



PUBLIC UTILITY DISTRICT NO. 1
of Jefferson County

January 17 2017

Regular Board Meeting

Approved Minutes

The regular Board of Commissioners (Board) meeting of Public Utility District No.1 of Jefferson County (PUD) was called to order by the President of the Board at 5:00 p.m. on January 17 2017 at 230 Chimacum Road, Port Hadlock, Washington. Attending:

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

James Parker, District Manager
Kevin Streett, District Assistant Manager
Bill Graham, District Resource & Conservation Manager
Tammy Lehman, District Interim Financial Director
Debbie Lund, District Human Resources & Communications Manager
Kim Younger, District Controller & Auditor

Richard Hughes, District General Counsel
Don McDaniel, District Consultant
Pamela Browning, District Recorder

Leo Boyd, North Olympic Peninsula Data Centers
Dale Wilson, Executive Director, Olympic Community Action Programs (OlyCAP)

Agenda Review:

Revision: The *Executive Session* should last thirty minutes.

Add *Discussion Items*:

- 8.8: Recognizing retiring PUD Citizen Advisory Board (CAB) members' service
- 8.9: Marrowstone Island fiber connection update

MOTION: By Commissioner Randall, seconded by Commissioner King, and unanimously carried: to approve the agenda as amended.

Commissioner King would like start times for each agenda item identified on the agenda itself, e.g. 1830 or 6:30 start time for the Executive Session.

Minutes Approval:

MOTION: By Commissioner King, seconded by Commissioner Randall, and unanimously carried: to approve the minutes of the *Regular Board Meeting of 3 January 2017* and *Special Board Meeting of 5 January 2017* as amended – Commissioner Randall's edits accepted and the 5 January 2017 meeting adjournment time changed to 11:49 a.m.

Financial Director Report: Tammy Lehman briefed the Board.

Tammy confirmed the State Auditors will hold the 2015 Exit Conference, a public meeting, on 7 February 2017 at 3:00 p.m. It appears the PUD will receive an “unqualified opinion”, i.e. no findings, from the State – congratulations to Kim Younger. Moss Adams is being hired to provide related financial consulting services.

Tammy will meet with Jim Parker and Kim Younger to resolve an issue related to the agreement between the PUD and NoaNet, and will also set up a financial training workshop for the Board within the next 30-60 days.

Handouts distributed and reviewed:

- 2015 Supplementary Schedule – Year End Income Statement by Division
- Proforma Income Statement – Year Ending December 31 2016
- Reconciliation Schedule for all General Ledger Accounts

Payroll and Vouchers Review and Approval:

MOTION: By Commissioner Randall; seconded by Commissioner King; and carried unanimously: to approve the *Voucher Approval Form* dated 17 January 2017 in the amount of \$1,631,551.62. This includes vouchers:

Accounts Payable: #112912 to 112966	in the amount of	\$ 238,065.87
Accounts Payable: #112967 to 112992	in the amount of	\$ 113,039.19
Payroll Checks: # 70259 to 70263	in the amount of	\$ 8,152.94
Payroll Direct Deposit:	in the amount of	\$ 95,361.62
<u>Total Invoices Paid:</u>		<u>\$ 454,619.62</u>
<u>Wire Transfers Paid:</u>		
Bonneville Power Administration (BPA)		\$ 1,176,932.00
<u>For a Grand Total of</u>		<u>\$ 1,631,551.62</u>

Voided Warrants: N/A

Items from the Floor, not listed on the Agenda: None.

Commissioner Reports:

The Commissioners reported on meetings and events they attended, and those they plan to attend, on behalf of the PUD.

Action Items:

- Resolution 2017-002: Low Income Program:

Dale Wilson distributed and reviewed his letter to the Board. He made recommendations regarding the PUD's proposed program and described its potential effects on OlyCAP's heating assistance program participants.

MOTION: By Commissioner Randall, seconded by Commissioner Collins, and unanimously carried: to hold a Special Board Meeting January 30 2017 at 10:00 a.m., at 230 Chimacum Road, Port Hadlock, Washington. Discussion of the low income program resolution will be on the agenda.

Commissioner Randall will forward resolution edits agreed upon during the discussion to Jim Parker - for inclusion in the next draft of the resolution.

Adjournment to enter Executive Session:

The PUD Board President announced the purpose of the Executive Session, pursuant to RCW 42.30.110: to discuss with legal counsel representing the 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.

