

WHAT DOES A SMART METER DO & WHY WOULD WE WANT THEM?

Though currently on hold while the Board of Commissioners seek an outside review of the project before casting a final vote, the PUD's \$2.5 million plan to replace 19,000 electrical meters is still a hot topic.

Each week letters to the editor about smart meters appear in the PT Leader. PUD board meetings have seen an increase in public comment and attendance from citizens concerned about smart meters. PUD board and staff have listened throughout and tried to respond to as many questions and concerns as possible: whether financial, technical, or even conspiratorial.

What the PUD perhaps hasn't done is explain clearly or often enough why it proposed to replace all of its existing meters with new "advanced" or "smart" meters to begin with.

The need for *new* meters has been clear since the PUD took over electrical service in 2013: Over 450 meters outright fail per year. Over 12,000 meters are 20-30 (or more) years old, do not read accurately and come with a \$300K per year contract for remote reading by an outside firm. And the rest of our meters are a hodgepodge of different brands, ages, and technologies.

The need for new *advanced* or *smart* meters has been less clear, in part because so much time has been spent responding to what some customers fear the meters do rather than what they will do. (And just to recap, they won't spontaneously combust, spy on your toast consumption, or magnetize your pets).

What will the new meters do better than the old? Well, everything! How about keep the lights on during outages for one? Combined with recent up-

grades in our software and investments in our grid, new advanced or smart meters would enable the PUD to reroute power supply to homes that would otherwise lose power in a storm. New advanced or smart meters will be able to communicate with each other and with the PUD operations center, allowing them to share load when electrical capacity is reduced. That means your home will be more likely to stay warm and bright during the worst of weather.

That doesn't mean outages won't still occur. They will. But when they do, the new meters would tell us instantly when a home is out and exactly where it is. The PUD will no longer have to rely on voluntary phone calls and vague verbal directions to find out who has power and who doesn't.

In the event of a home fire, with advanced or smart meters the PUD would be able to shut off power instantly and remotely, rather than waiting for a crew to load a truck and head to the scene following a phone call from the fire department.

These services and safety advantages are available because advanced or smart meters allow for two-way communication between the meter and the PUD. The meter can both broadcast a signal out (via radio-frequency or rf) to the PUD as well as receive one back.

Our current PUD meters can only send an rf signal one-way: out. They do so every five minutes, broadcasting only the meter serial number and usage data for remote read. Gas-powered trucks with receivers mounted on top drive all over the county to collect those signals. With the proposed new meters, customer data will only be broadcast

once every 4 hours, and will be sent to the cloud for collection rather than to trucks: greatly reducing both expensive labor and carbon emissions.

Though the advanced or smart meters will broadcast less frequently, they will provide the conservation-minded customer more data with hourly rather than daily usage reports via the PUD's online Smart Hub application. With careful monitoring the customer will be able to determine what time of day which appliances are costing them the most money, potentially enabling them to save hundreds of dollars per year.

PUDs across the state are switching to smart and advanced meters. Our neighbors to the south at Mason District 3 have already begun, Clark and Cowlitz PUDs have had smart meters for almost a decade, as has Benton County PUD east of the Cascades. Grant County PUD is installing them now, Chelan and Snohomish PUD's plan to soon. PSE and the Seattle City Light have begun switching over and Portland General Electric has finished their installation. Over 72 million advanced or smart meters are already installed in the US alone, and in 2020 there will be more than a billion worldwide.

Advanced or smart meters are not a new or untested technology. They are rapidly becoming the standard. Were Jefferson County to adopt them, we wouldn't be an outlier, we'd only be catching up. And we'd be doing so to provide our customers better service, reliability, and safety.

For more info about meter replacement and a list of frequently asked questions about our project visit jeffpud.org/infrastructure-improvement-program.

2 NEW HIRES HELP KEEP THE LIGHTS ON

The PUD added two new positions and hired two new employees to fill them this last fall. Both will help enhance the PUD's ability to keep the lights on or get them back up quickly in the event of a storm or outage.

Tod Eisele comes to Jefferson County PUD from the City of Port Angeles where he was a substation technician for the last 11 years. Though he still lives in PA, he was attracted to the job here in Jefferson



Tod Eisele, Substation



Jonathon Dehnert

County because of the bigger projects and challenges that our younger utility provides. Eisele will monitor and maintain the PUD's 7

substations.

Jonathon Dehnert comes to the PUD after 5 years in California working from Groundman to Apprentice to Journeyman Lineman. He is now the 9th Journeyman on the crew.

Dehnert graduated from Eatonville HS in WA and played football with another PUD lineman, Casey Alm. The pair have kept in touch ever since, and attended line school together in Oregon.

CALENDAR

January 2nd 5pm

Regular Board Meeting
Jefferson Transit Board Room

January 8th 2:30pm

Citizen's Advisory Board
PUD 4 Corners Meeting Room

January 16th 5pm

Regular Board Meeting
Jefferson Transit Board Room

January 25th 1:30 pm

Facility Proposal, PUD 4 Corners

January 29th 5pm

Rate Hearing, Chimacum Fire Hall

February 6th 5pm

Regular Board Meeting
Jefferson Transit Board Room

Regular board meetings take place at 5pm on the 1st and 3rd Tuesdays of the month. Agendas & minutes available on our website.

2018 PROPOSED ELECTRICAL RATE INCREASES

PUD BOC 2018 NEW YEAR'S RESOLUTIONS

On November 21st, the Jefferson County PUD Board of Commissioners approved a 2018 budget that included revenue from electrical rate increases first proposed by PUD Staff and utility rate consultant Gail Tabone of EES Consulting.

The PUD first voted to raise rates in 2016 in response to increases in the cost of purchasing power from the Bonneville Power Administration (BPA). BPA raised its rates by 5.4% again starting in Octo-

Rate Type	Current	Proposed
Base Residential	\$14.50	\$18.50
Usage Residential (<600kW)	\$0.0860	\$0.0882
Usage Residential (>600kW)	\$0.1048	\$0.1070
JPUD Bill at 1200 kW/mo.	\$128.98	\$135.62
PSE bill at 1200 kW/mo.	2018: \$139.25	

ber of 2017. Power purchased from the BPA is the PUD's single biggest expenditure, accounting for 46% of its annual budget. PUD staff is accordingly recommending a 4.8% increase in electrical rates. The bulk of the increases are proposed to raise base rates rather than usage rates. See table on the left.

The rate increases have not yet been formerly adopted and will be discussed again at a special rate hearing on Monday, Jan. 29th, at 5pm in the Chimacum Fire Station.

Customers wishing to comment on the rates are encouraged to attend the hearing on the 29th or write the commissioners by emailing: commissioners@jeffpud.org. For more info: <http://www.jeffpud.org/rate-schedule>



Jeff Randall District 1: Hiring the right General Manager will be the most important decision we face in 2018. I also hope to help the PUD strengthen its finances, be responsive to community needs, and to continue to provide reliable and affordable utility services.

WATER CREW WRAPS UP 5 YEAR PROJECT

What's on the PUD water crew's to do list in 2018? Not as much as there has been. The crew will be rebuilding a well house at Snow Creek, replacing lines down in Coyle and attending to the regular repairs and maintenance associated with providing water to 4,500 customers. But what they won't be doing is the massive undertaking that they spent the last five years on: incorporating multiple smaller water systems back into the PUD's main Quimper Water System. In the last five years the PUD has expanded the Quimper System to include Kala Point, Marrowstone Island, South Glen Cove, and the section of Cape George that runs from the Discovery Bay Golf Course out to Becket Point. Marrowstone was a new addition to the PUD, as the island had previously only been serviced by wells. The other systems were added in to Quimper, which also includes the PUD's Sparling wells, to improve their reliability and service. "It was a pretty big push" Eric Storey, Water Crew Lead remarked, "but it's done, and it's all worked great."

PUD FIBER TO DOWNTOWN PT

Beginning in January, Jefferson PUD will install fiber optic cable to sections of downtown Port Townsend as part of the Water Street Enhancement Project. PUD fiber will enable wholesale full duplex (meaning same upload and download speeds) 100 Mbs, 1Gbs, or even 10Gbs capacity for downtown business owners, buildings, and residents. The first phase of installation will take place on Taylor and Washington Streets. Subsequent sections of downtown will have the opportunity to connect to fiber as the PUD continues work on the project.

ROUND UP FOR POWER BOOST

Check the box on your bill this month to round up to the nearest dollar. Your additional cents will be donated to our Power Boost program, helping reduce utility bills for low income families, seniors, and individuals with limited means.

Downed Powerline Safety Tips from Senior Electrical Engineer Jimmy Scarborough

During and after a storm and high winds, be on alert for downed lines. Downed lines may be difficult to see in streams and puddles.

If a tree falls on or through a power line, do not attempt to clear the tree yourself.

Call 911 or the PUD at (360) 385-5800 if you see a downed power line.

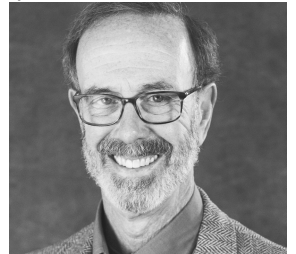
Do not handle a downed powerline with a stick, broom, pole, etc. call the PUD, we have trained linemen with special tools to handle power lines.

Do not touch someone being shocked, as you could be shocked and injured or killed yourself.

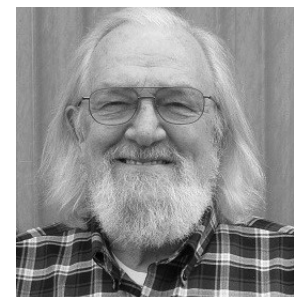
When moving away from a downed line, shuffle your feet close together until you are at least 35 feet away. Taking large steps can create a path for electricity to run through you causing injury or death.

Do not drive over downed power lines. If a power line falls on your car, stay in your car. Do not exit your car until directed by a PUD Lineman, Police or Fireman.

If you must leave the car because of fire or other danger, jump away from the vehicle so that you do not touch the vehicle and the ground at the same time. Land with your feet together and shuffle away, keeping your feet close together and on the ground.



Ken Collins District 2: My primary goal is to stabilize the JPUD by hiring a highly competent and experienced GM and a permanent CFO. I would also like to see JPUD develop a five-year Strategic Plan, including expansion of broadband services.



Wayne King District 3: My resolution is to continue to support the PUD Governance Manual. And to continue to keep our power and water rates low and affordable for all of our customers. I also want to help communities to form a Fiber LUD for infrastructure.

A BROKEN FUSE, A BURNING POLE, A NIGHT'S WORK

On the evening of Friday, December 29th, an electrical pole on Chimacum Road burned and collapsed, leaving over 500 in the Tri-Area and Marrowstone without power, some for hours.

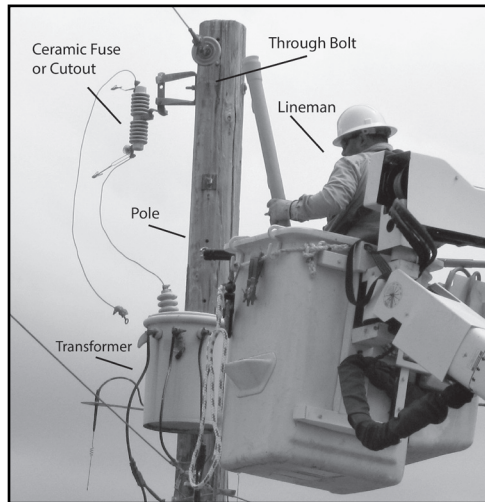
Eric Tharaldsen, PUD Journeyman Line Crew Foreman, answered the initial call after a nearby customer reported an outage, around 5pm. He inspected and took pictures of the pole before it fell. What he saw surprised him.

Just a few feet down from the top of the wooden power pole, red orange coals glowed from inside a small hole. This pole wasn't flame covered, but it was burning from the inside out. Tharaldsen, hadn't seen anything like it.

"We've had fires on poles before, but they're pretty contained, this one was just unusual" he said. Unusual because poles don't often burn up so fast and collapse, and unusual because the cause of the fire was not something dramatic: lightning, a transformer exploding, or a car crashing, or trees falling.

The cause, according to Tharaldsen, was slightly more mundane, and happened he said "a half dozen times a year," though never quite so severe. The ceramic insulator on the transformer's fuse (or cutout) had cracked, allowing electricity to pass into the bolt that held it onto the pole. Ceramic fuses, Tharaldsen noted, can be prone to cracking in cold weather, especially if they've

trapped moisture prior to freezing. This particular fuse had been installed by PSE prior to the PUD's purchase of the power grid in 2013. According to Tharaldsen, all new fuses installed are polymer based and flexible in heat and cold.



The cracking could have occurred the week before, when much of Jefferson County was treated to days of freezing temperatures and a rare white Christmas. The night the pole burned, temperatures were around 50F. What had changed was the wind speed, blowing near 30MPH at the time the call came in, with gusts up to 50MPH after.

