

Special Meeting Agenda
PUD Board of Commissioners

Thursday, April 22, 2021 10:00 AM

Zoom

Port Townsend, WA 98368



To join online go to: <https://zoom.us/my/jeffcopud>. Follow the instructions to login. Meetings will open 5 minutes before they begin. TOLL FREE CALL IN #: 833-548-0282, Meeting ID# 4359992575#. Use *6 to mute or unmute. *9 to raise a hand to request to speak.

1. Call to Order

Per the Governor's Extended Proclamation 20-28 and in response to the COVID-19 Pandemic, Jefferson County PUD is no longer providing an in-person room for meetings of the BOC. All meetings will be held remotely via Zoom until otherwise informed by the Governor. Participant audio will be muted upon entry. Please unmute at the appropriate time to speak. If you are calling in, use *6 to mute and unmute and *9 to raise a hand to request to speak.

2. Agenda Review

3. Paperless Program: Resolution to Amend Customer Service Policy

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[AR Paperless Amend 2021.docx](#) 

[CS Policy 14.2 Paperless Plus Update.pdf](#) 

[Resolution 2021-00XX Customer Service Policies - Paperless Credit.docx](#) 

4. Meter Replacement Study Project Plan

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[Jefferson PUD Project Plan 4-20-2021.pdf](#) 

5. Adjourn

AGENDA REPORT

DATE: April 22nd, 2021
TO: Board of Commissioners
FROM: Will O'Donnell, Jean Hall, Mike Bailey
RE: Expanding Paperless Plus Program

BACKGROUND: The PUD's current Customer Service Policy provides the opportunity for customers to enroll in a program called Paperless Plus. Paperless Plus involves three steps: signing up for the PUDs digital account management tool Smart Hub, signing up for the paperless billing option within Smart Hub, and signing up for auto-pay via ACH. ACH stands for automated clearing house and involves directly connecting your checking account as the means of paying your monthly bill.

Though the Customer Service Policy allows for the credit, for a number of reasons, the PUD has yet to roll out the program. Staff is planning to announce the program in May and promote it through the summer and fall. In order to reduce barriers to signing up for the program, staff would like to remove the language from the policy that restricts auto-pay to ACH only. Staff would like customers who choose to auto-pay with credit or debit cards to be eligible for the credit as well, increasing the potential number of sign-ups for the program.

ANALYSIS/FINDINGS: The PUD sends out over 15,000 paper bills each month. Though thousands of customers have signed up for Smart Hub, many have not also taken the additional steps to stop receiving the paper bill or choose auto-pay. Multiple PUD Customer Service representative spend multiple hours each week processing paper bills containing paper checks. This is time that could be reallocated to many other tasks that would better serve our customer owners.

FISCAL IMPACT: Past estimates have pegged the cost to send monthly paper bills to customers at over \$7/year. Based on that cost alone, a one-time credit would be more than paid for within the second year of a customer's sign up. Though credit debit fees are higher than ACH processing fees, the PUD pays a very low interest fee for credit-debit processing.

RECOMMENDATION: Staff requests the BOC approve the Resolution updating Bill Credits for Its Customer Service Policies.

14.2 - Credits

14.2.1 - Paperless Plus One Time Credit.....(\$10.00) ~~per year~~
(Customer must be signed up for paperless billing and auto-pay ~~using their checking account~~)

14.2.2 - Low Income

Electric..... (\$39.50) per month
Water (\$10.00) per month
Sewer 30% of base fee per month

14.3 - Miscellaneous Charges

Billed charges may be subject to franchise fees

14.3.1 - Application Fee – Net Meter

Generating Facilities of 0 kW to 25 kW \$100.00
Generating Facilities of greater than 25kW \$500.00

(Installation fees will be based upon Engineering Quote)

