

**Regular Meeting/2023 Budget
Hearing**

October 18, 2022 3:00 PM Regular
Meeting

5:00 PM 2023 Budget Hearing

Port Townsend, WA 98368



To join online go to: <https://zoom.us/my/jeffcopud>. Follow the instructions to login. Meetings will open 10 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

With the adoption by the Washington State Legislature of ESHB 1329, providing for both virtual and in-person meetings to be held, JPUD will be offering both virtual on-line meetings as well as in-person meetings, unless advance notice is provided. In person attendance will be limited to provide sufficient space and masking is encouraged. Online 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. EDC Presentation

5 - 16

[Commissioner Presentation \(1\).pdf](#) 

4. Manager and Staff Reports

For information only, not requiring a vote.

5. Commissioner Reports



6. Public Comment

The public comment period allows members of the public to comment, limited to 3 minutes each, on any items not specifically listed on the Agenda or for items listed on the Consent Agenda. Prior to any public comment, members of the public must first be recognized by the President, or the designated Chair of the meeting, and are not permitted to disrupt, disturb, or otherwise impede the orderly conduct and fair progress of the Commission's meeting. After an initial warning by the President, or the designated Chair of the meeting, individuals who intentionally violate these guidelines through actual disruption of the Commission meeting will be dropped from the meeting. (15 min)

7. Consent Agenda




All matters listed below on the Consent Agenda are considered under one motion and will be enacted by one motion. There will be no separate discussion on those items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

Consent Action







- | | | |
|------|---|---------|
| 7.1. | Prior Minutes
PUD BOC Regular Meeting Minutes 6-7-2022 Draft.pdf  | 17 - 23 |
| 7.2. | Vouchers
BOC Voucher Cert Form TO BE signed by Mike for 10.18.2022--MBailey Signed 10.17.22.pdf 
Voucher Approval Form for the Commissioners to BE signed 10.18.2022.pdf  | 24 - 25 |
| 7.3. | Financial Report
Agenda Report-Written Off Accounts-10-18-2022.docx 
Written Off Accounts Motion 10-18-2022.docx  | 26 - 28 |
| 7.4. | Calendar
PUD Calendar October 18, 2022.docx  | 29 |
| 7.5. | Correspondence Log
Correspondence Log 2022 10 13.pdf  | 30 |
| 7.6. | Resolution adopting Retail Broadband Internet Service Policies
JPUD Internet Services Agreement 20221013.pdf 
JPUD Acceptable Use Policy 20221013 FNL.pdf 
Resolution 2022-XXXX Resolution Adopting Retail Broadband Policies 2022 10 14.docx  | 31 - 43 |

8. Old Business

For the OLD and NEW BUSINESS section discussions: please hold public comment until each presentation is done but before the vote .

- | | | |
|------|---|---------|
| 8.1. | <p>Rescinding Emergency Resolution 2020-006</p> <p>Resolution 2022 xxx --Rescission of Emergency Resolution 2020 01.docx </p> <p>Recommended Action: Authorizing GM to implement necessary policies to allow for the operational needs of the PUD as it returns to pre-emergency operations.</p> | 44 - 45 |
| 8.2. | <p>WSBO/NTIA Grant Resolution</p> <p>Resolution 2022-XXX NTIA WSBO - Quilcene to Gardiner.pdf </p> <p>JPUD WSBO NITA DocuSign 22-96811-004 Jefferso.pdf </p> <p>Resolution 2021-018 NTIA WSB.pdf </p> <p>Authorizing GM to execute the grant agreement and any other agreements necessary.</p> | 46 - 88 |
| 8.3. | <p>ReConnect Application Resolutions</p> <p>Resolution 2022-XXXX Resolution Authorizing ReConnect 2022 10 18.pdf </p> <p>Resolution 2022-XXXX Regarding Net Neutrality of Network 2022 10 14 (2).docx </p> | 89 - 92 |