When he arrived on scene, Tharaldsen had hoped to keep the outages to a min-

imum by bringing a bucket truck in to prop up the wires while dealing with the pole, but in between his inspection and the arrival of the truck, the effect of the strong wind stoking the coals burned a hole right through the full diameter of the pole causing it to snap and fall.

Colton Worley, Chimacum native and PUD SCADA Technician, was called in around 6:30pm to help. In outages it's his job to perform remote switching that reroutes power from one substation to another. Because of numerous investments in the electrical grid made by the PUD over the past 5 years, Worley is able to use a computer to reroute power, in this case directing power from one feeder to another within the Chimacum Substation.

Switching can be tricky though, Worley said. He explained that it's sometimes better for the PUD to have a 15 minute outage that affects hundreds rather than hours of crew time preventing an outage from ever occurring. In the case of the burned pole, Worley was able to reroute power initially, but then had to cut power to be able to create conditions for the crew to replace the pole and restring the wires safely.

At 3am on December 30th the job was complete and power restored. Tharaldsen, though, still had a couple hours of work to do before the sun came up, and later that same day, began his next shift.

2018 PROPOSED WATER/SEWER RATE INCREASE

The PUD Board of Commissioners are considering raising water and sewer rates by a proposed 10% in 2018. The proposal, which was presented by Asst. GM Kevin Streett and Gail Tabone of EES Consulting, would also add a \$10 capital surcharge fee to the monthly bill. According to Streett,

the combined increase is needed to cover all annual expenses and improvements.

The average impact per bill is expected to be \$13/month for residential water, \$22/mo. for commercial water and \$3/mo. for sewer. Without the increase, Streett says the PUD's water department will lose a minimum of \$330K in 2018. It lost nearly \$500K in 2017. Tabone attributes the shortfalls to rates not keeping up with inflation.

Even with the 10% + \$10 increase, Tabone states the PUD's rates would stay below the cities of Port Townsend and Port Angeles as well as rates charged by Clallam County.

A date has not been set for a final vote on the water and sewer rate increases.

Utility	Meter Charge	Capital Surcharge	Bill 4500gl	%Difference
JPUD Current	\$21.50	\$0.00	\$33.20	
JPUD 10%+ \$10	\$23.65	\$10.00	\$46.52	40%
PT Inside	\$19.60	\$20.00	\$52.07	57%
PT Outside	\$23.53	\$24.00	\$62.52	88%
PA Inside	\$33.48	\$0.00	\$47.87	44%
PA Outside	\$50.22	\$0.00	\$71.80	116%
Clallam PUD	\$34.49	\$0.00	\$55.97	69%

CALENDAR

- February 6th, 5pm**
Regular Board Meeting
Jefferson Transit Board Room
- February 9th, 12pm**
JPUD/JCHBA Lunch and Learn
PUD 4 Corners Meeting Room
- February 12th, 2pm**
Citizens Advisory Board Mtg
PUD 4 Corners Meeting Room
- February 20th, 5pm**
Regular Board Meeting
Jefferson Transit Board Room
- March 3rd, 9am - 4:30pm**
JCHBA Home Show
Blue Heron Commons
- March 6th, 5pm**
Regular Board Meeting
Jefferson Transit Board Room

Regular board meetings take place at 5pm on the 1st and 3rd Tuesdays of the month. Agendas & minutes available on our website.

GM CANDIDATE INTERVIEWS AND CFO SEARCH

The Jefferson County PUD Board of Commissioners is narrowing down its search for the first new General Manager the PUD has had in nearly 24 years. The Board contracted with utility management recruiter Mycoff, Fry & Prouse LLC, to conduct a national search for GM candidates in the fall of 2017. Mycoff and the Board are now in the interview/research stage of the process. An announcement is expected to be made in March latest.

The PUD is also conducting a national search for a new CFO. The application period for that position closed January 22nd, with interviews expected to begin in March. Interim CFO/Auditor Tammy Lehman plans to remain with the PUD until the new CFO is hired.

GM SEARCH TIMELINE

Jan 9th: Qualifications Review
Jan 22-23: 1st Round Interviews
Feb 2nd: Candidate Research and Reference Checks
Mid Feb: 2nd Round Interviews
Late Feb: Public Ranking Mtg
Late Feb/Early March: Final Negotiations & Offer
Late Mar/Early Apr: New GM Start

PUD Commissioners Column IDEAL QUALITIES IN A NEW GM

Jeff Randall District 1:

Our next GM should have excellent organization management skills to provide direction to various PUD staff functions (water, electricity, billing, finance, customer service, etc.). Our next GM should also be a skilled communicator, both in listening as well as sharing ideas, guidance, and providing leadership. Finally, our next GM should have well-developed analytical skills to help the board of Commissioners set priorities and correctly evaluate the opportunities and risks associated with each possible action.



Ken Collins District 2:

Because JPUD has experienced five-fold growth in less than five years, the next GM should have ample experience stabilizing an organization that has experienced dramatic change. The ideal candidate will be an excellent communicator, a skillful listener and a person who inspires trust and confidence, and at the same time prioritizes external communication and is highly effective in articulating to the public the PUD's mission, vision and accomplishments.



Wayne King District 3:

The PUD electrical business is like no other, and the next GM absolutely needs to know it inside and out. They have to understand NISC systems and RUS financing and they need to know how to deal with lineman and contractors and the union. The new GM needs INTEGRITY to manage the utility without the influence of outside personal agendas. We need someone who'll take charge firmly, keep finances in line, and keep services reliable & affordable for all the people in Jefferson County.



MEET KEVIN STREETT, ASSISTANT GENERAL MANAGER



Back in 2012, when the PUD was preparing to take over electric service from PSE, the first person hired was Kevin Streett, and he was tasked with building the rest of the division from scratch.

Kevin came to Jefferson County from Arizona, where he was Operations Manager of the 2 state, 10,000 square mile, 39,000 customer Navopache Electric Co-op. Kevin spent 20 years prior to that in Nevada as the Overton Power District Operations Manager.

The son of a nuclear engineer, Kevin began his career in the electric industry during college, working as a lineman on summers off from Boise State University. Though he's spent most of his life in the mountain west, his career has taken him as far as Kodiak Island and Saudi Arabia.

Kevin and his wife Dawn have 3 grown sons, two of whom finished high school in PT and have since gone off to college. Dawn volunteers with nonprofits like St. Vincent De Paul and Habitat for Humanity.

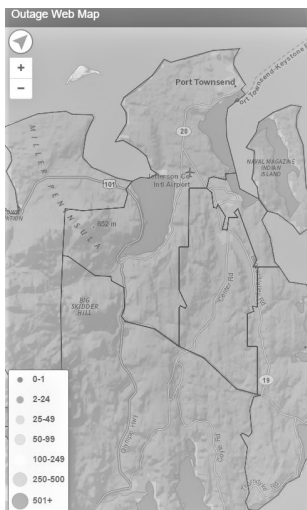
HOW TO REPORT & VIEW OUTAGES

The easiest way to report a power outage is to call the PUD directly, anytime, day or night at (360) 385-5800.

The very best way to quickly report an outage is to use your **PUD Smart Hub account**. In addition to being able to pay online and view daily & past usage data, Smart Hub users can click the "REPORT AN OUTAGE" box in the top right corner to instantly & easily report power loss. After you check your breakers, of course.

DO NOT REPORT OUTAGES TO FACEBOOK AND TWITTER. We don't check them, though we do post outage updates on both platforms when possible.

To view reported outages, go to jeffpud.org and click "OUTAGES" in the topmost menu bar. Our map will show where outages occur and how many are affected. The same map is also available through Smart Hub.



AMI/SMART METER VOTE MAY 1, 5PM

At the January 16th regular meeting of the PUD's BOC, the commissioners set a date for a final vote on the proposed ITRON AMI/smart meter project. The board has also instructed PUD staff to obtain an independent financial and feasibility review of the project from a third party prior to that vote which will be held at the PUD's May 1st Regular Meeting of the BOC in the Jefferson Transit Center Board Room beginning at 5pm.

HELP STILL NEEDED TO KEEP LOW INCOME FAMILIES WARM & DRY

Round Up or Donate to Power Boost on your bill this month!

A few cents collected from all goes a long way to helping neighbors in need.

Consider a one time tax deductible donation to make a bigger impact.

PUD CUSTOMER CONDUIT

Public Power, Local Services, Community Connections

Jefferson County PUD's Monthly Newsletter. March 2018

HEAT PUMPS, DUCKS, LEDs & MORE SAVE ENERGY, SAVE MONEY & STAY WARMER W/ THE PUD'S CONSERVATION REBATE PROGRAM



HOW DOES IT WORK?

We purchase all of our power from the Bonneville Power Administration (BPA). They in turn pay us to pay you for a portion of certain home upgrades that reduce power consumption, saving the BPA the need to build additional power plants and transmission lines.

WHAT CAN I GET A REBATE FOR?

The BPA currently offer rebates on LED lighting, added insulation, new windows, washers and dryers, smart thermostats, heat pumps, heat pump water heaters, more: jeffpud.org/rebates.

HOW ABOUT ELECTRIC CARS?

There are no BPA rebates for cars or car charging stations at this time.



WHAT'S THE CATCH?

Depends on the product, but the most frequently recurring bit of fine print has to do with fuel switching. They don't pay for it. You generally need be to replacing an existing inefficient electric technology with a more efficient one. And, FYI, it can sometimes take months for us to process the rebate through the BPA and get the check back to you. No one ever likes this last detail, but that's how it works.

HOW MUCH \$\$ CAN I GET?

It's probably not fair to answer every question with "depends," but rebate amounts vary per product. The rebate for a new qualifying Energy Star clothes dryer is \$50, but a smart thermostat can get you over \$100 back. Variable speed heat pumps rebate up to \$1600. Windows and insulation have more complicated rebate formulas.

HOW MUCH \$\$ DO YOU HAVE?

The BPA allotted JPUD \$850,000 to spend on rebates between now and Sept. 30, 2019. Project funding is divided between different customer classes like residential, industrial, commercial, low income. etc. Rebates are generally awarded on a first come first serve basis.

WHAT'S WITH THE DUCKS?

Actually it should say ducts. With a "t," but it's hard not to get confused when discussing "ductless" heat pumps,



which, according to Resource Manager and rebate coordinator Bill Graham, are one of the best deals available in our rebate program, providing more heat at up to half the operating costs for the right kind of home. He also recommends heat pump hot water heaters for many customers. Want to understand how a heat pump works? Think refrigerator in reverse. Or got to jeffpud.org/rebates for a fun and informative video.

HOW DO I GET STARTED?

Go to our website. Review the products. Download an application. Or in the case of larger items like heat pumps, talk to one of our approved contractors. Or call Bill. Start now!



20 YEARS OF BILL GRAHAM RESOURCE MANAGER / RENAISSANCE MAN

Bill Graham grew up in Port Townsend and graduated from EWU with a Master's in Geology. He worked in Seattle for three years before the PUD hired him as Water Resource Manager back in January of 1998.

During his 20 years with the PUD though, Bill has done a bit of everything. He has worked on broadband, community outreach, watershed planning, water rights management, well drilling, and water sampling. Bill led the PUD's purchase of Peterson Lake. He also helped build various iterations of the PUD's website, wrote web

content, newsletters, grants, worked on online bill pay, low income benefits, and set up the PUD's social media pages.

Today, as Resource Manager, Bill still looks after PUD water, but he also coordinates the PUD's rebate program

described above, putting him in touch with the BPA, local contractors, and homeowners.



CALENDAR

March 3rd, 9am - 4:30pm

JCHBA Home Show
Blue Heron Commons

March 6th, 5pm

Regular Board Meeting
Jefferson Transit Board Room

March 12th, 2pm

Citizens Advisory Board Mtg
PUD 4 Corners Meeting Room

March 20th, 5pm

Regular Board Meeting
Jefferson Transit Board Room

April 16th, 12pm

5 Years of Public Power at the
JeffCo Chamber of Commerce
Fort Worden Commons

*Regular board meetings take place at 5pm
on the 1st and 3rd Tuesdays of the month.
Agendas & minutes available on our website.*

CUSTOMER SERVICE CONSOLIDATES TO FOUR CORNERS LOCATION

As of March 1st, all of the PUD's customer service representatives have been consolidated to a single location at the **PUD's Operations Center at 310 Four Corners Road**, which is open Monday through Friday, 9am to 5pm. Customers service representatives are also available to help by phone, (360) 385-5800, Monday through Friday, 9-5pm, or by email at customer.service@jeffpud.org.

The PUD's longtime Port Hadlock customer service counter at 230 Chimacum Road is now closed, though a secure box will remain on site for drop off payments.

