



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

May 18, 2021

**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 May 18, 2021. The meeting was held remotely via Zoom. Present:

- Commissioner Dan Toepper, President
- Commissioner Kenneth Collins, Vice President
- Commissioner Jeff Randall, Secretary
- Kevin Streett, General Manager
- Joel Paisner, General Counsel
- Samantha Harper, Engineering Director
- Melanie Patterson, Human Resources Director
- Will O'Donnell, Communications Director
- Scott Bancroft, Operations Director
- Lori Rae, Operations Supervisor
- Don McDaniel, Consultant
- Sergey Tarasov, Project Manager FCS Group
- Paul Quinn, Project Consultant, FCS Group

- Cammy Brown, PUD Recording Secretary

1. CALL TO ORDER:

Commissioner Dan Toepper called the regular meeting of the Jefferson County PUD No. 1 Board of Commissioners for May 18, 2021, to order at 5:00 p.m.

Commissioner Dan Toepper began the meeting by reading the Governor's Extended Proclamation 20-28. A roll call was taken. All three commissioners were present. A quorum was established.

2. AGENDA REVIEW:

General Manager Kevin Streett made some changes to the agenda:

- Remove Item 6.3.
- Commissioner Dan Toepper added a five-minute break before Old Business.
- Commissioner Kenneth Collins added Item No. 8.2 to New Business concerning the PUD's response to emails addressed to all three commissioners.

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

3. **PUBLIC COMMENT:** Commissioner Dan Toepper presented the guidelines for members of the public to submit their comments. **No public comment.**

4. **CONSENT AGENDA:** Commissioner Dan Toepper read the Consent Agenda guidelines.

Commissioner Kenneth Collins made a correction to the Minutes of March 3, 2021. Item No. 2 Motion “as modified” instead of “dos modified”.

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

4.1 PRIOR MINUTES:

PUD BOC Special Mtg. Min. 02-10-2021 State Audit Revised.
 PUD BOC Regular Meeting Minute 2-15-2021.
 PUD BOC Regular Meeting Minutes 3-2-2021.
 PUD BOC Special Meeting Minutes 3-9-2021 Revised.

4.2 VOUCHERS

Voucher Approval Form for the Commissioners.
 Voucher Certification with Supporting Warrant Register & Payroll.

VOUCHER CLAIM FORMS FOR INVOICES PAID:

WARRANTS	AMOUNT	DATE
Accounts Payable: #126109 to #126165	\$ 385,228.08	04/29/2021
Accounts Payable: #126166 to #126208	\$ 419,184.57	05/06/2021
Payroll Checks: # 70886 to # 70887	\$ 867.25	04/28/2021
Payroll Checks: # 70888 to # 70892	\$ 9,853.16	04/30/2021
Payroll Direct Deposit	\$ 119,980.04	04/30/2021
TOTAL INVOICES PAID	\$ 935,113.10	
WIRE TRANSFERS PAID	AMOUNT	DATE
Peterson Lake	2\$ 14,328.62	05/03/2021
GRAND TOTAL		\$ 949,441.72

4.3 FINANCIAL REPORT: .

Agenda Report-Written Off Accounts 05-18-2021.
 Written Off Accounts Motion 05-18-2021.

4.4 Calendar

PUD Calendar May 18, 2021.

END OF CONSENT AGENDA.

5. **ELECTRIC RATES PRESENTATION/RESOLUTION.** General Manager Kevin Streett introduced Sergey Tarasov, Project Manager from FCS Group who presented the Electric Rate Study Update. Details of presentation can be heard on the audio recording at www.judpud.org. Commissioner Kenneth Collins requested a published study on rates.

Public Comments:

- **Question.** The residential customers use about 55% of the electricity but provide about 52% of the revenue over the course of the year that is a 4-million-dollar subsidy to the other customers who use the same distribution system as the PUD does. How do you define equity?

Response: There are cost based methodologies for establishing equity and energy that is not the only driver of cost allocation. A lot of the costs are fixed, such as customer billing, and meter reading. Those are fixed costs Using electricity as a general allocation in comparison for revenue collection is not always appropriate.

Public Comment:

- **Question:** It looks like the interruptible primary school rates are going down. Is that correct?

Response: That is correct. If we look at the proposed plan based on prior policy discussions, interruptible school class was very close to cost service but slightly below, so the discussion direction received was to keep them flat at zero percent. Because they are currently pretty much very similar in terms of fixed cost structure type of customer as the primary general customer, we wanted to keep their fixed charges consistent tracking with the primary general service. Because we are increasing the basic charge slightly, with that overall, across the board adjustment, and we are keeping the demand charge flat and keeping revenue neutral, one variable will have to go down which was the energy rate. It is a very fractional adjustment, but it is just to make the math work to be at zero neutral combined impact.