14.3.2 - Access Appointment

Maintenance & Repair

Electric \$175.00
Water \$60.00
Sewer \$60.00

Read Meter

Electric \$30.00
Water \$30.00

14.3.3 - Credit Check.....\$5.00

14.3.4 - Door Hanger

Electric\$15.00
Water Sewer, or any combination.....\$15.00

14.3.5 – Disconnect

Electric

Disconnect at transformer \$150.00
Temporary disconnect \$150.00

**PUBLIC UTILITY DISTRICT NO.1
OF
JEFFERSON COUNTY**

RESOLUTION NO. 2021-00XX

A RESOLUTION of the Board of Commissioners of Public Utility District No. 1 of Jefferson County, Washington (PUD), updating Bill Credits for Its Customer Service Policies

WHEREAS, it is the mission of the PUD to deliver to the ratepayers of Jefferson County reliable utility services in a cost effective, sustainable, and customer driven manner; and

WHEREAS, the “Paperless Plus” Bill Credit is a cost-effective way to encourage overall cost savings when customers pay their bills; and

WHEREAS, the PUD staff recommends extending the “One-Time” bill credit to customers who pay their bills by credit card or debit cards.

NOW, THEREFORE, BE IT RESOLVED that the foregoing recitals are incorporated herein, and the Board of Commissioners of Public Utility District No. 1 of Jefferson County, Washington adopts the amended Customer Service Policy regarding “Paperless Plus One-Time Bill Credit” as referenced in the attached Exhibit A.

ADOPTED at a regular meeting of the Board of Commissioners of Public Utility District No. 1 of Jefferson County, this 20st day of April 2021.

Dan Toepper, President

Kenneth Collins, Vice President

ATTEST

Jeff Randall, Secretary

PROJECT PLAN – ELECTRIC METERING APPROACH

Jefferson Public Utilities District

April 20, 2021

PURPOSE

The purpose of this project is to help Jefferson Public Utilities District (JPUD) reach a decision about what approach to take to electric metering. This decision includes choices about whether to replace the existing meters and, if so, what technology type and functional requirements to specify in a new metering system. If JPUD ends up deciding to replace the meters, this project should provide guidance for a Request for Proposals (RFP) process.

The decision process is timely because the current metering service contract with Landis & Gear will expire in February 2022, and because the current mixture of metering systems presents persistent operational challenges and inaccurate data.

GUIDING PRINCIPLES FOR DECISION PROCESS

- The analysis should include credible research and a comparison of alternatives.
- The status quo must be evaluated so the analysis will have a frame of reference. However, truly doing nothing is not a preferred option. This effort should result in one intentional approach to metering, whether it be manual-read, AMR, or AMI metering.
- Among the other alternatives, the analysis should not have a predetermined outcome.
- An effort will be made to engage members of the public in the decision, with transparency and full access to available information.
- Decision criteria will be applied to the designated options.
- The recommendation is to be based on the best available information, following the research, analysis, and discussion.

BACKGROUND

Current Meters

Jefferson Public Utilities District (JPUD) currently relies on about 19,500 meters to provide data for its account billing and system management. It currently has two main groups of meters, with different capabilities and limitations.

Landis & Gear (L&G) Meters

- About 16,300 are legacy L&G meters received when JPUD purchased the electric system from Puget Sound Energy in 2013.
- JPUD owns the meters but L&G owns the cell net monitoring inside the meters that allows connectivity to their network. L&G reads these meters under contract for a fixed charge per meter per month. The total contract costs about \$355,000 per year.
- The meters are considered AMR-capable meters because they send out a radio signal. A few drive-by or walk-up reads are needed just because the customer locations are out of range of the L&G collectors. However, most of these meters (about 16,000) are within range of the L&G collectors, and these allow daily reads.

- Approximately half of the L&G meters are mechanical meters, which lose accuracy over time. Because they are old, they understate actual electric usage. Testing in 2018 showed an average 10% understatement.
- As of 2017, about 450 of the legacy meters were failing each year. While the failure rate appears to have declined more recently, a substantial number still must be replaced each year.