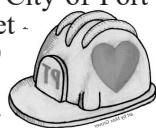
NEW ELECTRIC RATES EFFECTIVE MARCH 1ST

In response to the BPA's Oct. 2017 5.4% increase to our wholesale power rates (the PUD's largest single expense, accounting for 46% of our annual budget), the Jefferson County PUD Board of Commissioners approved corresponding increases to the PUD's retail electric service rates. **The new rates are printed on the front of this month's bill** and the full list of rate changes are also available on our website. To help offset the impacts of these rate increases to our low income ratepayers, the commissioners also **raised the low income credit from \$35 to \$39.50 per month** and raised the low income eligibility limit to 150% of the federal poverty level, up from 125% previously. Contact us soon if you are eligible because of this change.

WATER STREET CONST. PROJECT

In conjunction with the City of Port Townsend's Water Street regrade project, the PUD is removing all electrical poles and undergrounding all overhead power lines between the Ferry terminal and Taylor Street. The PUD is moving formerly underground transformers away from Water Street and back towards Washington Street. We're also installing fiber optic cable in some of the underground tunnels, and laying conduit.

While the work is needed, it's also been a burden on nearby businesses. Main Street is asking Jeff Co. residents to help support them by making an extra trip or two downtown this spring.



WHY IS THE PUD MAKING THAT RACKET OUTSIDE MY HOUSE AT NIGHT?

If you see or hear PUD crews working outside your home during non-business hours, (M-F 8-5pm) it's not planned maintenance, it's likely an emergency repair and or a response to an outage. All scheduled PUD maintenance work takes place during regular working hours.

WATER METER CARE & MAINTENANCE

Beginning in March, PUD water crew members will be inspecting water meter bases in the county as well as performing routine maintenance and care including mowing and trimming. Look for our crews to be inspecting meters on or near your property during the coming months.

PUD Commissioners' Column HOW DO YOU CONSERVE?

Jeff Randall, Dist. 1

My family conserves resources with our roof-mounted solar array which generates 30% of the electricity we use, a solar hot water system that reduces our propane use for water heating, our chickens which give us local eggs and fertilizer, and our all-electric Nissan Leaf which uses no gasoline.



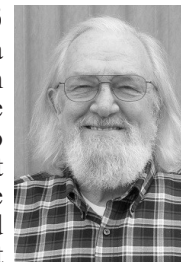
Ken Collins, Dist 2

When my wife and I owned Marrowstone Vineyards, we installed drip irrigation to conserve water. Mature grapevines only require water during drought conditions, and then not much. We have programmable thermostats at home and keep the temperature at 62 degrees at night, plus we drive fuel-efficient cars.



Wayne King, Dist 3

I plan on installing a ductless heat pump in my home to keep the house warm for not too much money. I also went and changed out all the lights in my home and business to LEDs. But we have to be careful not to conserve ourselves out of business. We have to keep up our end of the BPA contract, too.



PUD POWER IS 97% CARBON-FREE

BPA / JPUD	NORTHWEST	NATIONAL
OTHER	OTHER	OTHER
NUCLEAR	NUCLEAR	WIND
	WIND	NUCLEAR
	NATURAL GAS	
	COAL	COAL
		NATURAL GAS
84%	55%	7%
HYDROELECTRIC	HYDROELECTRIC	HYDROELECTRIC

infographic courtesy of BPA



20 YEARS OF DOUG REEDER

Though Doug Reeder was hired in February of 1998, a month after Bill Graham, he'd already been working for the PUD for a while, servicing pumps as a contractor based out of Sequim. Doug knows all there is to know about water pumps, and is a licensed electrician as well. He's worked on countless projects, and pumps, from Coyle to Snow Creek and out to Beckett Point, during his 20 years as a Water Distribution Manager for the PUD.

BROADBAND RATE REDUCTIONS PROPOSED

QUICK FACTS:

Broadband is now defined as 25Mbps down and 3Mbps up. By law, JPUD cannot be an ISP (internet service provider). ISPs provide retail internet to consumers. JPUD wholesales to ISPs. [more at jeffpud.org/broadband](http://more.at.jeffpud.org/broadband)

The PUD Board is considering several changes to current wholesale broadband fiber access rates. Coinciding with our work on the Water St. construction work, Asst. Manager Kevin Streett has proposed a pilot project rate that would provide 100Mbps upload and download speeds at a wholesale rate of \$100 per month (down from \$225) as well as a \$350 connection charge to the downtown Port Townsend business core. More info coming soon!

JEFFERSON COUNTY PUD: CELEBRATING

5 YEARS OF PUBLIC POWER

APRIL 2013 - APRIL 2018



AND 10 YEARS SINCE THE VOTE TO ACQUIRE IT

1949 That's the last time a community in Washington State was able to take back electrical service from a private entity and make it public, when Snohomish PUD obtained part of Puget Sound Power and Light's territory.

It would take almost 60 more years to happen again, this time here in Jefferson County. It has not happened anywhere else in Washington state since. And not for lack of trying, the same year that Jefferson County put the issue on the ballot, 2008, community groups in Skagit County and on Whidbey Island did the same. Only Jefferson's proposition passed.

Why? Well, Jefferson County is unique! And we were also at the far end of the line for PSE service. When PSE consolidated its customer service outside of the county and outsourced its line crew services to Sumner-based Potelco in the early 2000s, a number of residents noticed changes in service and outage response.

Many residents were equally dismayed when, in 2007, PSE, a Bellevue WA based business for over 50 years, sold to an international consortium based out of Australia.

Shortly after the sale, Citizens For Public Power, a local group who'd originally formed to work on green energy, approached the PUD about taking back the electrical service from PSE.

District 3 Commissioner Wayne King was on the board at the time. He encouraged the group to take the matter to the voters of Jefferson County before the PUD would consider the proposal. Which in the fall of 2008, the group did, passing Proposition 1 authorizing the PUD to pursue the acquisition of power service for Jefferson County.

After 2 years of negotiations, the PUD and PSE came to a purchase agreement of \$103 million dollars for Jefferson County's electrical system and all of its assets in 2010. In order to pay for that purchase the PUD applied

for and received funding from the USDA's Rural Utility Service program, borrowing \$115 total to cover capital improvements and start up expenses.

Resource Manager Bill Graham described the process as planets aligning. "When we borrowed the money to purchase the system, interest rates were at an all time low. And the Bonneville Power Administration (BPA) had capacity to take us on as a new Tier 1 customer, which very often they don't," said Graham. BPA power also meant 98% carbon-free electricity, as opposed to PSE, who uses up to 60% fossil fuel generation for power.

The PUD began supplying power to the residents of Jefferson County 5 years ago, during the first week of April 2013.

PUD
Jefferson County
Public Utility District

LOCAL POWER LOCAL JOBS

For LOCAL PEOPLE

8 That's how many employees the PUD had in early 2012 before hiring began to build up the PUD's electrical division.

8 was the number of new staff positions that were created and filled at the PUD in the year 2017 alone.

38 million dollars is the PUD's estimated and approved budget for 2018. 46% is spent on purchasing power from the BPA, 30% goes to debt payment, depreciation, and taxes, and 24% covers operations and maintenance (which includes staffing).

48 That's how many staff members the PUD will employ to provide Jefferson County residents water, sewer, electric, and broadband utility services as of May 1st when the new General Manager and a new meter reader are on board.

11 million dollars in additional wages have been paid by the PUD in the last five years due to the purchase of the electrical system, money that stays in this community and is reinvested many times over.

2 million dollars was the PUD's annual operating budget before electrical service, and is still the approximate budget of our water and sewer division today.

39 is the number of new full time, fully benefited, living and professional wage jobs that have been added to this community as a result of the public purchase of Jefferson County's electrical grid and service.

16 million dollars has been invested in capital improvements to Jefferson County's electrical infrastructure over the last 5 years. Long term investments that improve reliability and enhance our ability to serve all of our customers.

3 million dollars distributed to homeowners, businesses, and institutions in Jefferson County to facilitate investments and improvements that lead to improved efficiency and energy conservation.



Brian Van Ness, Journeyman Lineman



Bill Cooper, Journeyman Lineman




Jacob Medley
Staking Engineer

Russ Miller
Staking Engineer

PUD POWER BY THE NUMBERS

as of year end 2017

  
19,377
electric customers


7 Substations

373
miles
of overhead powerlines

8,693
power poles


485
Streetlights



392 Miles of
underground line



45.5 Miles
fiber optic lines
40 fiber customers


306
net metering
customers


9
Journeyman
Lineman


49 MW
avg. daily load


95.7 MW
max daily load


98%
Carbon-free electricity



Dylan Brackney, Journeyman Lineman



Alyson Dean
Head Storkeeper

PUD PUBLIC POWER: A DIFFERENT KIND OF START-UP

"No one starts a utility from scratch," said Kevin Streett, Asst. General Manager, when asked what first brought him to the Jefferson County PUD in 2012, a time when Commissioner Wayne King said the PUD "didn't even have a single spool of wire."

In fact some friends in the industry encouraged Kevin to pass on the job. He didn't listen.

"I was intrigued," he said. "I'd seen utilities build out into a new area, or takeover part of somebody else's territory, but start up from almost scratch, with not even a single truck? It hadn't been done in a long time."

Kevin was the first person hired in the PUD's new electrical division, and as Electrical Superintendent it was his job to hire the rest of the crew and coordinate with then General Manager Jim Parker as well as Special Projects

coordinator Bob Phillips to order equipment.

Don McDaniel, a longtime Discovery Bay resident and former PSE Regional Manager who retired in the mid 2000s, was brought in to help with the transition to public power. He called the effort a start-up utility.

"None of the pre-existing systems would handle the new electric company, so we had to build it up from scratch, developing the people, the training, the processes. These people built this utility from almost a blank page," said McDaniel, who still consults for the PUD.

Streett had from November till April to build his line crew. Both of the PUD's current line crew foremen, Eric Tharaldsen and Bo Lee, were a part of that original team, as were current journeyman lineman and then apprentices Dylan Brackney and Brian Van Ness.



Kevin Streett
Asst. General Manager

PUD CUSTOMER CONDUIT

Public Power, Local Services, Community Connections

Jefferson County PUD's Monthly Newsletter, April 2018

LARRY DUNBAR HIRED AS NEW GM, STARTS APR 23RD

In a unanimous decision at the March 20th regular meeting, the PUD Board of Commissioners approved a resolution formally appointing Larry Dunbar as new General Manager of Jefferson County PUD with a start date of April 23rd.

Both District 1 Commissioner Jeff Randall and PUD legal counsel Joel Paisner described the contract negotiations as "remarkably smooth." Dunbar, previously a utility manager for the City of Port Angeles and currently

with the City of Ellensburg, "wants to be here and is ready to get started" said Paisner.

Randall noted that Dunbar was the only General Manager finalist who had extensive management experience in WA state and who had lived on the Olympic Peninsula. "He knows the area and culturally he'll be a good fit."

Ken Collins, District 2 Commissioner agreed with Randall and added that Dunbar intends to buy a home in Jefferson County has already leased a

residence here.

District 3 Commissioner, Wayne King noted that though he had not been able to attend recent Board meetings due to illness, he had both spoken with Dunbar on the phone and met up with him for lunch. "I think he'll be a good fit," said King.

Dunbar will be on hand to meet staff and customers during the PUD's 5th Anniversary of Public Power Open House on Friday April 6th, from 11 am to 2pm.

2018 PROPOSED WATER/SEWER RATE UPDATE

PUD Staff and Board of Commissioners will be discussing water and sewer rate changes at regular board meetings in the month of April.

Asst. GM Kevin Streett and Gail Tabone of EES Consulting first proposed raising water and sewer rates in January after an error was discovered in the annual budget.

The error, a carryover of one-time grant funding into subsequent year's income, obscured budget deficits in the PUD's water and sewer divisions.

Though the PUD's electrical division showed surplus revenues in 2017, each division must be self funding, and Streett sought increases in water rates to balance the water division's budget and cover the cost of capital improvements.

Streett's other goal was to equalize rates across the system. Because the PUD has acquired multiple and separate systems over time, rates have varied between the systems.

"On the electric side, everybody pays the same, no matter where you live. We

have the same guys doing the work, and that's where we're trying to get to with water and sewer," said Streett.

After previous discussions with the board and interim CFO Tammy Lehman, Streett is now proposing a \$4.15 increase in the base rate for residential water customers, taking the fee from \$21.50 per month to \$25.65 per month.

Sewer rate changes are still being researched, as charges vary greatly between systems and cannot be fully equalized within a calendar year.

WSU TAKES OVER NET METERING PROGRAM FOR SOLAR CUSTOMERS

PUD customers who take part in our net metering program will need to reapply with WSU before April 30th to continue to receive renewable energy incentive credits. A letter has been sent with instructions for all involved. More info available on our website.

CALL US BEFORE YOU BUILD

Installing new electrical service or upgrading the old? Our PUD Engineers are here to provide your residential or commercial projects with estimates, plans, and advice. Talk to them before you begin to save time and money. Call (360) 385-5800

WATER METER CARE & MAINTENANCE ALERT

For the next few months PUD water crew members will be out in the field inspecting water meter bases around Jefferson County.