9. New Business

- | | | |
|------|--|-----------|
| 9.1. | <p>NRECA Broadband Membership Presentation and Request</p> <p>NRECA Broadband Presentation.pptx </p> | 93 - 99 |
| 9.2. | <p>Travel Policy</p> <p>BOC Agenda Report Form--Travel Policy Update.docx </p> <p>PUD Travel Policy Revised Dec 2019--Employee updated 2.28.2020 Approved 3.3.2020--Update 10.6.22.docx </p> <p>PUD Travel Policy Revised March 2020--Commissioner Approved 3.3.2020--Updated 10.6.22.docx </p> | 100 - 111 |
| 9.3. | <p>Non-Represented Positions to add</p> <p>Agenda BOC 10.18.22.pdf </p> <p>Non-rep Salary Table - 10.12.22.pdf </p> | 112 - 116 |

10. Recess to 2023 Budget Hearing

11. Call to Order Budget Hearing

With the adoption by the Washington State Legislature of ESHB 1329, providing for both virtual and in-person meetings to be held, JPUD will be offering both virtual on-line meetings as well as in-person meetings, unless advance notice is provided. In person attendance will be limited to provide sufficient space and masking is encouraged. Online 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.

12. 2023 Budget Presentation

117 - 156

[2023 Budget Presentation for 10.18.2022.pdf](#) 

13. Public Comment

3 minutes per person.

14. 2023 Budget Resolution

[Resolutuion Adopting a Budget for Calendar Year 2023.docx](#) 

157 - 158

15. Adjourn



PUD Commission Presentation

October 18th, 2022

What is an EDC and what does it do?



EDC Team Jefferson is a Associate Development Organization (ADO) designated by the WA State Dept of Commerce tasked to

- **Connect:** with Jefferson Co entities and organizations to represent community and economic interests
- **Support:** businesses with counseling services (BRE and Attraction)
- **Plan:** including regional research, intergovernmental strategy, and business sector development

Exploratory work

New discussions are emerging through our

- Progress made to date
- Strat planning process taking us to an exciting new place
- Funding plan to support transformation

Past thinking has led to harm, we are thinking together differently for future impact (beyond business as usual)

New business development and community development can be planned to address appropriate place-based development and environmental needs



