

**Special Meeting Agenda**  
**PUD Board of Commissioners**  
Tues, Apr 26, 2022 10:00 AM  
Zoom  
Port Townsend, WA 98368



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

Page

**1. Call to Order**

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

**2. Agenda Review**

**3. Presentation: Jackson Thornton Audit Review**

3 - 12

[April 2022 JPUD Meeting Charts\\_JT.pdf](#) 

**4. Other Business:**

**4.1. Quilcene Water Tank Bid Award**

13 - 15

[Agenda Report for Quilcene Water Tank Construction Bid Award Final.pdf](#) 

[Resolution 2022-0XX Quilcene Water Tank Bid Award Final.pdf](#) 

**Recommended Action:** Approve Resolution 2022-XXX awarding a contract and authorizing the General Manager to execute all necessary contracts for the Quilcene Water Tank project.

**4.2. Commissioner Life Insurance Levels**

16 - 18

[AGENDA REPORT - BOC Life Insurance.pdf](#) 

[2022 Resolution for Board of Commissioner Insurance Policies 4.26.2022.pdf](#) 

**Recommended Action:** Approve Resolution 2022-XXX regarding

*PUD sponsored life insurance policies.*

**5. Adjourn**



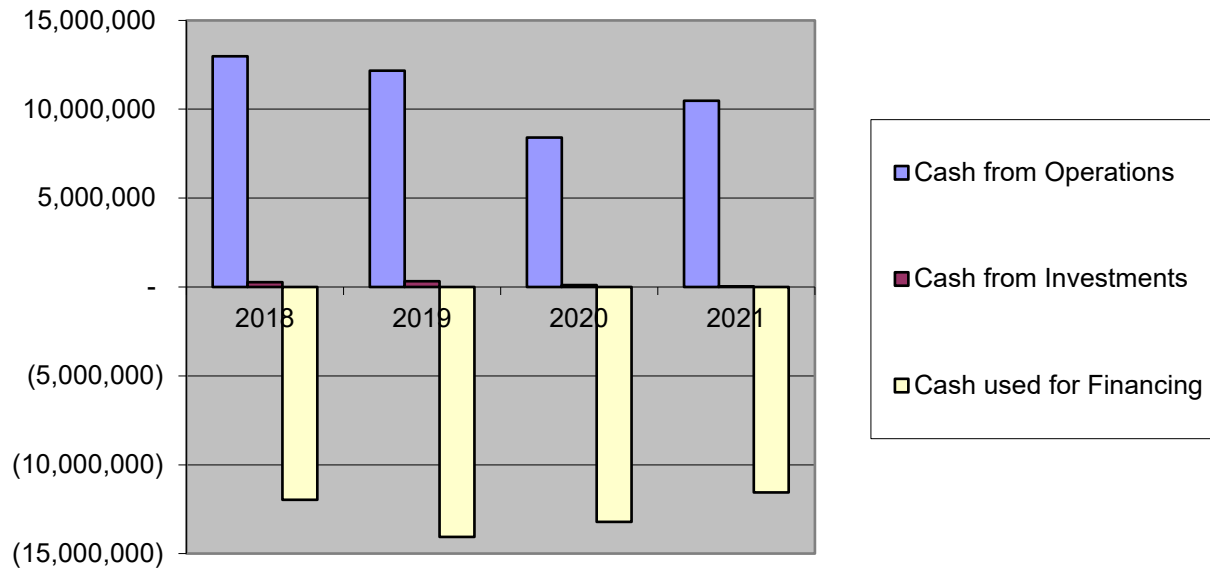
Certified Public Accountants  
& Consultants