All three commissioners were comfortable with moving forward with the revised rates. At the next meeting there will be an Exhibit A to the resolution submitted.

6. MANAGER AND STAFF REPORTS:

6.1 Scott Bancroft: Inventory Costs Follow Up. Operations Director Scott Bancroft gave a report. Supplies of plastic and conduits are increasing dramatically. Leadtime is also increasing. Details of presentation can be heard on audio recording at www.jeffpud.org.

6.2 Kevin Streett: Review of ICG Agenda, Hoh Reservation Update. General Manager Kevin Streett gave a report.

- ICG (Intergovernmental Collaborative Group) would like an update on what the projects the PUD is working on. Commissioner Dan Toepper will attend the meeting and provide the report.
- Operations Director Scott Bancroft has completed the Hoh Reservation project.
- New CEO of NoaNet is Craig Nelson.
- There was a request from the public to point out to the ICG that the PUD is putting a large water tank in Quilcene for fire flow investment.

6.3 Samantha Harper: Hadlock Sewer Update. Removed from Agenda.

6.4 Melanie Patterson: Update on Governor and CDC Mandates. Human Resources Director gave a report and the PUD's response to the pandemic.

6.5 Don McDaniel: CAB Report. PUD Consultant Don McDaniel gave a CAB report. The CAB is back in service. CAB President Jessica Dillon gave a brief update. There was some discussion on a joint meeting with the PUD BOC and CAB. Commissioner Dan Toepper was scheduled to attend the next CAB meeting as a representative of the PUD BOC.

6.6 Will O'Donnell: EEI Transfer Payment from Whatcom PUD. Communications Director Will O'Donnell gave a report.

No public comment.

There was a five-minute recess at 6:13 p.m.

The regular meeting of the Jefferson County Public Utility District No. 1 Board of Commissioners reconvened at 6:18 p.m. Commissioner Dan Toepper took roll call. A quorum was established.

7. OLD BUSINESS:

7.1 EDC Funding. General Manager Kevin Streett gave an update. At the next ICG meeting there is going to be a discussion about contributions of funding to the EDC (Economic Development Council). There was considerable discussion.

/Public Comment:

- **Comment:** Business owner and resident of the county does not see any advantage to having the EDC (Economic Development Council). Does not know anything they have done to promote economic development in the county. They are not a government agency. Doesn't think they are doing a particularly good job. There is no accountability with the EDC. For the PUD to raise rates and give the EDC \$30,000 without having any accountability to anyone is wrong.
- **Comment:** Public member spoke as a former business owner in Port Townsend does not support the PUD belonging to the EDC. Would prefer that the PUD put the \$30,000 into inventory. The PUD should have an honored seat at the table.

MOTION: Commissioner Jeff Randall made a motion for the Jefferson County Public Utility District No. 1 to commit \$30,000 (Thirty Thousand Dollars) in funds to the Jefferson County Economic Development Council Board and for a period of one year with a seat at the EDC Board table. The PUD will review the performance of the organization with funding being contingent on performance. Commissioner Kenneth Collins seconded the motion. Motion carried with two votes (Commissioner Jeff Randall and Commissioner Kenneth Collins) to pass and one vote (Commissioner Daniel Toepper) to not pass.

7.2 BPA Fiber Contract Approval. General Manager Kevin Streett gave a report. This contract is for the dark fiber from BPA (Bonneville Power Administration). It is fiber from Port Angeles to Olympia Substation. The PUD has to purchase the whole distance. It will give the PUD connections at Discovery Bay Substation, Quilcene and Duckabush. There was considerable discussion. Details of discussion can be heard on audio recording at www.jeffpud.com.

MOTION: Commissioner Kenneth Collins made a motion that the Jefferson County Public Utility District No.1 Board of Commissioners authorize the General Manager to sign the contract enabling the Jefferson County Public Utility District No. 1 to complete the Bonneville Power Administration fiber project. Commissioner Jeff Randall seconded the motion. Motion carried unanimously.

No public comment.

8. NEW BUSINESS:

8.1 PUD Retail ISP Discussion. General Manager Kevin Streett recommended that the Jefferson County Public Utility District No. 1 become an ISP (Internet Service Provider) and

went over the steps required to become an ISP.

MOTION: Commissioner Kenneth Collins made a motion that the Jefferson County PUD Board of Commissioners support the General Manager in moving forward to seek Internet Service Provider status from both the State of Washington and on a federal level. Commissioner Jeff Randall seconded the motion. There was considerable discussion. Commissioner Jeff Randall called for the question. Motion carried with Commissioner Kenneth Collins voting yes, Commissioner Jeff Randall voting yes, and Commissioner Dan Teopper abstaining.