Most PUD water meters are easily accessed and located on the edge of customer properties, occasionally our crew members must enter customer property to locate meters closer to the home, or search for the meter if its location has not been updated recently

in our database. Do not be alarmed if you see us working in your yard, our crew will do their best to politely alert you to their presence.

While onsite, crew members will be entering meter locations into our GPS system as well as performing routine maintenance and care including mowing and trimming as needed.

Note: PUD does not provide water service to the City of Port Townsend.

AMI/SMART METER PROJECT PUT ON HOLD

At the March 6th regular meeting of the Jefferson County PUD Board, Asst. General Manager Kevin Streett recommended that the PUD stop its much-debated meter replacement project. After some discussion, the board agreed and voted to direct staff to put the meter project on hold until the new general manager is in place and can determine the priority level of the project against other projects.

CALENDAR

April 3rd, 5pm

Regular Board Meeting
Jefferson Transit Board Room

April 6th, 11am - 2:00pm

5th Anniversary Open House
PUD 4 Corners Operations Center

April 9th, 2pm

Citizens Advisory Board Mtg
PUD 4 Corners Meeting Room

April 16th, 12pm

5 Years of Public Power at the
JeffCo Chamber of Commerce
Fort Worden Commons

April 17th, 5pm

Regular Board Meeting
Jefferson Transit Board Room

Regular board meetings take place at 5pm on the 1st and 3rd Tuesdays of the month. Agendas & minutes available on our website.

Meet Larry Dunbar, New General Manager



Larry Dunbar's first official day as General Manager was Monday, April 23rd, but he'd already been working on a number of projects before arriving.

He led a first round of interviews for the PUD's Chief Financial Officer on April 6th, before and after the PUD's 5th Anniversary Party. And he met regularly with the PUD Commissioners and key staff members before occupying his office at 310 Four Corners Road.

"I wanted to hit the ground running," said Dunbar. "And hiring the new CFO is critical as Tammy Lehman, our Interim CFO, is moving on in June."

Dunbar comes with experience. He's

worked in the utility business for 37 years, and brings with him lessons learned from multiple organizations.

He began his career as an Energy Advisor for the Snohomish PUD before moving over to Richland where he spent 18 years as Resource Manager. From 2000-2012, he worked for the City of Port Angeles first as Power Resources Manager and finally as Deputy Director of Public Works and Utilities. He then served as Energy Services Director for the City of Ellensburg.

His broad background is part of what won him the job. Dunbar has managed nearly every kind of utility service: water, sewer, electric, telecom, even waste management.

What will he tackle first at the PUD? Dunbar says he's meeting with commissioners and staff to determine what projects take priority.

"The overall goal is always to incrementally provide safer, more reliable and affordable utility services," said Dunbar.

"After that, whatever we do, in whichever order we do it, needs to pencil out financially and the process needs to be transparent. This is a public utility, and I have no desire to spring any surprises on anyone. I want to keep our customers informed and engaged."

Dunbar is very happy to be back on the Olympic Peninsula. "The quality of life here can't be beat. I really like small towns. I really don't like long lines and traffic jams. I love camping and boating. All of my kids graduated from Sequim High School. There's a bit of a feeling of coming home."

Though his schedule is pretty full for the foreseeable future, Dunbar looks forward to meeting more customers. He noted that while he might not be able to answer calls immediately, he will call back anyone who leaves a message. And he is happy to schedule appointments to

"When you flip the light switch and it doesn't come on for whatever reason, that's when you think of the PUD. Now I want you to think of the PUD when it's on."

-Larry Dunbar in the PDN

meet with anyone who has questions or concerns they'd like to share. "Or even if they just want to meet and say hello."

Dunbar also looks forward to connecting with local community service organizations after he gets a little better settled in.

Larry Dunbar can be reached by phone at (360)385-8340, or email him: ldunbar@jeffpud.org.

WATER RATE INCREASE BEGINS THIS MONTH

On April 17th, the PUD Board of Commissioners approved rate changes for consumption under 5000 gallons per month. all PUD water customers.

The new rates are effective for all bills rendered on or after May 1, 2018.

Residential water customers will see an increase of \$4.15 to their monthly base listing of base charges per meter size (from

Residential	Previous	New	Commercial	Previous	New
Base	\$21.50	\$25.65	Base (1"meter)	\$54.00	\$61.40
Consumption 0-5000 Gal.	\$0.26	\$0.29	Consumption 0-5000 Gal.	\$0.35	\$0.40
Consumption 5001-10,000	\$0.36	\$0.40	Consumption 0-5000 Gal.	\$0.36	\$0.40
Consumption 10,000+	\$0.49	0.54	Consumption 10,000+	\$0.36	\$0.40

3/4" to 8").

Sewer rates have not changed at this time, though staff is still exploring adjustments and plan to present them to the board in May or June.

CALENDAR

May 1st, 5pm

Regular Board Meeting
Jefferson Transit Board Room

May 14th, 2pm

Citizen's Advisory Board
PUD 4 Corners Meeting Room

May 15th, 5pm

Regular Board Meeting
Jefferson Transit Board Room

June 5th, 5pm

Regular Board Meeting
Jefferson Transit Board Room

Regular board meetings take place at 5pm on the 1st and 3rd Tuesdays of the month. Agendas & minutes are available on our website.

IN MEMORIAM: BOB PHILLIPS, SPECIAL PROJECTS COORDINATOR

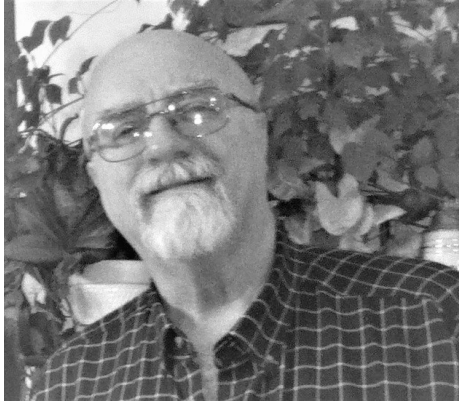
Jefferson County Public Utility District #1 lost one of its longest serving employees in April.

Robert Phillips, Special Projects Coordinator, was returning to the PUD's Four Corners Operations Center after checking on projects around the county when his PUD issued utility truck drifted from Highway 20 and struck a tree. Phillips died at the scene.

Phillips, or Bob as he was known to friends and coworkers, began working for the PUD in 2005. He performed a wide variety of duties: starting with customer service and purchasing and moving on to managing tree trimming, easements, right of ways, as well as supporting permitting and construction.

"Bob wore so many hats," said Asst. General Manager Kevin Streett. "I worked with Bob from the very beginning of my time here at the PUD and he will be sorely missed. He was instrumental to the transition of adding the electrical utility."

"Bob lived a very full life," said



Casey Finedell, GIS Specialist. "He had great stories. He'd even been the mayor of a small town in Colorado. It's going to take some time for all of us to process his loss."

Human Resources Manager Debbie Lund stated that this is the first time the PUD has lost an employee on the job. "Bob was very well liked, and his loss has affected our employees deeply. We're doing our best to work through. Our sympathies go to his family."

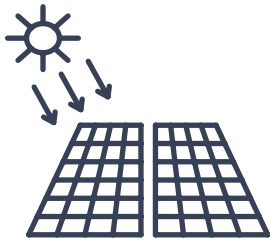
SUBSTATION DEDICATED TO DANA ROBERTS

The Board of Commissioners unanimously voted to rename the Kearney Substation after former commissioner Dana Roberts. Roberts was an early booster of public power and served on the PUD board from 2002 until his death in 2009. A former utilities regulator in New York State,

Roberts was instrumental to helping the PUD in its early negotiations to acquire the electrical grid from PSE. He was also gregarious and well-liked by his fellow commissioners, constituents, and associates. An official dedication ceremony will be held on site at the substation later this summer.

PUD EXPLORES COMMUNITY SOLAR PROJECT

The PUD is looking into putting up a 100kW ground mounted community solar array next to the Dana Roberts Substation later this summer. The project is estimated to generate over 2.8 million kWh over its lifetime. Dana was a big



advocate of solar and public power. If you are interested in learning more about community solar or want to take part in this potential project, go to our website to read more. And take the community solar survey. We'd like to hear from you.

NEW CONSTRUCTION CONDUIT MANDATE

At their April 2nd regular meeting, the Board of Commissioners authorized the PUD to mandate the installation of an additional conduit, not less than 1 1/2" in diameter, for communications purposes in all new electrical service construction projects.

According to PUD Senior Engineer Jimmy Scarborough, the conduit can be used for a number of different services:

phone, internet, cable, etc.

Why the mandate? "People get so focused on the basics- power, water, sewer or septic- that they forget to plan for communications when building," said Scarborough.

"The cost of putting in conduit is fairly insignificant, trenching up the yard later on is expensive. We want customers to plan for infrastructure up front."

PUD Commissioners Column The Next 5 Years of Public Power

Jeff Randall, District 1

Over the next 5 years I would like our PUD to make the necessary investments to assure our electrical, water, sewer, and broadband infrastructure is available and reliable for our customers. I would like our PUD to continue to focus on financial sustainability (more clean audits and balanced budgets) and avoid taking on new debt while keeping our electric rates close to PSE's. I would like us to develop a community solar program, with at least the first project completed adjacent to the Dana Roberts Substation and more to follow on our county's public school properties.



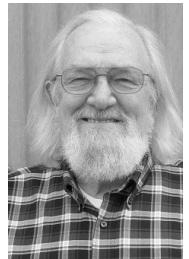
Ken Collins, District 2

I would like to see JPUD accomplish the following three goals over the next five years: 1) expand the fiber optic cable network to reach rural areas where current broadband service is poor to nonexistent; 2) prepare JPUD for future demands on the system, such as increased load due to more electric vehicles and the need for greater systemic resiliency; 3) explore options to incentivize customers to switch from heating their homes with carbon-emitting fuels like wood, oil or propane, to clean, efficient electric power.



Wayne King, District 3

We need to get more proactive and be less reactive during the next five years. We still have a long way to go to educate the public on all the services and benefits this PUD provides. I'd like to see a lot more people sign up for Smart Hub, our paperless billing system. But to allow the customer to get the full advantage of that product, we also need new meters. My other priority is getting all the PUD staff onto one site, at our Four Corners location, and into a usable office that is efficient instead of employees chasing each other across the county to talk to each other in the multiple offices we have now.



email: commissioners@jeffpud.org



TREES, SQUIRRELS & OTHER THINGS THAT MADE THE POWER GO OUT FREQUENTLY IN 2017

There are a lot of things that can cause the power to go out and stay out.

Some things cause relatively short outages, affecting only a few customers at a time. Some cause long outages affecting lots of customers. Some reoccur frequently, some occur rarely.

In the last few months, we've had two semi-trucks knock down power poles in Jefferson County. Both caused long outages for hundreds of homes. But in our 2017 year end outage report, trucks and automobiles hitting power poles

only accounted for 1% of outages, and barely showed up as a factor in total time of power out.

What caused the most outages, and kept power out longest?

If you guessed wind and rain you're close but not quite on the mark. Wind and weather alone were also at 1% in 2017.

Trees, however, come in as the culprit for both 40% of the number of all outages in 2017, and approximately 40% of all the hours the power was out.

Outage-causing trees usually receive help from wind and rain, but trees can grow into power lines all on their own. The PUD contracts to keep as many trees cleared away from power lines as we can, but with 373 miles of overhead lines, it is hard to keep them all clear. Let us know if trees on your property are touching power lines, or might pose a future concern. See our website for more information on trees & trimming.

Don't call us, however, if you see a random squirrel, though squirrels are nearly tied with trees and represent 37% of the total number of hours out, despite

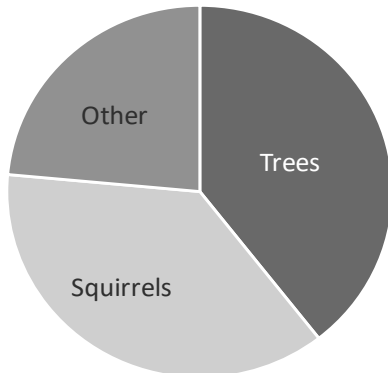
accounting for only 13% of the number of outages that occurred. When squirrels (and birds, mice, etc we put them all in one category) knock the power out, it stays out. That's because they often get into transformers, substations, and other control gear that affects the largest number of customers at once.

Planned repair and maintenance led to the third greatest number of outages (12%) in 2017, though only accounted for 3% of the total number of hours out. Equipment failure, or unplanned maintenance, occurred less frequently, but led to longer outages, 13% of total.

Squirrels, trees and outages might not be going away anytime soon, but the PUD continues to improve its grid to lessen their impacts on our customers.