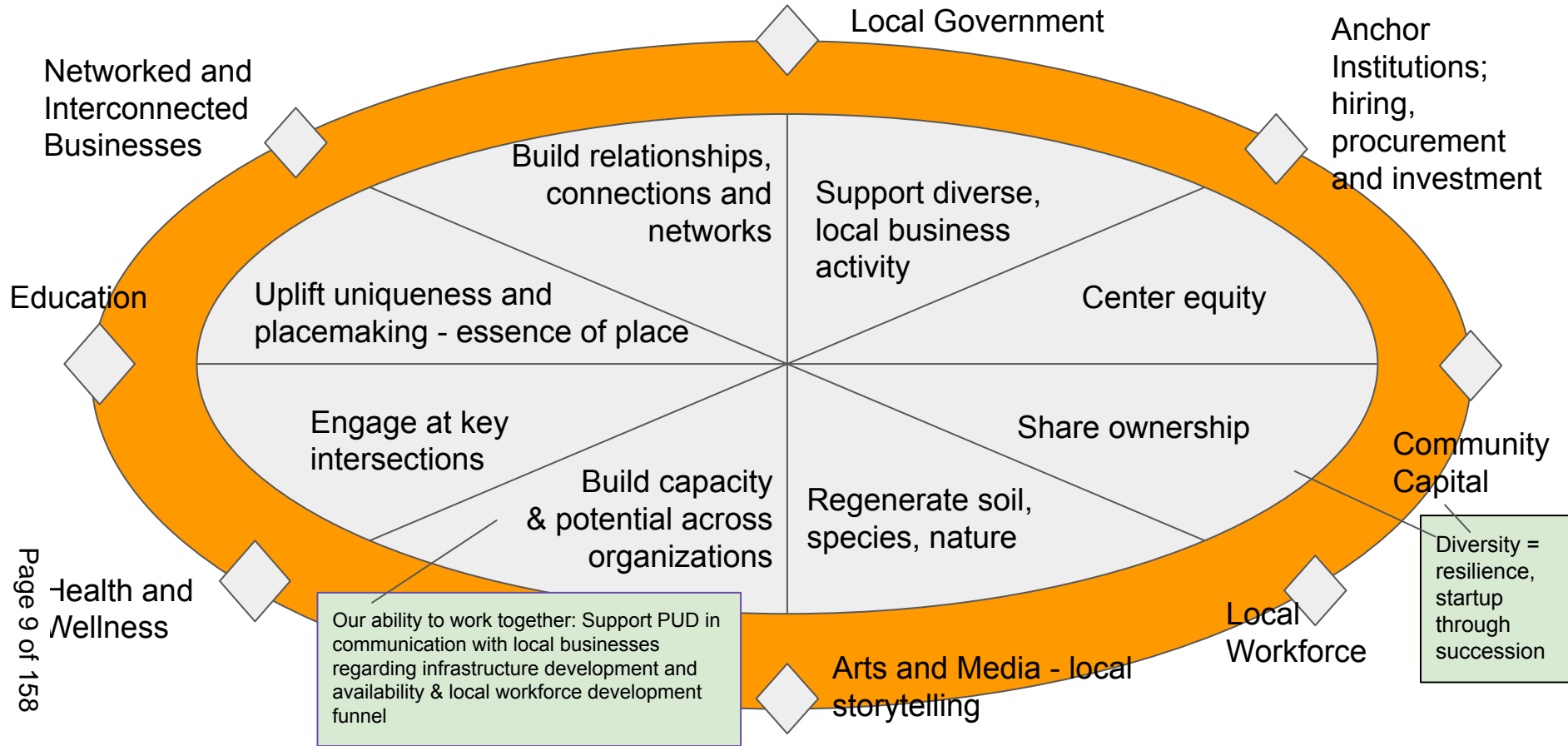
Progress to date: Met the MPA timeline



- Reorganization - to meet best practices, including accounting class system, internal op systems
- **Hiring** - admin and contractor for reorg and biz services
- **ARPA** - 133 businesses received ARPA grant funding
- **Outreach** - building network of community partners
- **Newsletter Activation** reaching 1200 businesses
- Reporting Requirements - met per Commerce and MPA
- **Advising** - BRE requirements exceeded for fiscal year 2022
- **Programs and Grants** - detailed in later slide
- Economic Data - Area Sector Analysis Process underway, and data posted on website
- **Existing Conditions Report** - completed and published
- **Support for JBAT** and broadband initiatives - convening, website host, outreach
- **Board Development** - defined roles, designed policies to clarify oversight
- **Strategic Planning** and Work Plan development underway