Public Comment:

- **Comment:** The commissioners did not ask for public comment on this topic and went right to a vote.
Response: Point taken.

8.2 Commissioners' Communications. Commissioner Kenneth Collins reported his concerns on the lack of a process for responding to emails sent by individuals to all three commissioners. There needs to be a vetting process that involves all three commissioners or a consolidation process involving the PUD's Communications Director who might put together the responses that come into some of the commissioners or all of the commissioners to respond. There was considerable discussion. Details can be heard on audio recording at www.jeffpud.org.

There was consensus among the commissioners to send a request to the staff to provide the BOC with a couple of alternatives of responding to emails sent by individuals based on the discussion at this meeting, and to present this at a future meeting.

Public Comment:

- **Comment.** The Jefferson County Board of County Commissioners get a lot of emails sent to them and it goes to all three commissioners. Maybe you should ask them how they deal with it.
- **Comment.** You blew a few of your procedures on public comment before you voted on these items. You say that you allow comment on each item and a person can't comment at the beginning of the meeting on an item that is in the agenda. You have to be consistent with what you do. Allowing public comment is pretty important.
Response: None.

9. COMMISSIONER REPORTS.

Commissioner Jeff Randall:

- 5/10 Attended PUD BOC CAB Special Joint Meeting.
- 5/11 Attend (NOWDC) North Olympic Workforce Development Council meeting. (report).
- 5/12 Met with General Manager Kevin Streett.
- 5/19 to
- 5/20 Will attend Telecom Workshop.
- 5/20 Will attend ICG meeting.
- 5/25 Will attend PUD BOC Special Meeting on broadband.
- 5/27 Will attend NOWDC Meeting.

Commissioner Dan Toepper:

- 5/05 Met with General Manager Kevin Streett.
- 5/05 Attended PPC members' forum. (report).
- 5/06 Attended PPC Executive committee meeting. (report).

- 5/10 Attended East Jefferson County Fire Chief’s meeting.
- 5/10 Attended PUD BOC CAB Special Joint Meeting.
- 5/19 thru
- 5/20 Will attend WPUA Telecom workshop
- 5/20 Will attend ICG (Intergovernmental Collaborative Group) meeting.
- 5/21 Will meet with General Manager Kevin Streett.
- 5/21 Will attend JBAT meeting (sitting in for Commissioner Kenneth Collins).
- 5/25 Will attend PUD BOC Special Meeting on broadband.
- 5/27 Will attend JeffCom meeting.
- 5/27 Will attend PIF Board meeting.

Commissioner Kenneth Collins:

- 5/5 and
- 5/6 Attended PPC (Public Power Council) meetings.
- 5/7 Attended JBAT (Jefferson Broadband Action Team) meeting.
- 5/10 Attended PUD BOC CAB Special Joint Meeting.
- 5/12 Attended NoaNet Board meeting.
- 5/17 Met with General Manager Kevin Streett.
- 5/19 Will attend WPUA Telecom meeting.
- 5/20 Vacation.
- 5/21 Vacation.
- 5/25 Will attend PUD BOC Special Meeting on broadband.
- 6/01 Will not attend PUD BOC Regular Meeting.
- 6/03 Will attend PURMS Board meeting.
- 6/14 Will attend JBAT meeting.
- 6/07 Will meet with General Manager Kevin Streett.
- 6/08 Will attend PUD BOC Special Meeting – Public Power Council.
- 6/10 Will attend WPUA Board meeting – Strategic Planning.
- 6/11 Will attend JBAT meeting.

10. EXECUTIVE SESSION: Commissioner Dan Toepper announced there would be an Executive Session pursuant to RCW 42.30.110 (1)(g) for discussions relating to the performance of a public employee. Time needed was 10 minutes. No action expected to be taken.

Executive session convened at 8:06 p.m.

Executive Session concluded at 8:16 p.m. No action was taken

The regular meeting of the Jefferson County Public Utility District No. 1 Board of Commissioners reconvened at 8:16 p.m.

11. ADJOURNMENT:

Commissioner Dan Toepper declared the May 18, 2021, Regular Meeting of the Board of Commissioners of the Jefferson County Public Utility District No. 1 adjourned at 8:16 p.m.

Minutes prepared by
Recording Secretary Cammy Brown

Approved:




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Commissioner Jeff Randall, Secretary

8/21/2021

Date


Attest:

DocuSigned by:


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Commissioner Dan Toepper, President

8/20/2021

Date

DocuSigned by: 8/20/2021

Commissioner Kenneth Collins, Vice President Date

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