CAUSES OF LENGTHY OUTAGES



NOXIOUS WEEDS REMOVED FROM TRANSMISSION CORRIDOR

From late March to Mid-May, the PUD teamed up with the Noxious Weed Board and the Washington Conservation Corps to remove invasive species like scotch broom and poison hemlock along the PUD's 12-mile-long power line transmission corridor.

Joost Besijn, WSU Noxious Weed Board Director, managed the project with PUD Asst. General Manager Kevin Streett (pictured right).

"It was perfect timing," said Besijn. "Another year and the

project would have been 2-3 times more difficult and expensive. This was the last year for us to manually pull the invasive scotch broom, and get to it before it was able to lay down seeds."

Besijn noted that native plants like snowberries, salal, native roses and sword ferns already exist in the corridor and will be helped by the removal of competing invasives. Under ideal conditions, low growing shrubby native plants like



these can provide a healthy low maintenance understory for the transmission corridor as they grow in, reducing future weed pressure and regular maintenance costs. A win-win for the PUD.

CALENDAR

June 5th, 5pm
Regular Board Meeting
Jefferson Transit Board Room

June 11, 2pm
Citizen's Advisory Board
PUD 4 Corners Meeting Room

June 19th, 5pm
Regular Board Meeting
Jefferson Transit Board Room

July 3rd, 5pm
Regular Board Meeting
Jefferson Transit Board Room

Regular board meetings take place at 5pm on the 1st and 3rd Tuesdays of the month. Agendas & minutes available on our website.

WAYNE KING TO RETIRE AT END OF 2018 TERM

On Friday May 18, after much deliberation, longtime District 3 Commissioner Wayne King announced he would not be running again.

King plans to finish out his third and final term, remaining on the board of the PUD through December. He was first elected to the PUD in 2000.

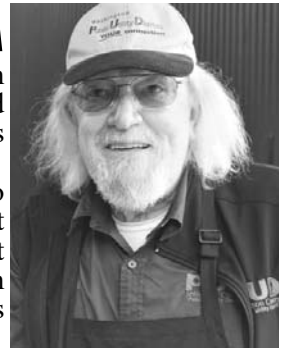
During his nearly eighteen years with the PUD, King was an instrumental part of much expansion and change.

The PUD added multiple new water systems, additional aquifers, dozens of employees, broadband, and electric service while King was commissioner.

King stated that he never

expected to be in office for such a long time, but is very proud of all the work the PUD and its staff have accomplished.

Two candidates have filed to fill King's nonpartisan District 3 seat: Dan Toepper of Port Ludlow and Tom Brotherton of Quilcene. Election day is November 6.



SUMMER GARDEN WATER CONSERVATION TIPS & KITS

Despite our soggy reputation nationally, Western Washington is pretty dry in the summertime. Only a handful of inches of rain fall between June and September, which leaves a lot of local lawns and gardens thirsty.

Some plants need up to an inch or more of water a week all summer long; adding up when you're paying for water. The PUD has some advice for those looking to keep their gardens green without draining their



pocket book or our local aquifers.

For those with more established gardens or a number of perennial plants, consider investing in drip tape and automatic timers. Drip tape delivers water directly to the base of the plant and no where else, and timers allow you to water at night or in the twilight hours when there's less evaporation and you're still in bed.

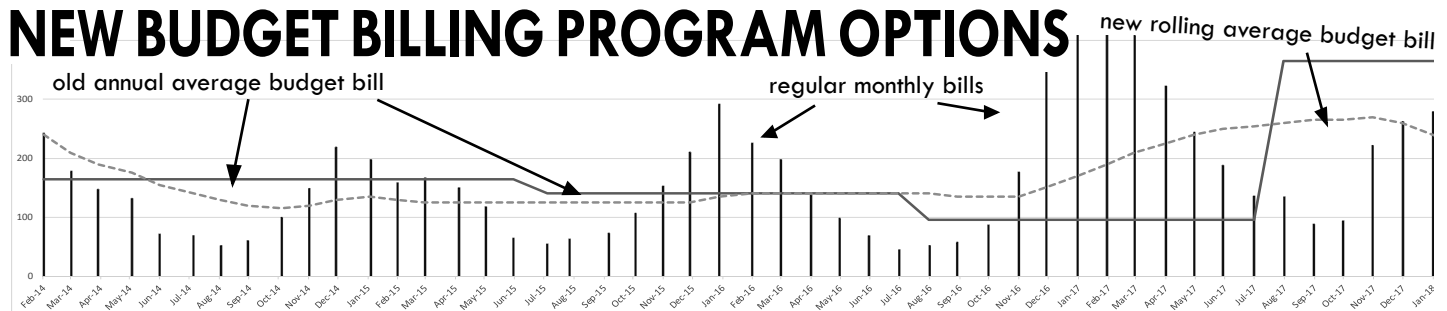
If you're on a tighter budget, drop the hose, remove the sprinkler, and grab the old watering can. A good

watering will give individual plants a deep drink without much waste, and it will keep you fit in the process.

With either method, consider using a soil probe to test adequate moisture. Prevent water waste by keeping your hoses and spigots in good working order by repairing any leaks or holes. Pipe thread tape and hose washers and splice kits will do the trick.

Need more help? Come pick up a **free garden water conservation kit** at Customer Service starting **June 15th**.

NEW BUDGET BILLING PROGRAM OPTIONS



Depending on the season, the amount due on your utility bill can vary widely.

The PUD's Budget Billing program provides customers with more predictability. That's because Budget Billing allows you to pay the average bill calculated over twelve months.

Instead of a residential customer seeing potential swings from \$92 in the summer to \$212 in the winter, a Budget Billing customer might pay \$144 per month all year long. Consider signing up for auto-pay for an even more

convenient bill-paying option.

At the end of every twelve month cycle the Budget Bill is re-averaged to account for any changes in annual consumption and rates. Re-averaging typically takes place in July and the updated average shows up on the bill you receive in August.

For customers whose bills grew considerably during a twelve month cycle, or who carry a large balance, the annual re-averaging can lead to a large change between their July & Aug. bills.

To help these customers, the PUD is introducing a new rolling average option for Budget Billing users. The rolling average is calculated from the twelve months preceding each month's bill. Each bill will be slightly different, but the changes will be small and provide the least surprises. See chart above.

Any customer can sign up for either budget billing program at any time by contacting customer service at (360) 385-5800 or by coming into our office Monday - Friday, 9am to 5pm.



Tom Brooke
Water Department

PUD HIRES 2 NEW METER READERS

Chimacum resident Tom Brooke was hired as a water meter reader in March. Brooke brings 13 years of experience in utilities maintenance and repair, and worked at Ron Hemley Septic Installations before joining the PUD.

Brooke has lived in Jefferson County on and off since he was a child, but full-time since 2012. He is married and has three children at Chimacum Middle School. He likes to tinker with old cars and tractors in his off hours. He also raises pigs.

Matt Rivera comes to Jefferson County most recently from Corpus Christi, Texas, where he worked as an apprentice lineman at Nueces Electric Cooperative. Rivera graduated from Quilcene High School and jumped at the chance to come back to the northwest when the meter reader position opened at the PUD.

"It was my dream to work at the Jefferson PUD. I just love this area," said Rivera, who is married with two young children. One will start at Chimacum in the fall.



Matt Rivera
Electric Department

PUD CUSTOMER CONDUIT

Public Power, Local Services, Community Connections

Jefferson County PUD's Monthly Newsletter. July 2018

Bonneville Dam on the Columbia River



JEFFERSON COUNTY PUD PROVIDES 98 % CARBON-FREE ELECTRICITY!

One of the many benefits Jefferson County residents have received from owning their electric grid is the ability to purchase low-cost, nearly carbon-free electricity from the Bonneville Power Administration.

Over 87% of our power is generated by the simple and clean action of northwest river waters flowing from source to sea and pushing through a turbine on the way. Small amounts of power come from wind and solar, and another nearly 9% of our

electricity is generated from a state of the art nuclear power plant run by Energy Northwest near Richland, WA. Nuclear energy has its risks and critics, but nuclear power produces almost no carbon emissions.

And that means that if you use Jefferson County PUD electricity to heat your home, heat your water, and power your various appliances, you are using among the cleanest energy sources available to do it.

their carbon footprint, our advice is exactly opposite: use more electricity! For everything.

Take out your oil or propane furnace or heater and put in electric,

*Want to decrease carbon emissions?
Consider electrifying everything.*

install an induction range for cooking, use an electric lawnmower

Electrical Utility Generation Mix	Non - Carbon	Fossil Fuel
Jefferson PUD	98%	2%
WA State Average	73%	27%
US Average	37%	63%

Here at the PUD we have a number of programs to help our customers upgrade existing appliances to more efficient models or make home improvements that will save them electricity. But for customers who want to reduce

and weedeater, and for the most impact, consider fueling up your vehicle with 98% carbon-free PUD electricity by driving an electric car. More models, new and used, are available than ever before.

Jefferson County PUD provides some of the cleanest power in the nation. Help us spread the word.

PORT HADLOCK OFFICE PROPERTY TO BE SOLD



WATER TESTING STATION MOVES TO ENVIRO HEALTH

The PUD's former main office at 230 at 615 Sheridan in Port Townsend. The Chimacum Rd has been approved for onsite drop box for bill pay will remain surplus (the first step in putting the building up for sale) by the PUD Commissioners. is sold. Customer service left the building in March. Remaining staff will relocate to moved to Jeff Co. Environmental Health other PUD offices in the coming months.

PUD WATER SYSTEM CUSTOMERS: CONSUMER CONFIDENCE REPORTS & WATER USE EFFICIENCY REPORTS ARE AVAILABLE FOR ALL SYSTEMS ON OUR WEBSITE: JEFFPUD.ORG

CALENDAR

July 9, 2pm
Citizen's Advisory Board
PUD 4 Corners Meeting Room

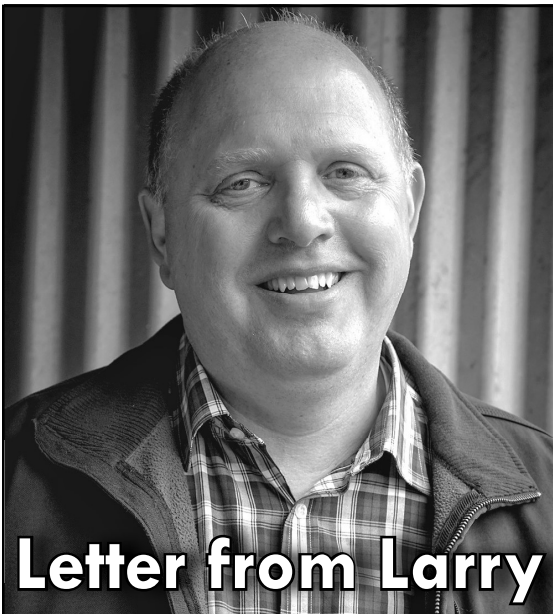
July 17th, 5pm
Regular Board Meeting
Jefferson Transit Board Room

July 31 and Aug 1
PUD offices open at 10am

August 7th, 5pm
Regular Board Meeting
Jefferson Transit Board Room

August 10, 11 & 12
PUD at Jefferson Co. Fair

Regular board meetings take place at 5pm on the 1st and 3rd Tuesdays of the month. Agendas & minutes available on our website.



Letter from Larry

Larry Dunbar, PUD General Manager

I've really enjoyed getting to know our staff and customers better over the course of my first two months on the job. There has been much to do and time has gone by quickly. I thought I'd let you know about a few of the things I'm working on:

2019 Budget and Work Plan

The first draft of next year's annual budget is due to the commissioners in early October. I see the budget as the road map for everything we do. I want to be as strategic as possible about how we use ratepayer funds, and that is why we're working on the budget and workplan now.

Consolidated Facilities

Our 48 staff members are currently spread out across at least four separate locations. This has lead to a number of challenges and I am working to facilitate the expansion of our Four Corners Operations Center to provide enough space to contain all staff in the near future.

Other Projects Considered

I have provided the commissioners a list of other projects we are exploring. Among them are: community solar, broadband planning, enhanced reliability and safety programs, and heightened investment in customer service. The list will likely both grow and shrink before we settle on final projects for the budget.

UPDATE YOUR CONTACT INFO!

CALL (360) 385-5800 IF YOUR PHONE, ADDRESS, OR EMAIL RECENTLY CHANGED. WE NEED TO BE ABLE TO CONTACT YOU IN CASE OF OUTAGE OR EMERGENCY.

SEWER RATES INCREASE IN AUG

On June 19th, the Board of PUD Commissioners approved rate increases to fully recover the cost of operating its sewer and septic systems. Beginning in August 2018, all standard sewer rates are increased from \$28 to \$30.80/mo, excepting Kala Point which will increase

New Sewer Rates	
Standard	\$30.80
Standard Low Income Rate	\$21.56
Kala Point	\$20.00

Kala Point's rates if necessary and appropriate.