# Public Utility District No. 1 Jefferson County, WA

Graph Data  
2018-2021

# PUD No. 1 Jefferson County, WA

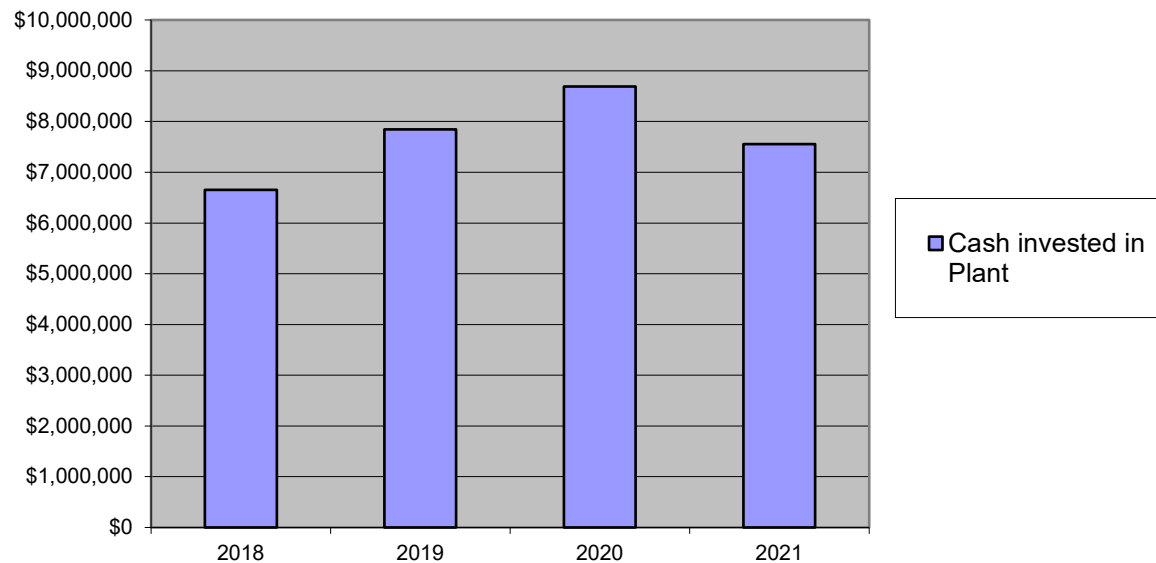
## Sources & Uses of Cash