The Executive Session was estimated to last no more than 30 minutes; the Regular Board Meeting Board would reconvene at 7:03 p.m. Commissioner Collins adjourned the regular meeting at 6:33 p.m. to enter Executive Session.

Executive Session

17 January 2017

PUD Administration Building - Manager's Office

Present:	Commissioner Kenneth Collins	James Parker
	Commissioner Jeff Randall	Kevin Streett
	Commissioner Wayne King	Richard Hughes

The Jefferson County PUD Board of Commissioners convened into Executive Session at 6:33 p.m. pursuant to RCW 42.30.110: to discuss with legal counsel representing the 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.

The Executive Session was adjourned at 7:02 p.m. There was no action taken at this meeting.

Commissioner Collins reconvened the Regular Board Meeting at 7:03 p.m.
Action Items, continued:

- Resolution 2017-003: Water Meters and Encoder Receiver Transmitters (ERTs):
MOTION: By Commissioner Randall, seconded by Commissioner King, and unanimously carried: to adopt Resolution No. 2017-003, authorizing the PUD's sole source purchase of Badger water meters and ITRON encoder receiver transmitters.

Discussion Items: The Commissioners, PUD staff and consultants discussed several topics:

- Resolution 2017-001: Retired Commissioner Barney Burke: Jim Parker will edit the proposed resolution and bring it to the Board for signing and presentation at a later date.
- Resolution 2017-004: Sewer Assessment Segregation: Jim will bring it to the Board for action at a later date.
- Resolution 2017-005: Personnel Policies: Reviewed Debbie Lund's memo and first draft of the resolution consolidating and aligning the PUD's personnel policies and contracts. Jim will bring it to the Board for action at a later date.
- PUD Telecom Rates and Charges: Reviewed correspondence from Joel Paisner, District Telecom Consultant, regarding NoaNet charges on behalf of the PUD. Leo Boyd participated in the discussion. The Board agreed to hold a Special Meeting on 13 February 2017 at Noon, to review and discuss telecom rates.
Bill Graham will research Kitsap Public Utility District's telecom rates and bring that information to the next Board meeting. In addition he will investigate WAVE and Centurylink wholesale costs.
Commissioner King suggested the PUD might want to distribute a customer survey identifying current and needed telecom services in the county.
- Port of Port Townsend Fiber Connection: Leo Boyd described issues related to charges for fiber connection to the Port's Moorage Office. After Board and staff discussion, Commissioner Collins said resolution of the issue will have to be deferred until the PUD's telecom position has been filled, and that person can advise the Board on technical issues.
- OlyCAP – PUD Weatherization Contract Agreement: Bill Graham will bring the contract agreement to the Board for action at a later date.
- PUD Labor Union Agreement: Jim Parker will bring the agreement to the Board for action at its next meeting. Agreement details were discussed in Closed Session.
- PUD Space Allocation: Jim Parker will advertise a Request for Qualifications in local and state-wide media - for architects with commercial building experience to evaluate purchasing a new location and possibilities for remodeling/retrofitting existing locations.
- Recognition of CAB Members Rotating Off Service: Jim Parker and Debbie Lund will draft a letter of appreciation from the Board.
- Marrowstone Island Fiber Connection Update: Cable for the island has not yet been connected; NoaNet has temporarily stopped construction. Partial service should be connected by the end of January/first of February; full connection should be made by February 10.

CAB Report:

Don McDaniels reported:

- Most currently-sitting members have taken the Open Meetings Act training.
- A subcommittee has been formed to address communication with the Board and to redraft the CAB Resolution.
- The CAB has received a request to hear a community solar presentation.

Bill Graham: Peter Lauritzen suggested a CAB member attend the Home Show to help recruit new CAB members. Don will work with Bill to make that happen.

Commissioner King wants to ensure a PUD Customer Service Representative attends as well. (February 25 at Blue Heron)

Commissioner Collins shared a letter of intent from a prospective CAB member.

Commissioner Randall will conduct outreach to help fill vacancies.