Itron Aftermarket Meters

- As the L&G meters fail, they have been replaced by Itron meters purchased as replacements. Initially, the spot replacements were new meters, but over the past 2-3 years, used Itron meters have been available for purchase from Overton Power in Nevada, which is going through a meter upgrade project. The purchase of new or used Itron meters was intended as a stop-gap solution, but JPUD now has about 3,050 of them.
- JPUD owns the Itron meters.
- The Itron meters are technically considered AMR meters because they send out a radio signal, but they require drive-by meter reading. Two staff members read them each month, which requires about 8 days per month per employee. As more L&G meters fail and more Itron meters are acquired, the demand on staff time will grow.
- Because these meters require drive-by reading, they cannot provide daily reads.
- The Itron meters are digital meters without moving parts, so they do not lose accuracy over time. As a result, there is a growing inequity between customers who are billed for their full usage (with Itron meters) and those billed for an average of 90% of their usage (with the mechanical L&G meters).

Opt-Out Meters

- There are also about 150 walk-up meters with no telecommunications capability. These are used upon request by customers who opt out of the existing AMR metering. “Opt out” customers are charged a monthly fee to recover the extra labor time required for walk-up reads.

AMR and AMI Technology

AMR stands for Automated Meter Reading, which uses one-way radio communication. It is an older technology, but it is more advanced than “manual read” meters that require a person walk up and visually take a reading on site. Depending on whether it requires drive-by reads or not, AMR can be an efficient way to do one thing: measure electric usage for the sake of calculating customer bills.

There is a newer class of meters referred to as AMI (Advanced Metering Infrastructure). AMI meters have two-way radio communication, so they are not limited to measuring electric usage for billing purposes. They can also be used for operational tasks, such as:

- Remote disconnects and reconnects;
- Outage notifications;
- On-demand reads (for move-outs);
- Daily reads that allow customers (through an app) to track their own usage;
- Power theft notification;
- Hot socket detection (to notify customers of fire hazards); and
- Notifications of low voltage.

In general, the two-way capability of AMI allows more efficient operational control and a real-time view of system demand, including problems and anomalies. With AMI, the system operator does not depend as much on customer call-ins to find out what is happening across the system.

AMI technology also allows greater control of the frequency of the radio signals sent by the meters. The current L&G meters broadcast every five minutes. Newer AMI meters are programmable, and they allow the data to be transmitted as few as two times per day. This feature could reduce the total radio frequency in the County from its current levels.

Previous Consideration of Meter Replacement

In 2017, JPUD staff initiated a Request for Proposals process to replace all of the meters with a single type of meter with advanced technology. After concerns were expressed by the public, the Board decided to hold off on the project, pending further research and public discussion. This project is an attempt to step back from an RFP process and first examine the preliminary questions: should the meters be replaced, and if so, with what?

The 2017 effort yielded useful information about potential vendors, options, and the cost of potential replacement systems. JPUD also recently received unsolicited proposals from two firms for replacement metering systems, which gives us further information about options and costs.

A meter replacement program (whether AMR or AMI) includes decisions about not just the new meters themselves, but also the communications technology that allows the meters to send data to and from the JPUD office.

ALTERNATIVE APPROACHES FOR CONSIDERATION

1. Status Quo

Continue current mixture of metering systems, with limited annual meter replacements and a continuation of the service contract. This is the frame of reference for evaluating the other options.

2. Full Meter Replacement with Manual Read System

This assumes that the PUD replaces its meters over 3-5 years with a manual read only program, including the necessary staffing, vehicles and equipment.

3. Full Meter Replacement with AMR System

This assumes that the PUD replaces its meters over 3-5 years with AMR meters and the communications technology to support their use.

4. Full Meter Replacement with AMI System

This assumes that the PUD replaces its meters over 3-5 years with AMI meters and the communications technology to support their use.

For Option 2, we assume that the manual reads would be done by District employees.

The AMR and AMI alternatives (Options 3 and 4) may require consideration of more than one way to provide the service. For example:

- » The communications technology can rely on existing cell networks, mesh networks, or a hybrid.
- » The District can purchase its own equipment, or a contractor may own the equipment.
- » System operation and maintenance might either be contracted or performed in-house.

