commissioner Dan Toepper would like a report on operation guidelines and a low income report. Commissioner Jeff Randall directed the CAB submit a report as an agenda item with a recommendation and any line in/line out language be included and submit it at the next BOC meeting. As a separate item include the Operating Guidelines in the packet as a separate agenda item.
- Comment by member of CAB – Operating guidelines did not have to be approved by the BOC.
- Comment was made regarding the appreciation the BOC has for the work that the CAB does and has done in the past.

7.1.1 RFP for EEI Support: Communications Manager Will O'Donnell gave a report. Top ranking choice was Evergreen. Interim Water Supervisor Bill Graham gave some input. Staff recommended the PUD contract with Evergreen Consulting Group for energy efficiency incentive program support and requests that BOC empower the General Manager Kevin Streett to enter into a contract agreement with Evergreen. There were multiple candidates. For future reference Commissioner Dan Toepper requested from General Manager Kevin Streett more information on how the selection is made on RFPs (Request for Proposals) and RFQs (Request for Qualifications) in determining what the group will be and what was the criteria used to help determine why a particular company was chosen. What are the deciding factors?

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MOTION: Commissioner Jeff Randall made a motion to authorize the General Manager Kevin Streett to enter into a contract agreement with Evergreen Consulting Group. Commissioner Kenneth Collins seconded the motion. Motion carried unanimously.

7.1.2 Water Rate Increase: Customer Services Manager Jean Hall gave a report. There are 4,000 customers on the water system. Roughly 1% of the customers would see an increase in their bill. This is the first step. The commissioners directed staff to put their recommendation and date for implementation in resolution form by the next meeting.

PUBLIC COMMENT: (topics abbreviated).

- According to EES, during a high use month, the PUD has 143 customers using about 30 – 35% of the water but they were only paying 18% of the revenue.
- Couldn't find any data for the month of August.
- Suggestion to send letters to the customers that are using the most water.

7.1.3 Net Meter Application Fee: General Manager Kevin Streett gave a report and staff made the recommendation to discontinue the net meter application fee of \$100.00.

PUBLIC COMMENT:

- If the person has already paid the fee and has the meter, why would you take it out?
Response: Wouldn't take it out. It is just for new customers.

MOTION: Commissioner Jeff Randall made a motion that the Jefferson County PUD eliminate the \$100 application fee associated with new net metering customers. Commissioner Kenneth Collins seconded the motion. Motion carried unanimously.

7.1.4 4-year Work Plan: General Manager Kevin Streett gave a brief summary on the work plan. This is a budget guide. The work plan is looking ahead setting goals. RUS does review this document.

PUBLIC COMMENT:

- Is there a comparable 4 year plan for the water system? Response: There will be a similar type document.
- Since the meter replacement is up in the air, where do the numbers come from: Response: Those numbers came from what the PUD had before. This is the best information the PUD has now.
- Correction: Last line on last page "2015 – 2019" date should be "2020 - "2023".

MOTION: Commissioner Dan Toepper made a motion to approve the 4 year work plan as amended. Commissioner Jeff Randall seconded the motion. Motion carried unanimously.

Olympic Work Force Development Council. Commissioner Jeff Randall reported that he serves on the North Olympic Development Council and was requesting authorization to participate in NODC as a PUD commissioner. Commissioner Kenneth Collins suggested this decision be deferred. Commissioner Jeff Randall will report back to the commissioners.

8. SIGNING OF DOCUMENTS: The signing of documents was done in open public meeting format.

9. ADJOURNMENT:

Commissioner Jeff Randall declared the August 20, 2019, Regular Meeting of the Board of

Commissioners of the Jefferson County Public Utility District No. 1 adjourned at 7:35 p.m.

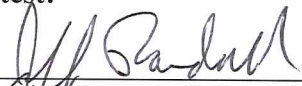
Minutes prepared by
Recording Secretary Cammy Brown

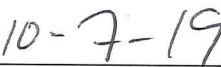
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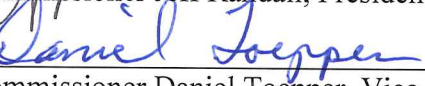

Commissioner Kenneth Collins, Secretary

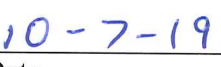

Date

Attest:


Commissioner Jeff Randall, President


Date


Commissioner Daniel Toepper, Vice President


Date

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