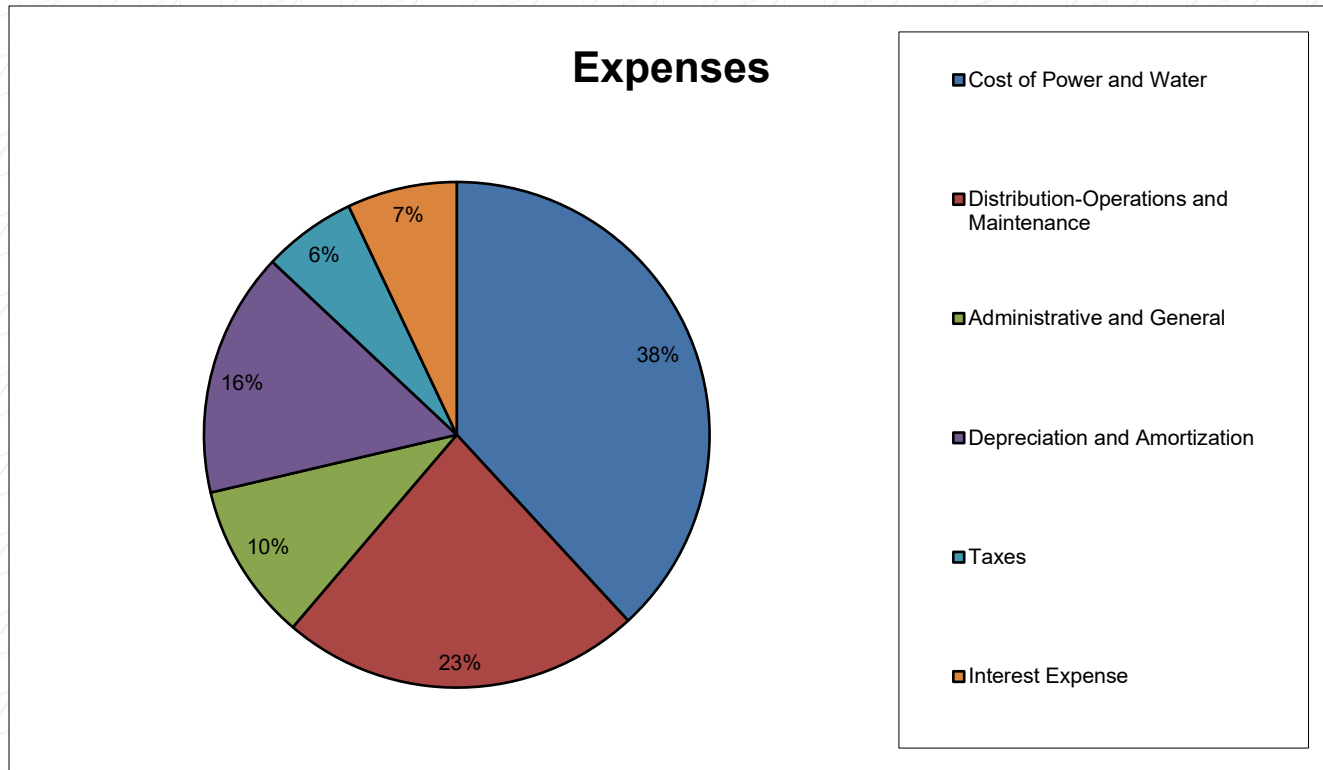


# PUD No. 1 Jefferson County, WA

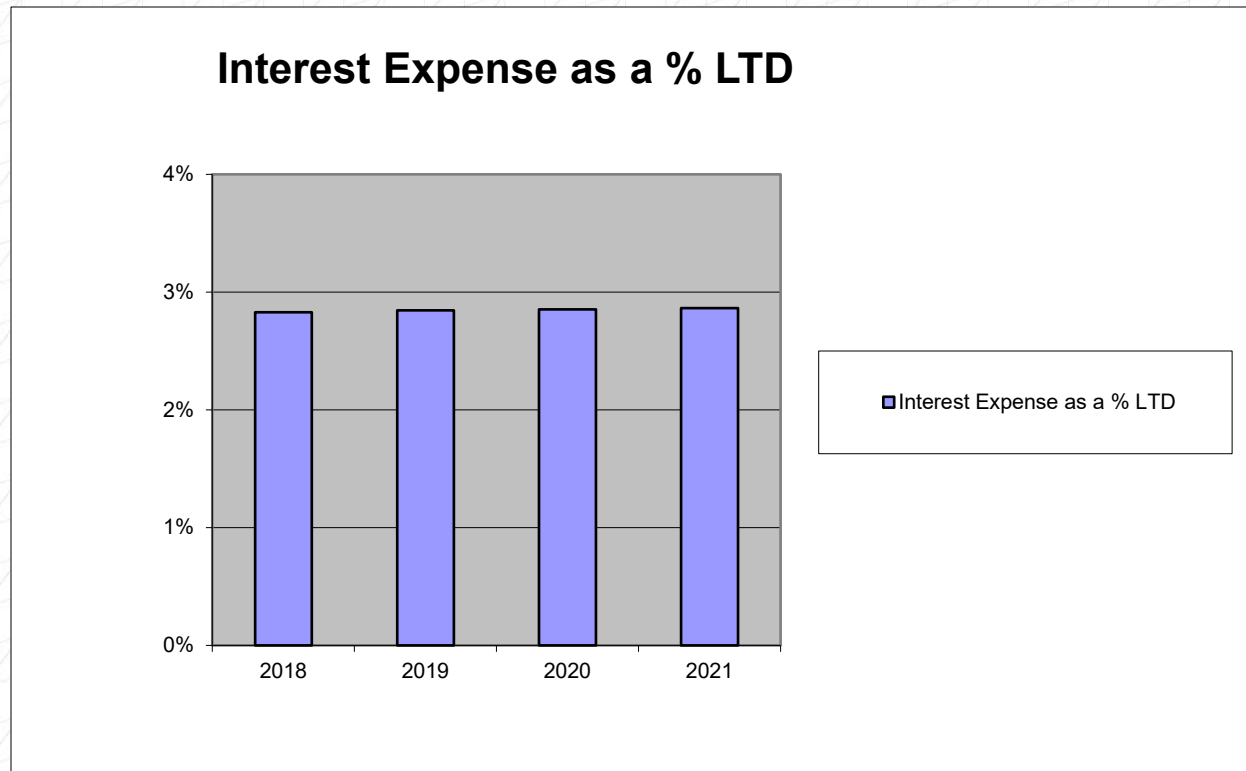
## Cash used for Plant Acquisitions



# PUD No. 1 Jefferson County, WA