Aspirational - Building Together

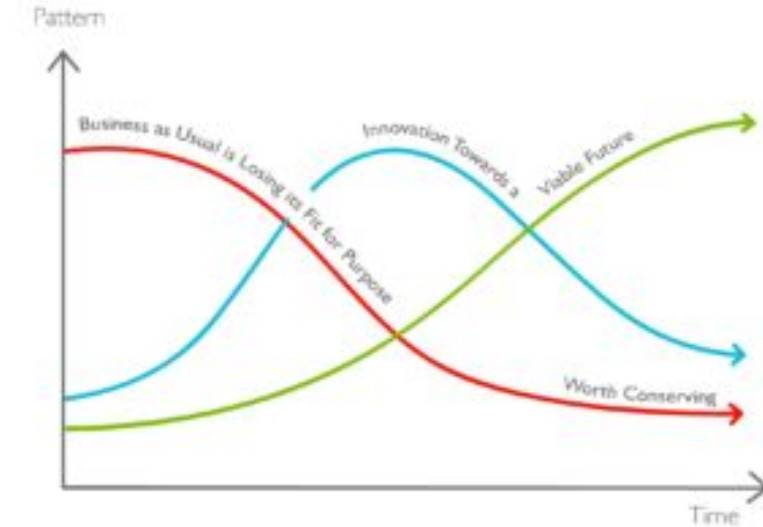
Economic Framework: Roles and Sectors



2022 Strategic Planning

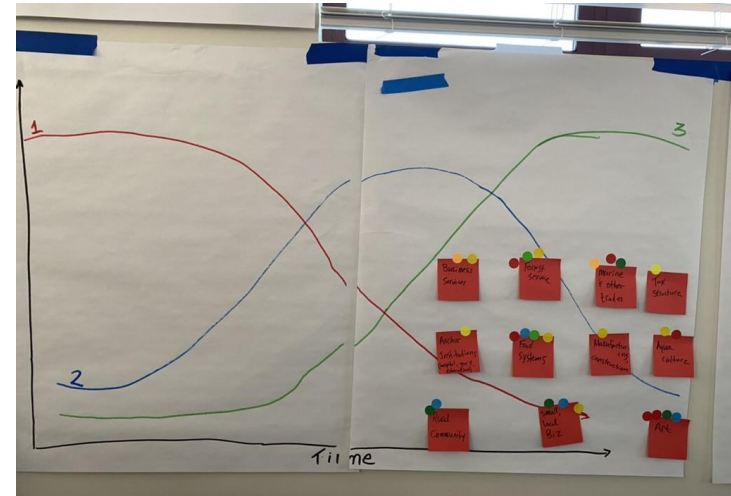
Regenerative Business Creation

Leading the Community, Planning for the future, Sustaining our values



HJLHing

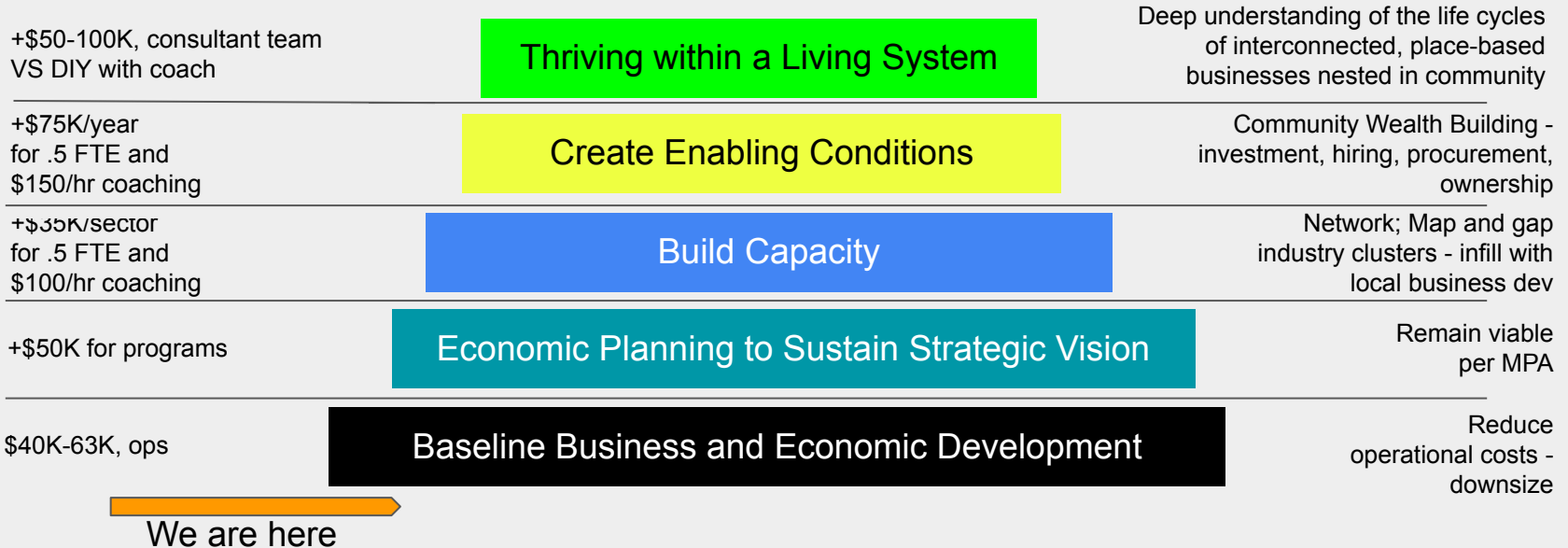
Lecture



Lab

Funding Ladder

What it will take to deliver beyond baseline



- Funding levels are additive

Revenue / Expense



Primary Revenue July 2021-June 2022

\$75K/year Dept of Commerce

\$30K/year Port of PT

\$30K/year PUD

\$30K/year City of PT

\$50K/year County (PIF)

\$50K/year 270 Fund

\$8K - one time office set up

\$30K/year 068 Fund

\$303K total

Primary Expenses July 2021-June 2022

58% Payroll Expense

15% Legal and Contract Expense (ARPA grant, policy development, Wendy)

12% Program Expense (economic data, NOLA, advising)

7% Office Expense

4% Rent

4% Other

Finding Additional Program Support



EDC is working to identify >\$50K in program funding beyond the current MPA revenue

Develop a Funding Model to support described activities.

