



PUBLIC UTILITY DISTRICT NO. 1  
of Jefferson County

February 13, 2017

**Special Board Meeting:  
Telecom Workshop**

Revised 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 (Board) at 12:00 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

James Parker, Manager  
Kevin Streett, Assistant Manager  
Bill Graham, Resource and Conservation Manager  
Debbie Lund, Human Resources and Communications Manager  
Don McDaniel, Consultant  
Pamela Browning, PUD Recorder  
Cammy Brown, Trainee PUD Recorder

Bob Hunter, General Manager, KPUD Connecting Kitsap  
Bjorn Wannman, Manager COS Systems  
Isak Finer, Chief Marketing Officer

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Meeting Purpose:

To talk with representatives from Kitsap PUD re Telecom issues, our own goals and objectives and their experience.

Overview re Kitsap PUD

Bob Hunter - handouts – history of Kitsap PUD, current Port Gamble project, managing water resource in unincorporated rural areas mostly, water resource management - most important.

Discussion with Kitsap PUD - their program, rate setting, marketing.

Slide show (Telecom supervisor Paul Avis)

Difference between Kitsap PUD and any electric PUD – Kitsap PUD didn't run fiber for SCADA - only for customers.

Original fiber infrastructure funding - leveraged tax dollars - paid for expansion of fiber  
Bob Hunter - intent - Telecom self-supporting - but also need to serve areas enterprises not interested in - use tax dollars to support - backbone building, not to homes.  
TV - Public service issue.

COS = Communications Systems

Once reach 50% interest shown by community (completes survey)(homes/not empty property) – Kitsap PUD goes for it.

Different build for homeowners different rate from coml/mult dwelling units (use

business rate) - Just sell one direction.

Revenue from property owners covers ongoing costs - not backbone buildout.

Overbuilding vs building in rural/underserved areas - policy choices to make.

Kitsap has 8 ISPs - one active residential provider - TV

Commissioner Wayne King asked question. What was the value to prop owner of having fiber.

Response from Paul Avis - "invaluable".

Centurylink position - densities in urban areas not high enough for their investors to authorize; supportive of PUD effort.

Recommend: Hire your own splicer - provides consistency in box - very important.

Lack of service becomes a factor pushing backbone install as public service.

Bob Hunter: ISPs have all the leverage in the PUD/ISP relationship - re speed provision; PUDs want leverage - lobbying legislation.

Discussion with Kitsap PUD re: system development financing - see above

LUD option: what property owners want.

LUD can cover entire build-out, or if strategic for PUD - PUD will do backbone and residents pay for rest.

Other option: PUD determines overhead in wholesale rate - determines if will collect enough - gave homeowners opt of joining and paying for themselves.

Educating property owners re who coming on property (PUD & ISP).

Need a person within homeowners' association that completely understands LUD process.

Customer Connection slide: reason for 50% - want customer buy-in.

If customer switches ISP - PUD billing goes to new ISP.

Average cost/home to hook up - \$3500, if assume over 7 years wholesale expect to sell equals out/wash - then project is a go.

Jim Parker - tax dollars just gone? Paul Avis - they come in every year.

Bob Hunter - will not use tax dollars to replace/maintain backbone built (7 years)

Used local banks for LUD funding, e.g. Kitsap Bank @ 2%

Discussion with Bjorn: COS Systems: slide presentation

Isak Finer & Bjorn Wannman

Bjorn Wannman - Sweden early adopter fiber infrastructure - 70% of population has fixed fiber connection.

"how make more efficient for PUD & local ISPs"

Isak Finer - introduction

Product - system to manage open access networks (platform, not app)

product - mapping tools

FTTH = Fiber To The Home

Planning and operations - primary work areas

Focus - get customers/service zones identified before construction

Key - get community on board, i.e. many champions = high take rate

Bjorn Wannman - business engine, i.e. portals - open access network

Connects service provider (ISP), end user (subscriber) & network owner (PUD).

Open Discussion: Audience asked questions. Kitsap PUD provided information on how their business system is set up. There was also discussion on how to do a survey – how to touch everyone. Suggestion was to do the stuffer and direct people to the website. Broadband and connectivity was discussed.

Commissioner Jeff Randall asked the question if this was a workshop or a special meeting. Commissioner Kenneth Collins said it is both. We aren't supposed to take action at a workshop but we can say generally we are interested in following up on this. Can't take an action but we can talk about there being a resolution that we can vote on in our next regular meeting.

Commissioner Kenneth Collins stated that he would like the PUD to do a survey of the customers and do a bill stuffer to get a sense of what the landscape looks like in terms of how good or how bad the service is for how many people. He said he was making an assumption that the demand will be there and the next step after that would be to put together an RFP and see what sort of bids come in and, of course, look at the COS system. We had our issues with the billing system and having really first rate software before you get into something I don't think you have to convince any of us about the value of that. I would see first doing a survey of our customers. We do have that connection already. That makes sense to me to be the very first step and let's see what that tells us and I am assuming probably we go forward to the next step of getting software that will enable us to do the detailed work, identify the zones where we need to operate first and go from there. Cost of the stuffers was discussed. Estimate was \$10,000.00. This was confirmed by the PUD Manager, James Parker.

Commissioner Jeff Randall thought it would be really interesting just to find out what our entry points would be with these gentlemen in the system and to learn more about it maybe by the next meeting if that's possible.

Pamela Browning and Cammy Brown had to leave the meeting at 2:45 pm to get to another meeting of the Citizen Advisory Board.

MOTION: By Commissioner Wayne King; seconded by Commissioner Jeff Randall; and carried unanimously: to adjourn the February 13, 2017 Special Board Meeting at 3:10 p.m.

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Minutes prepared by Pamela Browning, District Recorder  
and Cammy Brown to finalize minutes

[Click this link to access the meeting's audio record.](#)

**Approved:**

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Commissioner Wayne King, Secretary

\_\_\_\_\_  
Date

**Attest:**

  
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Commissioner Kenneth Collins, President

3-7-17  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Commissioner Jeff Randall, Vice President

3-7-17  
\_\_\_\_\_  
Date

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