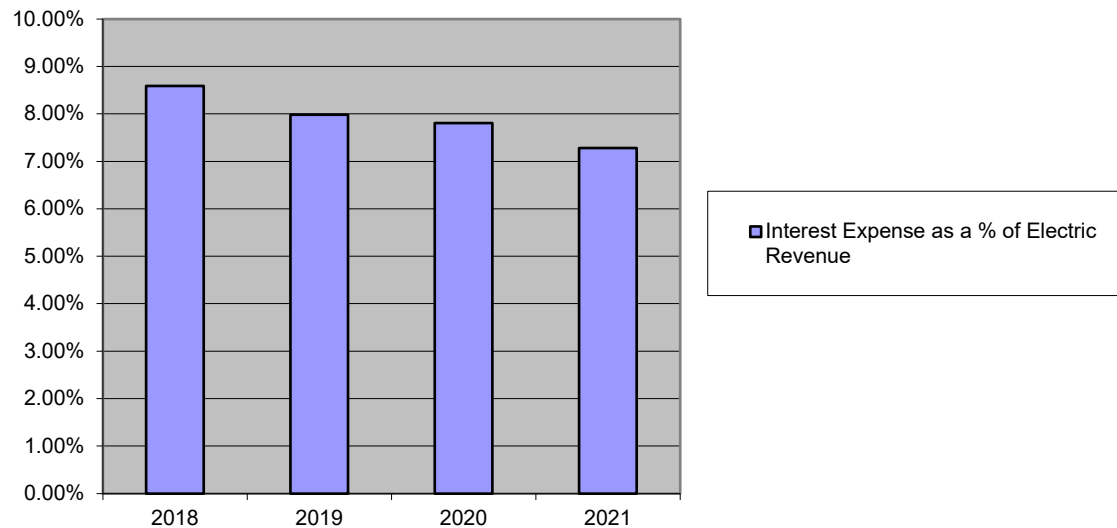


# PUD No. 1 Jefferson County, WA



# PUD No. 1 Jefferson County, WA

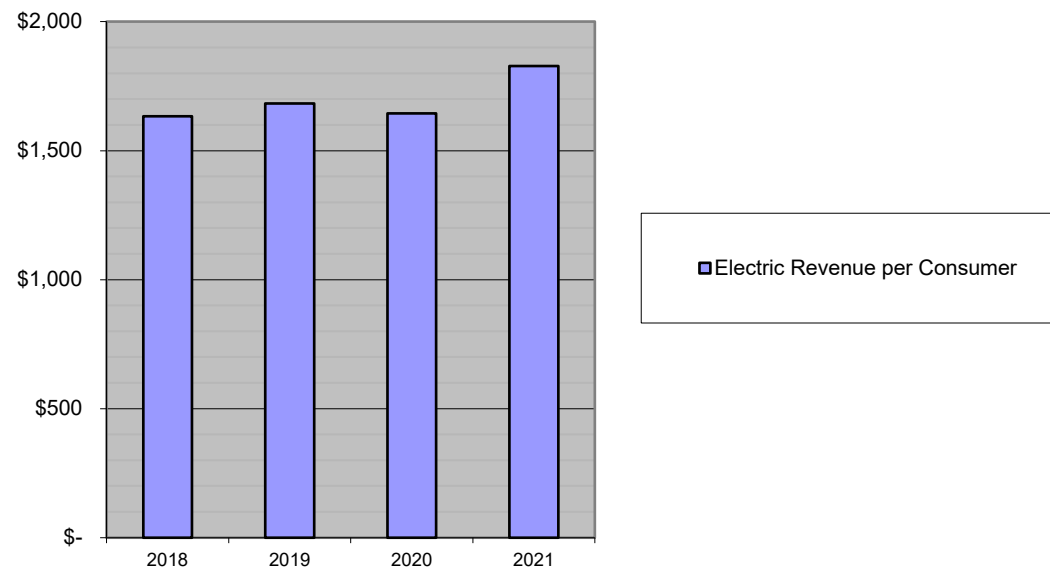
## Interest Expense as a % of Electric Revenue