The PUD has 360 septic and sewer customers across Jefferson County.

COME SEE US AT THE FAIRS!

- **Hadlock Block Party:** Saturday, Aug 4th, 10am to 5pm
- **Jefferson County Fair:** Friday, Aug 10 through Sunday, Aug 12th
- **All County Picnic:** HJ Carroll Sunday August 19th, 11am to 4pm
- **Quilcene Fair:** Saturday, September 8th, 9am to 4pm

COYLE WATER SYSTEM EMERGENCY REPAIRS

The Commissioners declared a "public works emergency," to immediately undertake engineering design and repairs to return to normal operation the Coyle system's fire hydrants with the goal of avoiding any possible cost \$50,000. Funding is threats to public safety and or available in the 2018 budget.

CREW CUTS AGAINST CANCER



Electrical Meter Reader and even General Manager Larry Marianne Kline began losing her hair in June as a side effect of chemotherapy, and was considering shaving her head.

Her co-workers didn't want her to have to experience losing her hair on her own, and organized a group head shaving day during lunch to support Kline. Janel Grabner from billing used to cut hair professionally and brought the clippers to do the honors. Over a dozen employees, including lineman, engineers, customer service representatives, and even General Manager Larry Dunbar took part. Kline was touched by the effort: "When I first heard that everyone else was going to shave their heads, honestly I was sad, because I didn't want them to have to lose their hair too, because of me. But the fact that they were willing to do it, and cared so much about me to not want me to go through it alone... It's like a family here at the PUD. I am so emotionally grateful and I just want to thank everybody from the bottom of my heart."

PUD CUSTOMER CONDUIT

Public Power, Local Services, Community Connections

Jefferson County PUD's Monthly Newsletter, August 2018



UNDERGROUNDING DOWNTOWN

Though the sidewalks are poured and Water Street repaved, the PUD's work downtown is just ramping up.

From August of 2018 until May of 2019 we are going to be busy pulling wire and connecting both buildings and businesses to new underground electrical service. We'll also be taking down the old overhead service: removing wires, transformers, and eventually the power poles, too.

Though work will be ongoing for many months, interruptions to local businesses, residents, and visitors will be minimal. PUD or contractor vehicles will occupy limited numbers of parking spaces for short times. Work will generally be confined to morning hours and will be completed in 4 phases.

In each phase connections to new underground electrical service will require planned power outages and

will be performed on a customer by customer basis. Each outage is anticipated to last between two and six hours. Plenty of notice will be given. When possible, we will work with specific businesses, building owners, or residents to determine more acceptable hours for service interruption.

PHASE 1: AUG to SEPT 2018

Involves properties between WA State Ferry Terminal and the building housing Quimper Mercantile and Don's Pharmacy on the south side of Water Street as well as between Subway sandwiches building and the Sanderling Building on the north side of Water Street.

PHASE 2: OCT to NOV 2018

Includes all properties between Sanderling Building and Polk St on the north side of Water Street. Includes some excavation work on Polk Street to extend underground

conduit to new ground mounted transformers behind the buildings.

PHASE 3: OCT to DEC 2018

Involves all properties between Polk and Tyler Streets on the north side of Water. Includes excavation on Tyler Street to connect underground conduit to new ground mounted transformers behind buildings. Also, the boring of a conduit tunnel under Washington Street to bring power from overhead to underground on Tyler.

PHASE 4: JAN to MAY 2019

Involves all properties between Tyler and Taylor on both sides of Water Street.

Additional trenching and conduit work will also take place on Jefferson, Washington, and Quincy Streets between Aug 2018 and May 2019 in coordination with the City of PT's sidewalk extensions.

LATE FEES TO BEGIN IN OCTOBER

After many months of study and due date. A three business days' grace deliberation, as well as input from interim period will be given before the late fee CFO Tammy Lehman, the Citizens is assessed. Fees will only be assessed to accounts owing \$50.01 or more.

Residential
\$5
Commercial
1% or \$5

COMMERCIAL

For commercial accounts, the late fee is 1% of the total amount due or \$5, whichever is greater. Three business days' grace period applies to

RESIDENTIAL

A \$5 late fee will be added to any electric, water, sewer or combination commercial accounts as well, as does the residential account not paid by the bill's \$50.01 fee threshold.

CALENDAR

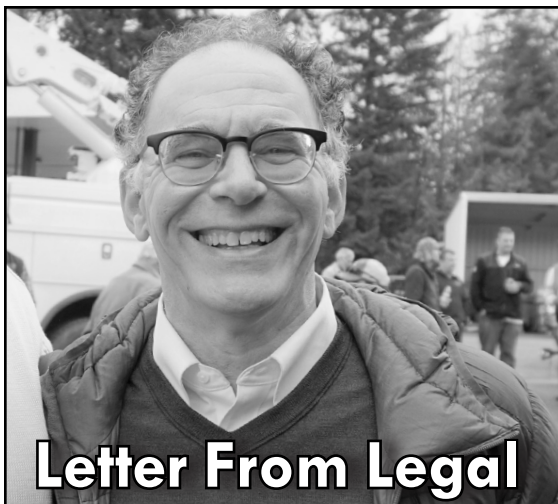
August 7 & 21, 5pm
Regular Board Meeting
Jefferson Transit Board Room

August 13, 2pm
Citizen's Advisory Board
PUD 4 Corners Meeting Room

August 20, 1pm
Special Meeting: Budget
Jefferson Transit Board Room

September 4, 5pm
Regular Board Meeting
Jefferson Transit Board Room

Regular board meetings take place at 5pm on the 1st and 3rd Tuesdays of the month. Agendas & minutes available on our website.



Letter From Legal

Joel Paisner, JPUD General Counsel

What Makes PUDs Special? Public Utility Districts ("PUDs") have a long history in Washington state. Publicly owned, locally elected, PUDs have proven their ability to provide reliable, affordable, and clean electricity. A PUD serves its customers and community, not shareholders.

What Makes Jefferson County Special? Jefferson County is unique in the modern era. In the face of Puget Sound Energy's (PSE) strong opposition, and many challenges (both known and unknown!) Jefferson County chose to purchase and take over PSE's electric facilities, and help bring nearly 40 new family wage jobs to the area. Being a part of that process was a real honor.

Why Do We Need a Good Lawyer? Everybody needs a good lawyer! I began my career working as a Civil Prosecutor for King County. I went on to specialize in representing electric utilities throughout the Pacific Northwest and Alaska and understand the unique challenges utilities face every day.

Opinions on Rural Broadband: Having been involved in the deployment of wireless and fiber optic networks for 20+ years, I've come to appreciate the opportunities broadband brings to rural communities. JPUD is ahead of the many rural areas with its backbone network from both JPUD and NoaNet. It's a privilege to be representing JPUD as it continues to work to expand broadband services to the local community.

JEFFERSON COUNTY PUD COMMISSIONERS

Jeff Randall, District 1: jrandall@jeffpud.org

Ken Collins, District 2: kcollins@jeffpud.org

Wayne King, District 3: wking@jeffpud.org

THE HEAT IS ON: HELP US CONSERVE PUBLIC WATER

It's hot and dry outside and our PUD wells are pumping 24/7 to keep up with customer demand. Help keep our supplies sufficient and systems safe by being smart about water use. Save money too!

WATER YOUR LAWN OR GARDEN ON ALTERNATING DAYS:

- Even numbered addresses water on Tuesdays, Thursdays & Saturdays.
- Odd numbered addresses water on Wednesdays, Fridays & Sundays.

LIMIT WATERING TO EARLY MORNING OR EVENING HOURS.

AVOID: spray intensive car, boat, deck, sidewalk, or driveway washings. Use a commercial facility for vehicles or a bucket wash instead if necessary on site.

FREE OUTDOOR WATER SAVING KITS

PUD water customers are invited to pick up a FREE Outdoor Water Saving Kit at our Customer Service counter, M-F, 9-5pm, 310 Four Corners Rd.

The kit includes: Teflon spigot leak repair tape; 2 hose mending unions; 12 washers for fixing leaky connections; a lawn sprinkler gauge and water ruler for measuring how much water you apply to your lawn (1" is ideal); and a variable setting home & garden spray nozzle.



COME SEE US AT THE FAIRS!

JEFFERSON COUNTY FAIR:

Friday, August 10 through Sunday, Aug 12th

ALL COUNTY PICNIC:

HJ Carroll Sunday August 19th, 11am to 4pm

QUILCENE FAIR:

Saturday, September 8th, 9am to 4pm

LOW INCOME PROGRAM GROWS IN 2018

Jefferson County PUD is with income above 125%. The pleased to report that we have Commissioners have since raised the qualifying level for our low-income program, helping our low-income program to 150% of Federal Poverty, and expects to see even more customers sign up for the credit during the upcoming 2018-2019 winter season.

Prior to May 25th, our low income program provided customers whose income was equal or below 125% of the Federal Poverty Level with a bill credit of \$39.50 per month, or \$20 for qualifying seniors

TO APPLY FOR LOW INCOME ASSISTANCE:
jeffpud.org/assistance
OR CALL (360) 385-5800
INCOME VERIFICATION PROVIDED BY OLYCAP

PUD CUSTOMER CONDUIT

Public Power, Local Services, Community Connections

Jefferson County PUD's Monthly Newsletter. September 2018

GO PAPERLESS!

Sign up by September 30th
and enter to win an Echo Spot



Jefferson County PUD's online bill paying application, Smart Hub, allows customers more control over their utility account. View and compare usage data, report outages instantly, or pay your bill anytime with the tap of a finger, either on your home computer or smartphone via downloadable mobile app.

To date, nearly 40% of PUD customers have tried Smart Hub. Only 16% have made the extra effort to go paperless. Going paperless saves trees, prevents waste, and reduces costs for the PUD.

We think the combination of more info, more control, and less waste that online paperless billing provides is worth rewarding.

Any customer who signs up for paperless billing during the months of August and September is eligible to win an Echo Spot.

To be eligible, sign up for Smart Hub (easy to do via our website, all that is required is an email and your PUD account number which can be found on your monthly bill) and then turn "Printed Bill Status" to off.

If you are already signed up for Smart Hub but haven't yet turned off the printed bill status, you too can be eligible to win by making the move to go paperless before September 30. On Oct. 1st, we'll compile a list of all the eligible paperless billing sign-ups from August and September and make



What is an Echo Spot?

The Echo Spot is a small smart home speaker with a touch screen display. It looks like a Magic 8-ball! Use it to play music, control your smart home devices, as a home video intercom, or to call your friends and family. Control it with your voice using Amazon's Alexa virtual assistant. Come by our customer service office to see one on display.

a random selection from that list. The name will be read at our Oct. 1 Board of Commissioners meeting. The winner will be announced on our Facebook page and contacted directly the next day.

SCOTT BANCROFT: NEW SPECIAL PROJECTS COORDINATOR

The Special Projects Coordinator has a unique and varied role: serving as a liaison to a variety of construction contractors; coordinating city county and state permitting for a variety of projects; and leading tree trimming and vegetation management.

It takes a special individual to do the job. Bob Phillips certainly was. He held the position for the last five years until passing away in April. And now we've found another in Scott Bancroft of Quilcene.

Scott comes to the PUD after nearly 27 years at the Port Townsend Paper Mill where he'd worked as an electrician,



machinist and a planner.

During his long tenure at the mill, Scott served in both the Gulf War and Operation Iraqi Freedom. He also took night classes to receive an AA, then a BA in Organizational Leadership.

Scott is a third generation Quilcene High School graduate. His wife Shari was a Quilcene grad as well and their daughter attends the elementary school there now.

An avid hiker, Scott has traversed nearly every trail in Olympic National Park. He lists Boulder Shelter up the Big Quil and just past Marmot Pass as one of his favorite destinations.

CALENDAR

September 4 & 18, 5pm
Regular Board Meeting
Jefferson Transit Board Room

September 10, 2pm
Citizen's Advisory Board
PUD 4 Corners Meeting Room

September 18, 5pm
Facilities Project Presentation
Jefferson Transit Board Room

October 1, 5pm
Public Hearing: 2019 Budget
Jefferson Transit Board Room

October 1 & 16, 5pm
Regular Board Meeting
Jefferson Transit Board Room

Regular board meetings take place at 5pm on the 1st and 3rd Tuesdays of the month. Agendas & minutes available on our website.



Customer Service Q&A

Jean Hall (second from left) first began working for the PUD in 2014 as a temp in accounting. She was hired nine months later as a Customer Service Representative (CSR). She became Customer Service Coordinator in 2017 and this past July was promoted to Customer Service Manager.

What is the hardest part of the job?

So much to learn. CSR's have to learn the ins and outs of the electric, water, and sewer utility businesses, which is a lot. PUDs are also governed by a very strict set of laws and policies. And the software we use is very complex, and it's changed twice since we took over electric, luckily for the better. Change has been constant at the PUD, which has been challenging as well, but worth it. We've made solid improvements.