This is particularly true for the AMI option. Because it is the most current type of technology, it might also come with the greatest variety of technical and business configurations. The financial analysis might need to explore “sub-options” as part of deciding whether to install AMI at all.

The 2017 proposals give us good information about what types of AMI configurations are available in the current marketplace. AMR and manual-read meters might be harder to evaluate for cost, because they are less-current types of technology, with fewer options available in the market.

CRITERIA FOR CHOOSING AN APPROACH

- **Reliability and Safety**

The chosen approach to metering should allow reliable and accurate service, including well established technology offered by reputable vendors, with support during installation. The approach should also provide for safe collection and transmission of data.

- **Functionality**

The chosen approach to metering should at least provide electric usage data for customer billing purposes. It would be advantageous for the chosen approach also to provide system management capability, such as improved operational control, flexibility, and data available to customers.

- **Compatibility**

The chosen approach to metering should be compatible with the JPUD billing software, both current software and any projected updates from the vendor. If possible, it should also allow compatibility with future investments in the water metering system.

- **Cost**

The chosen approach to metering should be available for a reasonable and affordable cost. The Cost evaluation includes total up-front installed cost, projected ongoing operating and maintenance (O&M) costs, and projected meter replacement costs over an assumed 20-year life.

ROLES AND RESPONSIBILITIES

Staff: Provide information to consultant; help research alternatives; prepare staff recommendation to the Board about the metering approach. If the Board chooses one of the meter replacement options, the staff would be responsible for managing the RFP process.

Consultant: Analyze financial impact of each alternative; research other impacts; apply criteria to options; prepare presentation to stakeholder committee; facilitate meetings of stakeholder committee; prepare presentation and report containing recommended approach. If the Board decides on a meter replacement program, the consultant would not be involved in a follow-up RFP process.

Citizens Advisory Board/Stakeholder Committee: The Citizen’s Advisory Board (CAB) is a nine-member standing group tasked with providing customer input to major Board decisions. The CAB could opt to choose a subcommittee or invite additional customers to be part of a Stakeholder Committee for this decision. Alternatively, the CAB could serve as the Stakeholder Committee itself. Stakeholder Committee members would need to be willing to meet, review preparatory materials, ask questions, and offer their perspective to the staff and the Board on the optimal approach to metering. They would have access to the full range of information relevant to this decision. The total time commitment would be at least two meetings plus preparatory time:

- Meeting #1: Process.
- Meeting #2: Analysis and recommended approach.

Board of Commissioners: Make final decision about metering approach and the commitment of resources. This decision would be based on the analysis, the consultant recommendation, the staff recommendation, and Stakeholder Committee input. Depending on their decision about the approach, they may also need to make the final selection of a vendor after an RFP process.

TENTATIVE SCHEDULE

Week	Process Tasks	Technical Tasks
April 12-16	Kickoff meeting with staff – review project plan	
April 19-23	April 22 Board reviews project plan	Set up financial model
April 26-30	Update project plan following Board input	Financial modeling
May 3-7		Financial modeling
May 10-14	May 10 Citizens Advisory Board meets – review project plan	Financial modeling
May 17-21		Financial modeling and evaluation of options
May 24-28		Internal review of model and evaluation, develop preliminary recommendation
May 31-June 4	Staff review of business case analysis and recommendation	Adjustments to model and analysis
June 7-11		Draft presentation to Stakeholder committee
June 14-18	CAB/Stakeholder review business case analysis and recommendation	Begin drafting technical memo on business case analysis
June 21-25		Adjustments to analysis and presentation Continue drafting technical memo
June 28-July 2	Submit draft technical memo to staff	
July 5-9		Edits to draft technical memo
July 12-16	Submit technical memo to Board	
July 19-23	July 20 Board reviews business case analysis and recommendation (follow-up August 3 if needed)	