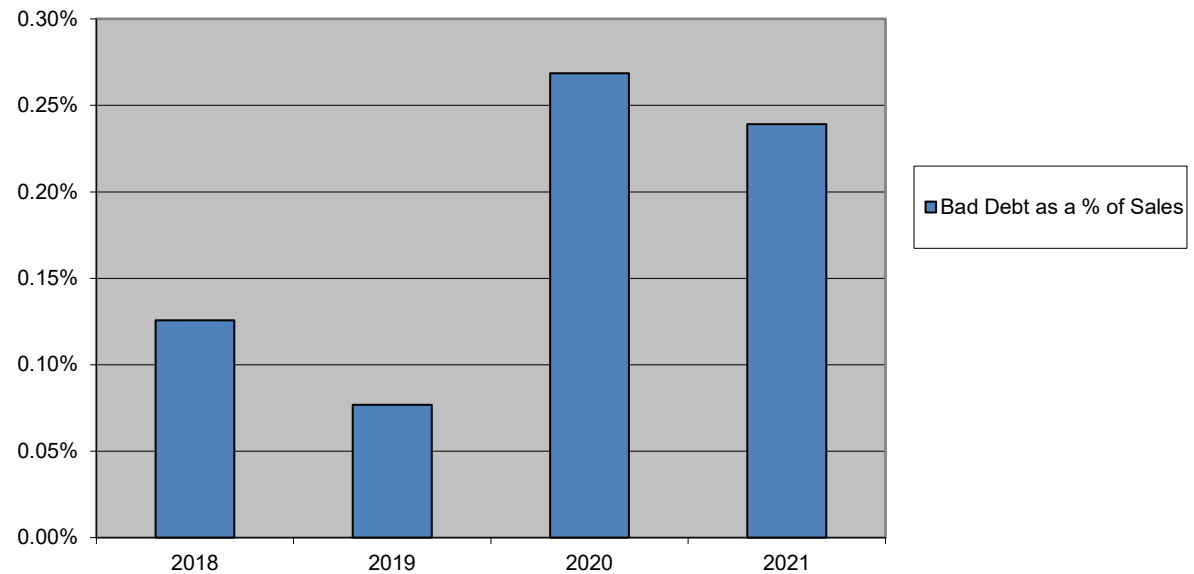
# PUD No. 1 Jefferson County, WA

**Electric Revenue per Consumer**

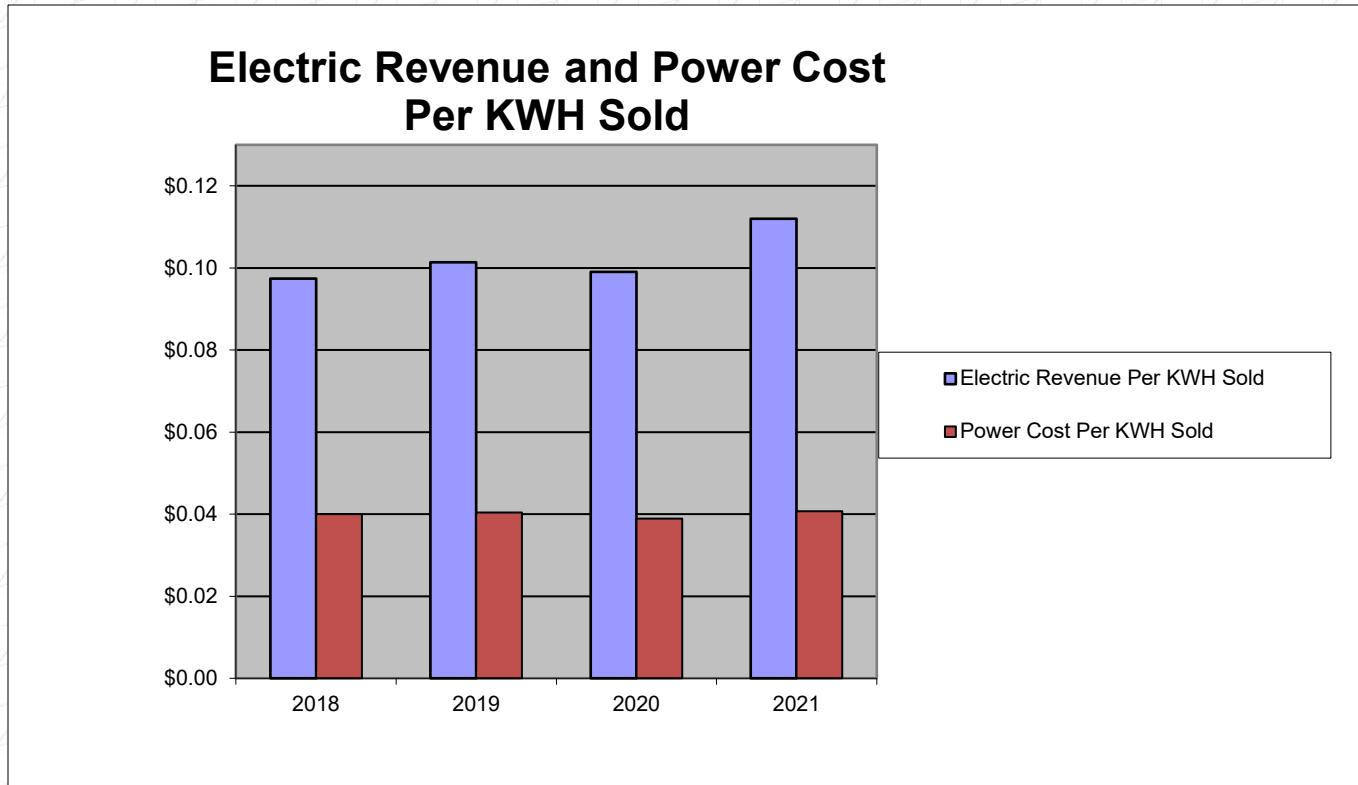


# PUD No. 1 Jefferson County, WA

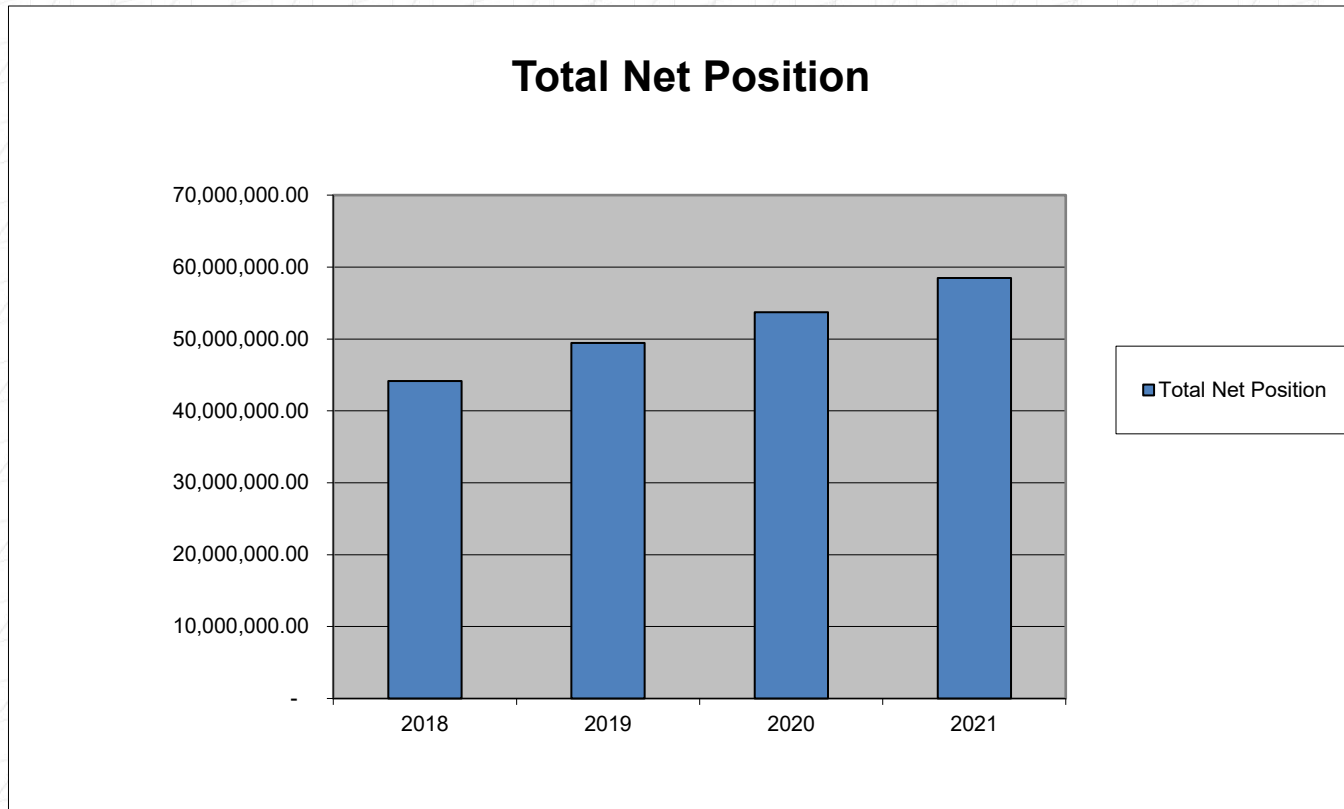
## Bad Debt to Sales



# PUD No. 1 Jefferson County, WA



# PUD No. 1 Jefferson County, WA





## **AGENDA REPORT**

**DATE:** April 26, 2022  
**TO:** Board of Commissioners  
**FROM:** Samantha Harper, P.E.  
**RE:** Quilcene Water Tank Construction Bid Award