- Grants
- Community Partnerships
- Sponsorships
- Revenue Generating Services

Incoming Program Dollars

help but do only a little to offset deficit



Confirmed

- ARPA Grant Administration, \$50K all pass through
- Creative Entrepreneur Project \$40K - Jefferson Community Foundation, \$36 pass through
- Accelerator, \$10-12K, The Center for Inclusive Entrepreneurship

Unconfirmed - Application Submitted

- SBIF (\$30k)
- WW5 - ?
- Kitsap Bank (\$10K)

Predominantly pass through, not helping out bottom line

Potential for transformation

- Industry gap analysis - RDI
- Leadership Program - RDI
- Succession planning including ESOP and Co-op - SBDC, NWCDC, Project Equity
- Community Investment Fund - NC3Now.org
- Anchor Institution Procurement - Jefferson Health Care
- Career Connect Grants - JHC, others

Ask from MPA partners

Asking supporters to

- Provide baseline functional **operational support**
(\$10K-\$16K from each of 4 public entities annually)
- Extend to a 3-year commitment to lengthen our runway
- Ideas or recommendations for us re; grant applications or other program funding opportunities

**Help us develop a sustainable baseline on which to build*



THANK YOU!

For your patience

For your support

For your funding

For your brainpower



**PUBLIC UTILITY DISTRICT NO. 1
OF
JEFFERSON COUNTY
June 7, 2022
Board of Commissioners' Regular Meeting
Draft Minutes**

1. **CALL TO ORDER.** Commissioner Kenneth Collins called the Regular meeting of the Jefferson County PUD No. 1 Board of Commissioners for June 7, 2022, to order at 3:00 p.m. and read the Governor's Amended Proclamations 20-05 and 21-14.5 in continued response to the COVID-19 pandemic, Jefferson County PUD does not provide an in-person room for meetings of the Board of Commissioners. All meetings are being held remotely via Zoom. Present:

Commissioner Kenneth Collins, President
Commissioner Jeff Randall, Vice President
Commissioner Dan Toepper, Secretary
Kevin Streett, General Manager
Will O'Donnell, Communications Director
Joel Paisner, General Counsel
Annette Johnson, Executive Assistant and Records Admin.
Jean Hall, Customer Service Director
Mike Bailey, Finance Director
Melanie Des Marais, Human Resources Director
Melissa Blair, Financial Services Manager
Scott Bancroft, Operations Director
Samantha Harper, Engineering Director
Josh Garlock, Lineman Superintendent
Don McDaniel, PUD Consultant
Cammy Brown, PUD Recording Secretary

Roll call was taken. All three commissioners were present. It was determined there was a quorum.

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Jefferson County PUD
Board of Commissioners
Regular Board Meeting 3:00 p.m.
June 7, 2022 - Draft Minutes

2. **AGENDA REVIEW:** Commissioner Kenneth Collins asked that the Review and Approval of Consent Agenda be moved up and Commissioners' Reports rather than meeting for 10 – 15 minutes and then adjourning until 4:00 p.m. since people are going to be accustomed to making public comments at 4:00 p.m.

Revised Order:

3. Executive Session
4. Consent Agenda
5. Commissioner Reports
6. Raising Costs Presentation
7. Public Comment

MOTION: Commissioner Dan Toepper made a motion to accept the agenda as revised. Commissioner Jeff Randall seconded the motion. Motion carried unanimously.

3. **EXECUTIVE SESSION:** Per RCW 42.30.110(1)(i) to discuss with legal counsel matters regarding litigation likely to result in legal or financial consequence to the PUD. An Executive Session of the Board of Commissioners of the Jefferson County Public Utility District No. 1 was announced per RCW 42.30.110(1)(i). Approximately 10 minutes was requested. The Executive Session convened at 3:08 p.m. Commissioner Kenneth Collins came out of the Executive Session at 3:20 p.m. and requested an additional time of 10 minutes. The Executive Session ended at 3:30 p.m. No action was taken.