What is the most common complaint you get from customers? My bill is too high! People can be upset when they get a utility bill that is much higher than they expect. Often times it's due to changes in the weather, or extended visits from friends or relatives. If you double the population of your house for a while it will show up on your bill. Adding a second fridge or freezer will too. Failing electric furnaces can drive up bills. Filling up pools in the summer often leads to surprises on water bills after.

How do you deal with challenging customers? Well most of our customers are great, very easy to work with. But we do get people who are upset or confused and the first thing we do is listen. We also deal with customers in financial stress who can't afford the essential services we provide. We try to connect them to social services and community support groups when applicable. When customers don't respond to our outreach attempts and then get upset when their service changes it's tricky. We need customers to keep in touch too.

What's the best part of your job?

Our Customer Service team is like a family. It's a fun group of people to be a part of, and we all have each other's backs.

LATE FEES BEGIN IN OCTOBER

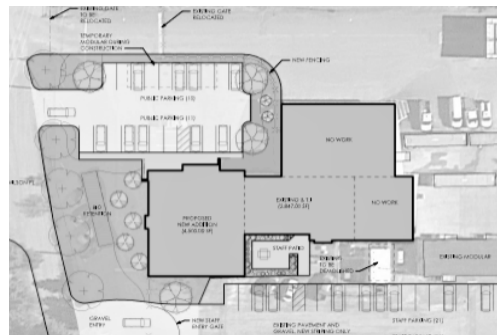
Starting in October, a \$5 late fee will be added to any electric, water, sewer or combination residential account not paid by the bill's due date. A three business days' grace period will be given before the late fee is assessed, and fees will only be assessed to accounts owing \$50.01 or more.

For commercial accounts, the late fee is the greater of 1% of the amount due or \$5. Three business days' grace period applies to commercial accounts as well, as does the \$50.01 fee threshold.

FACILITY CONSOLIDATION PLAN

At the September 18th meeting of the Board of Commissioners, General Manager Larry Dunbar will present the PUD's proposed \$4 million facility consolidation construction plan for 2019.

The plan calls for the remodel and expansion of the 310 Four Corners Road operations and customer service center to be able to house all PUD employees, who are currently spread between multiple buildings across the county. Construction is proposed to begin in spring of 2019, and



finish in 2020.

TCF Architects designed the project. They also designed the Jefferson Transit Center.

View plans for the proposed facility consolidation project on our website: jeffpud.org

BUDGET HEARING OCTOBER 1

A public hearing will be held on Monday, Oct 1st during a regular meeting of the Board of Commissioners to discuss the PUD's proposed 2019 Budget. The ~\$38 million dollar budget assumes no proposed rate or staffing increases for the 2019 fiscal year.

The budget outlines a number of special projects like the facility consolidation, community solar project, expanded tree trimming, safety & training, and extensive strategic planning.

View the 2019 Draft Budget Presentation on our website: jeffpud.org

TOILET TRAINING: SAVE WATER & MONEY

According to EPA Watersense, the toilet is responsible for the highest water usage in the home, about 27% of total. Older toilets are major water users: 3.5 to 7 gallons per flush. Consider replacing with new low-flow models using <2 gal. per flush.

Leaky toilets can use up to 200 gal per day or 6,000 gallons per month. This is easily preventable

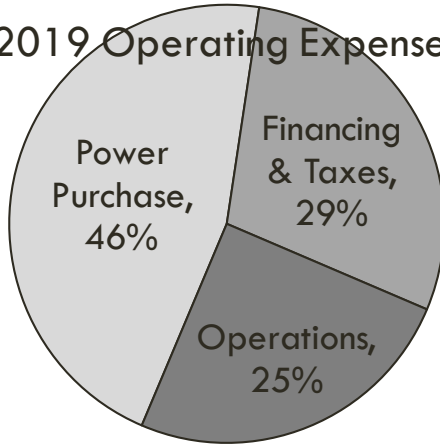
with a little maintenance. The usual culprit is the toilet flapper valve: a rubbery disk that opens when you flush and seals the basin afterwards. Over time, the material either degrades or collects deposits that weaken the seal. Get a new one every 4 or so years. Simply replace the flapper with another of like model and shape and you are done.



JEFFERSON COUNTY PUD COMMISSIONERS
Jeff Randall, District 1: jrandall@jeffpud.org
Ken Collins, District 2: kcollins@jeffpud.org
Wayne King, District 3: wking@jeffpud.org

PROPOSED 2019 BUDGET

2019 Operating Expenses



The PUD's proposed 2019 budget estimates \$39.1 million in operating revenue and \$38.6 million in operating expenses, with the single largest expense for the PUD coming from the purchase of electricity from the Bonneville Power Administration, accounting for 46% of the total budget. Taxes, debt financing and depreciation account for 29% of the budget, with staffing and operations taking the smallest share at 25%.

According to PUD General Manager Larry Dunbar, 2019's operations budget is largely status quo from 2018, with increases in both revenues and expenses roughly equal to standard cost of living adjustments, about 3.5%.

Dunbar, however, sought to bring a new approach to the allocation of the PUD's cash reserves and capital expenditures with the 2019 budget.

no rate increases more reliability & safety consolidated facilities

Beginning the process not long after his arrival at Jefferson PUD, Dunbar, in consultation with commissioners and staff, identified about a dozen of what he called "strategic objectives," that formed the basis for 2019 spending discussions.

Dunbar designated nearly half of the PUD's \$17.7 million in cash reserves between these objectives, retaining another \$8.75 million to cover 90 days of operating expenses, as legally required, and \$1.1 million as an undesignated cushion.

\$9.5 million dollars is to be split between projects, studies, equipment, and maintenance: \$4M for facility remodeling and additions, \$750K for tree trimming, \$500K for a planned community solar project, \$305K for comprehensive planning projects, \$135K for expanded safety and training investments, and another \$600K for vehicles and equipment.

About the largest designated capital expenditure, the proposed \$4 million facility consolidation and expansion project, Dunbar said: "It was clear to me coming in, and even clearer after just a few months on the job, that the PUD has to do something about its facilities. We are in a situation right now

where we don't have enough space for our employees to work, and the spaces we do have are either spread out across the county or substandard or both. It affects both are ability to retain and recruit staff."

"The board and I are planning to consolidate all of our staff onto our Four Corners property through a combination of remodel and new construction. Our plan is to fund the project out of cash reserves.

Dunbar will present the proposed budget to the PUD board on October 1st in public hearing. The board can either request changes or pass the budget at a subsequent regular meeting.

More information on the 2019 budget is available on our website.

"My guiding principles were to deliver a revenue positive budget and maintain our key financial ratios without any rate increases,"
Larry Dunbar, GM

2019 Proposed Capital Expenditures

Consolidated Facilities	\$4 M
Expanded Tree Trimming	\$750K
Community Solar Project	\$500K
Comprehensive Planning	\$305K
Safety and Training	\$135K
Downtown Broadband Pilot	\$50K

CALENDAR

October 1, 5pm

Public Hearing: 2019 Budget
Jefferson Transit Board Room

October 8th, 2pm

Citizen's Advisory Board
PUD 4 Corners Meeting Room

October 16, 5pm

Regular Board Meeting
Jefferson Transit Board Room

November 6, 5pm

Regular Board Meeting
Jefferson Transit Board Room

Regular board meetings take place at 5pm on the 1st and 3rd Tuesdays of the month. Agendas & minutes available on our website.

PUD AWARDED BROADBAND PLANNING GRANT

On September 20th, the Washington State Department of Commerce's Community Economic Revitalization Board (CERB) Rural Broadband Program awarded Jefferson County PUD \$50,000 to conduct a county-wide strategic plan for the expansion of broadband infrastructure.

According to PUD General Manager Larry Dunbar, planning

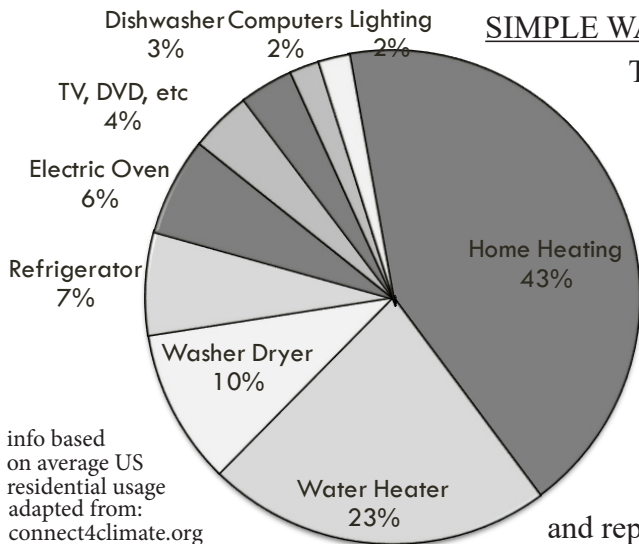
will take place in the first half of 2019. Dunbar expects the PUD will involve members of other local government agencies, business groups, community organizations, and citizens to inform the process.

The PUD's first priority in the strategic planning process, according to Dunbar, is to map out an expansion of its current fiber infrastructure to

connect all of its existing assets.

"As we plot those maps, we'll be able to see where our fiber can be leveraged to connect existing clusters of businesses or residents. Or we'll see how we might be able to route a potential fiber installation differently to connect to a cluster. And then we'll explore funding options for making those connections."

WHAT USES THE MOST ENERGY IN YOUR HOME?



SIMPLE WAYS TO SAVE ENERGY

Turn the thermostat down: 68F day, 55F night

Lower your water heater temperature to 120F

Wash clothes in cold water, clean the lint trap

Run the dishwasher only when full

Use a toaster oven for smaller baked dishes

Take shorter showers

Turn the darn lights off and replace old bulbs with LEDs

Home Heating	\$600 per year
Water Heater	\$317 per year
Washer/Dryer	\$143 per year
Refrigerator	\$95 per year
Electric Oven	\$90 per year
TV/DVD, etc	\$57 per year
Dishwasher	\$49 per year
Lighting	\$28 per year
Computers	\$28 per year

SAVE ENERGY AND MONEY WITH CONSERVATION REBATES

The coming months of cold weather will mean higher power bills for most customers. Higher bills not just from heating your home more, but from more time *at home*: more time spent inside cooking, cleaning, working, or relaxing. There are many simple things you can do to save energy and reduce your bills, but bigger impacts often require some investment. Luckily the PUD is here to help with our conservation rebate program. We help you invest in home or business improvement projects that will reduce energy consumption and improve quality of life. We have a variety of rebate options available for residential, commercial, government, and low income customers.

Smart Home Thermostats, LED Lighting, Insulation, Windows, Energy Star Washers and Dryers, Heat Pumps, Duct Sealing, & Heat Pump Hot Water Heaters

visit jeffpud.org/rebates for more info or call (360) 385-8375 to get started

STORM SEASON IS COMING, BE READY

Make Your Own Outage Kit

Flashlights w/ batteries
Hand Crank or Battery Radio
Extra Blankets, warm clothes
Store 3 days of water and dried or instant foods
Backup batteries charged for cell or smart phones
A supply of freezer packs, frozen
Fully stocked first aid kit

Fall and winter (and early spring) is storm season in the Pacific Northwest, and storm season means power outages. The PUD does everything it can to reduce outages and keep the power on, but every few years a storm will come through and take out power to some part of Jefferson county for a day or more. Visit the Storm and Emergency Preparedness tab on our website or go to takewinterbystorm.org.

Stay Safe When The Power's Out

Do not run generators in the house
Do not use camping cookstoves or grills in the house
Unplug sensitive electronics
Turn off all lights and appliances, including home furnaces
Open your refrigerator and freezer as infrequently as possible
Treat intersections as 4 way stops
Stay away from downed wires

PUD Track outages on our website 24/7 at jeffpud.org/outage-map. Call (360) 385-5800 anytime to report an outage. Do not use social media to report outages.

Customer Conduit Editor: Will O'Donnell

Public Utility District No.1 of Jefferson County is an Equal Opportunity Provider and Employer



HELPING MORE CUSTOMERS IN NEED

In June of 2018, Customer Service Manager Jean Hall came to General Manager Larry Dunbar with a problem.

The PUD had budgeted \$200K to fund its low-income and senior bill credit program, which provides qualifying customers either \$39.50 or \$20 reductions on their monthly bills respectively. But due to greatly increased participation, the fund would be out of money by October unless the PUD made a change.

Dunbar and Hall brought the issue to the PUD's Board of Commissioners who, in September, voted to increase the program's budget from \$200K to \$350K. In 2019 Dunbar has asked the board to increase the budget further still, to \$400K.

Hall credits the PUD's Citizen Advisory Board (CAB) for the participation jump. CAB studied the PUD's low-income support

programs throughout 2017. "They determined we needed to increase our outreach and promotional efforts and to expand the eligibility, both of which we've since done."