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**BACKGROUND:** The PUD received two grants from Jefferson County Public Infrastructure Fund (PIF) in both 2012 and 2019 for the design of the Quilcene Water Tank. Through a professional services selection process, the design was completed by BHC Consultants, Seattle, WA. The design was completed in 2021. In addition, the PIF grant money was fully expensed and reimbursed to the PUD, by the PIF grant deadline of December 2021.

In 2022, the Public Works Board authorized the PUD to advertise for the construction of the Quilcene Water Tank project. The construction bids were publicly opened on April 14, 2022. The PUD received two bids. The bid results are below.

Rognlin's Inc., Aberdeen, WA	\$2,050,140 (excl. sales tax)
JMG Constructors, LLC, Poulsbo, WA	\$2,075,670.00 (excl. sales tax)

### **ANALYSIS/FINDINGS:**

After the review of the required documentation, staff recommends awarding the contract to the lowest bidder Rognlin's Inc., from Aberdeen, WA.

### **FUNDING**

The construction phase project estimate and funding are provided in the table below. The construction phase estimate includes both contracted amounts (the contract amounts are in process of execution for both the contractor and engineering consultant).

Construction – contract amount	\$ 2,050,140.00
Sales Tax 9.1% - contract amount	\$ 186,562.74
10% Contingency	\$ 205,014.00
DOH Project Report final review - estimate	\$ 5,000.00
Construction Engineering - BHC Amend. No. 3	\$ 100,300.00
Material Testing - estimate	\$ 25,000.00
Misc. (Printing, advertisements, etc.)	\$ 5,000.00



Construction Subtotal	\$	2,577,016.74
PWB Loan	\$	2,019,427.00
Construction Difference	\$	557,589.74

#### SCHEDULE

The Construction contract is for 250 calendar days (approx. 8.5 months) and the PUD will discuss start days and schedule with the Contractor.

#### NEXT STEPS

The next steps include the award and execution of the construction contract, the solicitation for special material inspection companies, Notice to Proceed for the construction contract. Prior to sending the Notice to Proceed, the PUD will provide the required documentation to the Public Works Board for their approval.

**FISCAL IMPACT:** The Quilcene Water Tank project is funded by a loan through the Public Works Board. The loan includes a 20-year term with an interest rate of 0.94%. The Quilcene Water Tank project is within the PUD water Capital Improvement Plan (CIP) and the project being funded through a loan was included in the cost of service study completed in 2021. The difference in construction cost to the PWB loan contract amount was reported the cost overrun to the Public Work Board through a quarterly report. In addition, staff will track the contingency amount closely throughout construction. The plan to cover the difference will be to request a change to increase the loan amount from the Public Works Board. If the PWB can only cover a portion or none, the PUD will use either our line of credit or reserve account.

**RECOMMENDATION:** Approval of Resolution 2022-0XX authorizing the General Manager to award and execute all construction contracts for the Quilcene Water Tank project.

Attachment: Resolution 2022-0XX

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

**RESOLUTION NO. 2022-0\_\_**

A RESOLUTION of the Board of Commissioners of the Public Utility District No. 1 of Jefferson County, Washington (the "PUD"), awarding a contract and authorizing the General Manager to execute all necessary contracts for the Quilcene Water Tank project.

WHEREAS, the PUD received approval from the Public Works Board to advertise for construction bids for the Quilcene Water Tank Project; and

WHEREAS, the PUD opened construction bids on April 14, 2022 and the lowest responsive responsible bidder was Rognlin's Inc, from Aberdeen, WA; and

WHEREAS, Rognlin's Inc. bid amount was \$2,050,140.00, before tax; and

WHEREAS, BHC Consultant engineering construction service amendment totals \$100,300; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of Public Utility District No. 1 of Jefferson County, Washington as follows:

Section 1. The foregoing recitals are hereby incorporated into this Resolution.

Section 2. The contract is hereby awarded to Rognlin's, Inc. and the General Manager is authorized to execute all necessary contracts for the Quilcene Water Tank project.