The Regular Session of the Jefferson County Public Utility District No. 1 Board of Commissioners reconvened at 3:30 p.m.

Commissioner Kenneth Collins took roll call to establish that a quorum was present. All three commissioners were present. A quorum was established.

4. **CONSENT AGENDA.** Commissioner Kenneth Collins read the Consent Agenda guidelines.

MOTION: Commissioner Dan Toepper made a motion to approve the Consent Agenda as presented. Commissioner Jeff Randall seconded the motion. Motion carried unanimously.

Note: Consent Agenda was revised. Items 7.1 to 7.5 are as they were originally depicted on the agenda.

7.1 Prior Minutes.

PUD BOC Special Meeting Minutes 2-22-2022 Draft (1).
PUD BOC Regular Meeting 03-01-2022 Minutes Draft (revised).
PUD BOC Special Meeting 3-10-2022 Minutes Draft.

PUD BOC Regular Meeting Minutes 3-15-2022 Draft

7.2 Vouchers.

Voucher Approval Form for the Commissioners.

Voucher Certification with Supporting Warrant Register & Payroll.

PAYMENTS TO BE APPROVED

WARRANTS	AMOUNT	DATE
Accounts Payable: #128963 to #129022	\$ 551,212.66	05/12/2022
Accounts Payable: #129023 to #129061	\$ 652,379.51	05/19/2022
Accounts Payable: #129062 to #129062	\$ 183,480.50	05/24/2022
Accounts Payable: #129063 to #129116	\$ 440,952.99	05/26/2022
Payroll Checks: # 71010 to # 71012	\$ 6,696.54	05/13/2022
Payroll Checks: # 71013 to # 71015	\$ 6185.24	05/27/2022
Payroll Direct Deposit:	\$ 145,175.44	05/13/2022
Payroll Direct Deposit:	\$ 143,167.39	05/27/2022

TOTAL INVOICES PAID: \$2,129,250.27

WIRE TRANSFERS PAID	<u>AMOUNT</u>	<u>DATE</u>
BPA – fiber license annual fee	\$ 78,327.00	05/11/2022
BPA – purchase power for March 2022	\$1,650,504.00	05/11/2022

GRAND TOTAL \$3,858,081.27

7.3 Financial Report

May 2022 Financials

7.4 Calendar

PUD Calendar June 7, 2022.

7.5 Correspondence Log.

Correspondence Log.

END OF CONSENT AGENDA

5. COMMISSIONER REPORTS.

Commissioner Jeff Randall.

- 5/18 Participated in telephone call meeting with Karen Bennett to talk about broadband policies.
- 5/19 Participated in the PUD BOC Special Meeting – Broadband.
- 5/21 Participated in the Rhody parade riding in the truck in the bucket. Report.
- 5/24 Participated in the Senior Symposium (Port Townsend High School) (not totally PUD related). Report.
- 5/24 Met with General Manager Kevin Streett.
- 5/25 Participated in a phone meeting with PUD Consultant Don McDaniel.
- 5/26 Attended an NODC meeting. Report.
- 6/01 Met with Sims Way Coordinating Group. Report.
- 6/01 Participated on PPC member forum.
- 6/02 Attended meeting of EDC Team Jefferson. (Karen Bennett on Board). Report.
- 6/02 Met with County Commissioner Kate Dean.
- 6/06 Spoke with General Counsel Joel Paisner.

Commissioner Dan Toepper.

- 5/18 Attended Washington Public Agency Group meeting. Report.
- 5/19 Participated in the PUD BOC Special Meeting – Broadband.
- 5/19 Attended ICG meeting.
- 5/22 to
- 5/25 Attended the NWPPA Annual Conference meeting. Report.
- 6/01 Attended PPC Zoom meeting. Report.
- 6/02 Attended PPC Executive Committee meeting. Report.
- 6/13 Will attend CAB meeting.

The recording at this time got stuck and kept repeating and then started back up.

There may have been missing dates.

- 6/15 Will attend contract workshop.
- 6/16 Will meet with General Manager Kevin Streett.
- 6/17 Will attend PPC Fuel meeting for electric officials.

Commissioner Kenneth Collins.