District Manager Report: Issues reviewed:

- Personnel
- Meetings
- Electrical: Commissioner King suggested the PUD write thank you letters to the organizations who set up warming stations during the Port Ludlow power outage.
- Telecom
- Water and Sewer
- Customers and Billings
- Fire District
- Marrowstone Island utilities
- County Comp Plan update
- Treasurer account balance

Commissioner Calendar Review: The Board reviewed upcoming events, including:

- January 30 Low Income Workshop
- February 4 Washington Association of Sewer & Water Districts Workshop
- February 7 2015 Auditor Exit Meeting
 PUD Regular Board Meeting
- February 13 Telecom Workshop
 CAB meeting – Commissioner Randall

Correspondence:

- 4 January 2017: Washington State Department of Transportation: Kilisut Harbor Restoration Project
- 7 January 2017: West Canal Community Broadband Project Update
- Climate Action Committee request for 2017 goals

Future agenda items:

- Resolution 2017-001: Barney Burke Service
- Resolution 2017-004: Sewer Assessment Segregation
- Resolution 2017-005: Personnel Policies
- Kitsap Public Utility District's telecom rates; WAVE and Centurylink wholesale costs
- Port of Port Townsend Fiber Connection
- Telecom Customer Survey
- OlyCAP – PUD Weatherization Contract Agreement
- Labor Union Agreement
- Letter of Appreciation for Retiring CAB Members

Adjournment to enter Closed Session:

The PUD Board President announced the purpose of the 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 interpretation 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 negotiations, or grievance or mediation proceedings, or reviewing the proposal made in the negotiations or proceedings while in progress.

The Closed Session was estimated to last no more than 10 minutes; the Regular Board Meeting Board would reconvene at 8:52 p.m. Commissioner Collins adjourned the regular meeting at 8:40 p.m. to enter Closed Session.

Closed Session:

17 January 2017

PUD Administration Building

Present:	Commissioner Kenneth Collins	James Parker
	Commissioner Jeff Randall	Kevin Streett
	Commissioner Wayne King	Debbie Lund
		Richard Hughes

The Jefferson County PUD Board of Commissioners convened into Closed Session at 8:10 p.m. 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 interpretation 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 negotiations, or grievance or mediation proceedings, or reviewing the proposal made in the negotiations or proceedings while in progress.

The Closed Session was adjourned at 8:51 p.m. There was no action taken at this meeting.

Commissioner Collins reconvened the Regular Board Meeting at 8:52 p.m.

Adjournment:

MOTION: By Commissioner King; seconded by Commissioner Randall; and carried unanimously: to adjourn the 17 January 2017 Regular Board Meeting at 8:52 p.m.

Minutes prepared by Pamela Browning.

[Click here to access the first meeting audio file – prior to the Executive Session.](#)

[Click here to access the second audio file – between the Executive & Closed Sessions.](#)

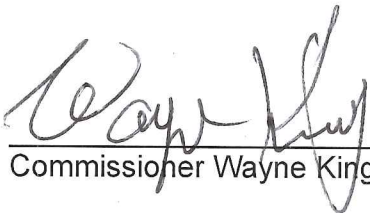
[Click here to access the meeting adjournment section audio file.](#)

Follow-up Items:

- **Commissioner Randall** will forward proposed low income program resolution edits to Jim Parker.
- Commissioner Randall will conduct outreach to help fill CAB vacancies.
- **Jim Parker** will edit the Barney Burke resolution and bring it to the Board for signing and presentation at a later date.
- Jim and Debbie Lund will draft a letter of appreciation from the Board to retiring CAB members.
- Commissioner King suggested the PUD should write thank you letters to organizations that set up warming stations during the Port Ludlow power outage.
- Jim will notify the media that two commissioners will attend the upcoming Energy Northwest luncheon.
- **Tammy Lehman** will meet with Jim Parker and Kim Younger to resolve an issue related to the agreement between the PUD and NoaNet.
- Tammy will set up a financial training workshop for the Board within the next 30-60 days.

- **Bill Graham** will research Kitsap Public Utility District's telecom rates and bring that information to the next Board meeting. In addition he will investigate WAVE and Centurylink wholesale costs.
- Bill will work with Don McDaniel to ensure a CAB member attends the Home Show.
- **Debbie Lund** and Jim Parker will draft a letter of appreciation from the Board to retiring CAB members.
- **Jean Hall:** Commissioner King wants a CSR to attend the Home Show. (February 25 at Blue Heron)
- **Don McDaniel** will work with Bill Graham to ensure a CAB member attends the Home Show.

Approved:



 Commissioner Wayne King, Secretary


 Date

Attest:



 Commissioner Kenneth Collins, President

 Date



 Commissioner Jeff Randall, Vice President

2-21-17

 Date

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