ADOPTED by the Board of Commissioners of Public Utility District No. 1 of Jefferson County, Washington, at a regular open meeting held this 26th day of April 2022.

\_\_\_\_\_  
Kenneth Collins, President

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

ATTEST:

\_\_\_\_\_  
Dan Toepper, Secretary



## **AGENDA REPORT**

**DATE:** April 26, 2022  
**TO:** Board of Commissioners  
**FROM:** Melanie Des Marais, HR Director  
**RE:** Life Insurance Coverage for Commissioners

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**BACKGROUND:** Effective May 1, 2022, the PUD will provide a life insurance benefit of \$50,000 to all non-represented employees as approved by the Board of Commissioners on April 5, 2022.

**ANALYSIS/FINDINGS:** Per RCW 54.12.080, Public Utility District's that provide group insurance for its employees may provide insurance for its commissioners with the same coverage.

**FISCAL IMPACT:** Effective May 1, 2022, the PUD will pay a monthly premium of \$386 for 18 non-represented employees. If the BOC approves the increase for the three commissioners, the PUD will pay an additional \$241.00 per month. The total cost for 21 participants (employees + commissioners) will be \$627 per month.

For comparison purposes, the PUD currently pays \$24.85 per month (\$298.08 annually) for Commissioners life insurance at a flat rate of \$5,000.

In summary, the premiums for \$50,000 in coverage are:

	# of Participants	Monthly Premium	Annual Premium
Non-Rep. Employees	18	\$386	\$4,632
Commissioners	3	\$241	\$2,892
Total (Non-Rep. + BOC)	21	\$627	\$7,524

**RECOMMENDATION:** We are seeking a discussion and decision from the Commissioners whether they would like to increase the Commissioner life insurance amount to reflect the same coverage level as non-represented employees. If the Board of Commissioners authorizes the life insurance increase, please approve by resolution (attached).

**PUBLIC UTILITY DISTRICT NO. 1  
OF  
JEFFERSON COUNTY  
RESOLUTION NO. 2022-**

A RESOLUTION of the Board of Commissioners of Public Utility District No. 1 of Jefferson County, Washington (“the PUD”), regarding PUD sponsored life insurance policies.

**WHEREAS**, from time-to-time the PUD reviews its employee benefits to ensure its competitive position to attract and retain its employees; and

**WHEREAS**, as part of the employee benefits review, the General Manager has recommended that the PUD provide enhanced life insurance coverage for PUD employees from \$5,000 flat rate to \$50,000 flat rate; and

**WHEREAS**, the Board of Commissioners requested that its insurer, PURMS, provide information regarding changes to life insurance coverage for each elected Commissioner; and

**WHEREAS**, the Board of Commissioners has reviewed the proposal from PURMS, including the proposal to increase the life insurance coverage provided for each elected Commissioner in accordance with the benefit amount for Non-Represented employees; and finds the proposal to be cost-effective and harmonizes coverage for Non-Represented employees and Commissioners of the PUD.

**NOW THEREFORE, BE IT RESOLVED THAT**, the foregoing recitals are incorporated herein as if fully set forth, and the Board of Commissioners having reviewed the proposed life insurance levels contained in Exhibit A, hereby authorizes and approves increasing the flat rate life insurance coverage as provided in the summary attached in Exhibit A, incorporated herein by this reference

**ADOPTED** by the Commission of Public Utility District No. 1 of Jefferson County, Washington, at a Regular open meeting held this 26th day of April, 2022.

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Kenneth Collins, President

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Jeff Randall, Vice President

ATTEST:

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Dan Toepper, Secretary

**EXHIBIT A**  
**PURMS LIFE INSURANCE COVERAGE**

**Proposal to Enhance Commissioner Benefits**

**Life & AD&D Insurance**

**Proposal:**

Increase Life & Accidental Death and Dismemberment coverage from \$5,000 flat rate to \$50,000 flat rate for the Commissioners of Jefferson County PUD #1.

Policy effective date: May 1, 2022

**Standard Insurance Company - Life + AD&D**

<b>Benefit Schedule</b>	Flat \$50,000
<b>Rounding</b>	N/A
<b>Maximum Benefit</b>	N/A
<b>Guarantee Issue</b>	Full Benefit
<b>AD&amp;D</b>	Matches Life Benefit
<b>Age Reduction Schedule</b>	None
<b>Employer Contribution</b>	100%
<b>Minimum Participation</b>	100%