- 5/19 Participated in the PUD BOC Special Meeting – Broadband.
- 5/19 Attended ICG meeting.
- 5/20 Attended JBAT Executive Committee meeting. Report.
- 5/25 Met with General Manager Kevin Streett.
- 5/27 Participated in a conversation with Gary Nelson. Report.
- 6/01 Attended the PURMS Executive Board meeting. Reported on policies.
- 6/03 Attended JBAT meeting.
- 6/07 Met with General Manager Kevin Streett.
- 6/07 Attended meeting with PUD staff and members of the Beckett Point community.
- 6/13 Will meet with General Counsel Joel Paisner.
- 6/14 Will attend PUD BOC Special meeting.

6. RAISING COSTS PRESENTATION. Finance Director Mike Bailey gave a presentation of the rising costs of the PUD. There was considerable discussion. Details can be heard on audio recording at www.jeffpud.org.

7. PUBLIC COMMENT. Commissioner Kenneth Collins read the guidelines into the record.

- Will you allow public to ask any questions during the last item which was the rate increase? When will the public be able to comment on the rate increase?
- Is the 4% increase in electrical rates going to be for all rate classes?
- What about the monthly fees? Are they going to be increased too? What percentage will that be?
- When listing cost of items increased, list how much increased and total number of items used.
- Gateway Boatyard Expansion Project. Costly and will change face of community.

8. MANAGER'S REPORT:

- Human Resources Director Melanie Des :Marcais gave a report on new hires and gave a power point presentation. New hires:
Erik Pryor, SCADA Engineer
Jameson Hawn, Digital Communications Specialist
Kathleen Palmer, Customer Service Representative
Stephanie Witheridge, Human Resources Coordinator
Corey Larson, Meter Reader

Jon Dehnert, Line Foreman
Lori Rae, Staking Engineer
Jesse Bland, Storekeeper
Gerrit Van Otten, Line Helper
Jesse Bland, Storekeeper

- Operations Director Scott Bancroft gave a report on timber sales.
- Customer Service Director Jean Hall gave a report.
- Finance Director Mike Bailey gave a report.
- General Manager Kevin Streett gave a report on speed for residential and power outages this summer due to lack of generation.

9. OLD BUSINESS.

9.1 Broadband Policies. Communications Director Will O'Donnell gave a report. A special meeting will be scheduled to review the policies further. There was considerable discussion.

Public Comment: Concerns about revised policies. Overly complicated. Approach the revisions with privacy and constitutional rights in mind.

10. NEW BUSINESS. No new business.

11. ADJOURN.

Commissioner Kenneth Collins declared the June 7, 2022, Regular Meeting of the Board of Commissioners of the Jefferson County Public Utility District No. 1 adjourned at 5:54 p.m.

Minutes prepared by
Cammy Brown, PUD Recording Secretary

Approved:

Commissioner Dan Toepper, Secretary

Date

Attest:

Commissioner Kenneth Collins, President

Date

Commissioner Jeff Randall, Vice President

Date

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Jefferson County PUD
Board of Commissioners
Regular Board Meeting 3:00 p.m.
June 7, 2022 - Draft Minutes

Please note PUD Board of Commissioner meetings are audio recorded and posted to the PUD website at usually within 1-2 business days of each meeting. If you experience any difficulty accessing a particular recording, you may call 360.385.5800 for assistance. Jefferson PUD provides reasonable accommodations to persons with disabilities. We invite any person with special needs to contact our staff at 360.385.8351 at least 24 hours before the meeting to discuss any special accommodations.

VOUCHER CERTIFICATION FORM

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just and due obligation against Public Utility District No. 1 of Jefferson County, and that I am authorized to authenticate and certify to said claims, and I, the undersigned, do hereby certify under penalty of perjury that claims for employee and commissioner expenses are just and due against Public Utility District No. 1 of Jefferson County.