Hall invites customers who think they might qualify for the program or who need other assistance to contact customer service ASAP. "We have the bill credit program and we offer things like budget billing to help spread out the cost of the utilities over the whole year and keep people from being surprised by jumps in bills. We also have winter shutoff protection and protections for customers with special medical needs. We do everything we can to help. When we can't do more, often times our partners can."

Olympic Community Action Programs (OlyCAP) provides

Assistance Program (LIHEAP), helping with winter heating costs, which is expected to be available beginning sometime in November.

The PUD partners with both OlyCAP and St. Vincent de Paul on an additional program. Formerly known as "Power Boost," the PUD's

"We're asking customers to help their neighbors who need it most: people who have to choose between eating and heating their home."

-Will O'Donnell,
Communications Manager

newly re-named Rainy Day Fund provides one-time grants of up to \$500 in emergency assistance to eligible low-income

residents who have received shut off notices and are in immediate danger of losing utility services.

Unlike the bill credit, which is funded through electric base rates, PUD customers have the option to support the Rainy Day Fund by checking boxes on their bills to either round up to the nearest dollar each month or make a one time or recurring donation of any amount. Some customers give \$5 per month and some give \$250 once a year, said Hall.

"This isn't for people who are just having a hard month or are repeatedly delinquent," explained

Continued on back...

CUSTOMER SERVICE
OFFICE HOURS 9AM - 4:30 PM
STARTING DECEMBER 3

Final 2018 Board of Commissioner Meetings
November 20th and Dec 11th. 5pm
Jefferson Transit Board Room, 63 Four Corners Rd
CAB Meets 11/19 and 12/10 at 2pm

Address: 310 Four Corners Rd. Port Townsend WA 98368

(360) 385-5800 jeffpud.org

Larry Dunbar, General Manager

LOW INCOME CONT... the program. In the video Hall. "This is for people who are on the verge of homelessness or face severe health risks if they lose their water or power, or both."

Why the name change? According to Communications Manager Will O'Donnell "local artist Michael McCurdy made a really lovely stop motion animated video to promote

a mother and child walk through the rain to a neighbor's house to receive some shelter and some tea. The idea is that we all have rainy days, and it's the kindness of others that helps us get through," said O'Donnell.

"We're asking our customers to help their neighbors who need it most: people who have to choose

between eating and heating their home. Last year we raised about \$30,000. There is need for at least double that amount, and I would love to be able to help get us there."

O'Donnell is using imagery from McCurdy's animation to promote all of the PUD's low-income support programs across Jefferson County.

For information or assistance call 360 385-5800 or go to jeffpud.org.

CITIZEN ADVISORY BOARD MEMBERS WANTED

The Citizen Advisory Board (CAB) is a 9 member committee that reviews upcoming PUD policy and program changes, makes recommendations to the PUD's Board of Commissioners, and voices concerns to staff. The CAB meets on the 2nd Monday of each month at 2pm.

The CAB has studied and made recommendations on low-income programs, late fees, metering, solar power, rate adjustments, and more.

The CAB currently has openings in all three representative districts (same as county commissioners). Residents interested in serving on the CAB are

invited to submit letters of interest addressed to "Commissioners" and delivered to the Four Corners office no later than 5pm on Dec. 3rd, 2018.

Please include contact info & relevant experience along with reasons for applying in the letter. This is a non-paid position.



PAPERLESS BILLING PRIZE AWARDED NEW DRAWING SET FOR JANUARY

Nearly 300 customers signed up for paperless billing in August and September, and from that pool, Port Townsend resident Kay Harper (pictured, left, w/ GM Larry Dunbar) was randomly selected to win an Echo Spot. Dunbar was so happy with the number of sign-ups that he has authorized a new drawing

to be held after January 1st. Any customer who has signed up for paperless billing between Aug. 1 and Dec. 31 2018 is eligible to win (except Kay). Paperless billing allows customers to control their account online 24/7 providing more options and preventing waste. Sign up today. See jeffpud.org for more info.

MAPMAKING IN THE SCHOOLS

As the PUD's GIS Specialist, Casey Finedell (pictured, right) makes maps for a living. GIS stands for geographic information system, and Finedell uses computer-based GIS software programs to track and map PUD assets like power lines, poles, transformers, water pipes, meters, septic tanks, and more.

Finedell has volunteered at Blue Heron Middle School in Jennifer Manning's (pictured, right) 7th and 8th grade STEAM (science, technology, engineering, arts, and math) classes to share his love of geography, cartography, and technology. "The kids get the technology part of maps fast," said Finedell, "and I enjoyed sharing the history of mapmaking as well."



PULL OVER FOR PUD VEHICLES

Linemen and other utility workers are now protected by Washington State's "Move Over Law," giving them the same safety protections as law enforcement, firefighters, and emergency responders. Linemen and crews often work along roadways. Motorists who don't pay attention can add an extra layer of danger to this work. When you see the flashing emergency lights on a truck, flaggers, or a bright orange sign saying "Utility Work Ahead," move over or slow down. Failure to do so can lead to fines, jail, and/or loss of license.

PLEASE DON'T POST ON OUR POLES

It's a misdemeanor in Washington state law to attach to utility poles signs, posters, or any similar object which presents a hazard to, or endangers the lives of, electrical workers. Attachment to utility poles can only be made with the expressed permission of the utility involved.

Line crews wear protective clothing and gloves to prevent electric shocks. Protruding nails or pins from postings can tear this protective equipment and tiny punctures in a worker's gloves or equipment can expose them to electric shock, causing serious injury or death.



November brought three widespread outages to Jefferson County, though only one was due to extreme weather...

The largest outages were eerily similar in cause and scale. The first took place on Friday, November 2nd, affected over 16,000 customers and lasted four hours. The second, on the Wednesday before Thanksgiving, lasted two hours and affected over 13,000. The PUD has over 19,000 electrical customers in total.

Both outages began around 10am and both were caused by trees falling onto transmission lines. Trees falling onto power lines are the most common cause of outages in Jefferson County, but most outages involve *distribution* lines, which lead to homes and businesses.

Transmission lines bring power to substations and deliver it at a higher voltage, which is stepped down by transformers before sending via distribution lines to end users.

Both outages in November occurred when tall skinny fir trees fell onto transmission lines between the Bonneville Power

Administration's (BPA) substation at dams on the Columbia) and secondary substations in Port Townsend.

On each occasion the tree on the line caused a fault, interrupting the flow of electricity and tripping a breaker back in the BPA substation. When the breaker tripped, it cut the power supply to the PUD's substations feeding the county's most populated areas including Port Townsend, the Tri-Area, and Port Ludlow.

In the first widespread outage, power could not be restored until the tree was located and removed. In the second instance the PUD was able to use switching to isolate the section of line affected by the tree and was able to restore power to the Chimacum and Port Ludlow substations before the tree was fully removed.

those adjoining distribution lines.

The trees that caused the November outages would not have been affected by PUD's normal trimming schedules. They were tall and spindly, and crews suspect that freshly loosened soils and weak root structure led to their fall as much as the wind. Graham suspected the trees may have suffered from root rot.

PUD General Manager Larry Dunbar has asked staff to re-inspect the transmission corridor for more potential tree problems as soon as possible. Preventing large scale outages like the two that occurred in November is a top priority, said Dunbar.

Preventing outages like those that occurred during the 50mph+ gusts on Monday Nov. 26th will be more difficult. Power poles and distribution lines were knocked down in multiple locations across the county, trees fell and limbs littered roadways. A semi was entangled in BPA powerlines on Hwy 104.

Outages were reported from Gardiner to Coyle, and lights flickered across the system, but no more than 1,600 customers lost power at one time, though some for almost 15 hours when two poles came down on Center Road, which our crew worked through the night to replace and repair after attending to outages throughout the day.

Stay informed when the power's out: use your mobile phone to follow us on twitter or Facebook. Not a fan of social media? You can find outage updates on the homepage of jeffpud.org, which is optimized for mobile viewing.

Administration's (BPA) substation in Discovery Bay (where power is received from the lines originating through have wider clearances than

Despite occurring twice in November, large scale transmission outages are rare. According to Resource Manager Bill Graham, the last one occurred in December of

2015. They are rare because the corridors transmission lines run through have wider clearances than

CUSTOMER SERVICE HOURS NOW 9AM TO 4:30 PM
310 Four Corners Rd. Port Townsend WA 98368 (360) 385-5800

PUD 2019 BUDGET PASSES: NO RATE INCREASES

The Board of Commissioners voted unanimously to approve the PUD's 2019 budget at their regular meeting on Tuesday, November 20th, .

During his presentation, General Manager Larry Dunbar highlighted changes made to the budget at the request of commissioners in previous meetings. Dunbar introduced the budget's "principles," which included expanded planning and training, and heightened focus on service, safety and reliability.

Dunbar stated that the budget was designed to be revenue positive, maintaining key final ratios without raising core service rates. The final budget projected \$39.7 million in operating revenue, and \$37.7 million in expenses. Residential electricity sales are the PUD's single largest source of revenue, while the purchase of electricity from the Bonneville power administration is the PUD's largest operating expense, accounting for 46% of the expense budget. Taxes, loans and finances make up 30 % of expenses. Operations, maintenance and administration account for 24%. The PUD estimated a total of \$19 million in cash reserves available at the start of 2019, of which \$12 million is a 90-day operating reserve. During 2019 \$7 million will go to capital improvements, with \$3.2 million for the PUD's facility expansion and remodel, \$3.2 million for various electrical plant equipment and vehicle purchases, \$500,000 for water projects, including \$310,000 for an initial phase of a new water reservoir in Quilcene. The PUD's 2019 ending cash balance is projected at \$16.8 million.

A presentation of the approved 2019 budget can be found on the PUD's website: jeffpud.org.

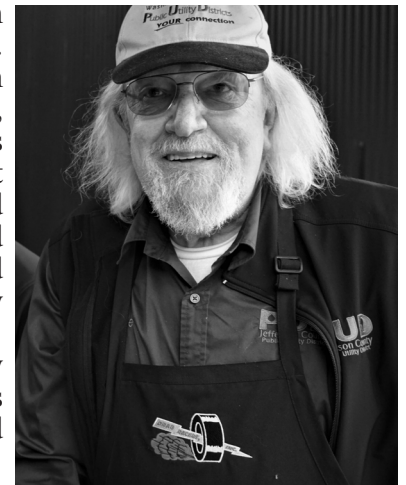
WAYNE KING HONORED FOR 18 YEARS OF SERVICE

Three-term District 3 Commissioner Wayne King will be honored with a resolution acknowledging his service and leadership at his final meeting as a commissioner on Dec. 11th.

As stated in the resolution, King demonstrated exemplary leadership during the negotiation of the acquisition of Puget Sound Energy's electric assets in Jefferson County. King was also instrumental in authorizing the construction of the Beckett Point septic system that drastically reduced septic pollution to Discovery Bay. He was also involved in the protection of the upper watershed of Chimacum Creek through the PUD's acquisition of Peterson Lake.

The King family were integral in forming the Gardiner water system, one of the first in the PUD. King was born in Jefferson County, but spent many years in California building and racing Top Fuel Dragsters. He owns and operates King Hydraulic Marine and Machine and lives with his wife Peggy in Gardiner.

King will be followed on the board by Dan Toepper of Port Ludlow, who was elected District 3 Commissioner and begins his term in January.



PUD RECEIVES CLEAN FINANCIAL AUDITS FOR 2017

Assistant Audit Manager for the State of Washington Amy Strzalka presented her preliminary report to the board and PUD staff at a November 26th special meeting. The PUD received clean audit findings for both its 2017 accountability and financial statement reports.

According to the preliminary report "District operations complied with applicable state laws, regulations, and its own policies, and provided adequate controls over the safeguarding of public resources." A final report will be available on the auditor's website in the coming weeks.

Strzalka described the 2017 audit as "the easiest one yet." She estimated the PUD would save over \$10,000 on the cost of its audit.

"The fact that the district had made such big improvements in the controls and the financial statement preparation process saved a ton of time, and saved a lot of money this year," said Strzalka.

The commissioners thanked Strzalka and complimented staff at the close of the meeting.

HAPPY HOLIDAYS FROM ALL OF US AT THE PUD!

All Jefferson County PUD offices will be closed Tuesday December 25th and Tuesday January 1st for Christmas and New Year's Day.

Best wishes from all of us to you and your families. We hope you have the happiest of holidays. We are proud to be publicly owned, and are grateful for the opportunity to serve you safe, reliable, and affordable utility services.



ROUND UP FOR RAINY DAY

Please consider checking the box on your bill to round up for our Rainy Day fund. If you can, please consider giving an additional one time donation this holiday. You can include the donation in your bill. This is the time of year many struggle the most. Help keep your neighbors warm and dry this holiday season.

The PUD partners with OlyCAP and the Society of St. Vincent de Paul to distribute funding.