Signed: Mike Bailey

Mike Bailey, Financial Director / District Auditor

10/17/2022

Date

VOUCHER CLAIM FORMS FOR INVOICES PAID:

	WARRANTS	AMOUNT	DATE
Accounts Payable: # 129980	to # 130022	\$ 511,994.05	9/29/2022
Accounts Payable: # 130023	to # 130075	\$ 172,642.25	10/6/2022
Payroll Checks: # 71039	to # 71040	\$ 6,398.58	9/30/2022
Payroll Direct Deposit:		\$ 149,681.84	9/30/2022
TOTAL INVOICES PAID		\$840,716.72	

WIRE TRANSFERS PAID

	AMOUNT	DATE
USDA - RUS Loan payment for Q3 2022	\$ 1,521,868.27	9/29/2022
Peterson Lake - loan payment for October 2022	\$ 14,328.62	10/3/2022

GRAND TOTAL

\$2,376,913.61

VOIDED WARRANTS

VOUCHER APPROVAL FORM

We, the undersigned Board of Commissioners of Public Utility District No. 1 of Jefferson County hereby approve pending payments for transactions greater than \$100,000, if any. The following transactions are approved from the General Fund in the amount of **\$2,376,913.61** on this **18TH** day of **OCTOBER** **2022** ;

Kenneth Collins
President

Jeff Randall
Vice President

Dan Toepper
Secretary

PAYMENTS TO BE APPROVED:

	WARRANTS	AMOUNT	DATE
Accounts Payable:	# 129980 to # 130022	\$ 511,994.05	9/29/2022
Accounts Payable:	# 130023 to # 130075	\$ 172,642.25	10/6/2022
Payroll Checks:	# 71039 to # 71040	\$ 6,398.58	9/30/2022
Payroll Direct Deposit:		\$ 149,681.84	9/30/2022

TOTAL INVOICES PAID

\$840,716.72

WIRE TRANSFERS PAID

AMOUNT

DATE

USDA - RUS Loan payment for Q3 2022	\$ 1,521,868.27	9/29/2022
Peterson Lake - loan payment for October 2022	\$ 14,328.62	10/3/2022

PAYMENT TOTAL

\$2,376,913.61

VOIDED WARRANTS



AGENDA REPORT

DATE: October 18, 2022
TO: Board of Commissioners
FROM: Mike Bailey, Finance Director/Internal Auditor
RE: Write-off of delinquent accounts from active accounts receivable

SUMMARY: Per Write-Off of Uncollectable Accounts Policy passed September 2017, the Board of Commissioners agreed to review and approve for write off inactive account balances over 90 days in arrears that had been given 30 days' notice that their account will be referred to a collection agency.

BACKGROUND: These inactive accounts are recorded in the Active Accounts Receivable Data Base and need to be transferred to the Uncollectible Data Base in the Customer Information System. The process of writing off does not "erase" the debt unless the debt has been discharged through a bankruptcy court. The PUD's staff has attempted to collect payment on these accounts. A collection agency is better equipped to pursue collection now that these accounts have disconnected from utility service with the PUD and are over 90 days in arrears.

ANALYSIS/FINDINGS: There are 9 inactive accounts in the Active Accounts Receivable Data Base who owe the PUD \$3,100.63 for utility services and who have received notice over 30 days ago that their account will be referred to a collection agency.

FISCAL IMPACT: Bad Debt Expense has already been charged in anticipation of having accounts who would fail to pay their final bill for utility services. On the PUD's Balance Sheet, Line 20. Accounts Receivable-Sales of Utility Services has been netted by an estimated Reserve for Uncollectible Accounts. To remedy the debt, these inactive accounts will pay the collection agency for the amount owed to the PUD plus a fee for the agency's professional services. Any amounts received on the written off amount, will be deposited into the PUD's Depository Bank Account and the Reserve for Uncollectible Accounts adjusted. No revenue or expense accounts are affected by this write off.

RECOMMENDATION: Transfer the 9 inactive accounts owing \$3,100.63 from the Active Accounts Receivable Data Base to the Uncollectible Accounts Data Base and authorize Evergreen Financial Services to pursue collection efforts allowed by law.

ATTACHMENT: The Summary of Write-offs of Uncollectible Accounts Receivable provides an analysis of the number and amounts owed and signature of approval by the Secretary of the Board of Commissioners.



Board of Commissioners

Jeff Randall, District 1
Kenneth Collins, District 2
Dan Toepper, District 3

Kevin Streett, General Manager

Write-Offs of Uncollectible Accounts Receivable

On October 18, 2022, the following summary of inactive customer accounts with a past due balance of greater than \$50.00 and in excess of 90 days were referred to and provided a 30-day written notice by a collection agency. Furthermore, all amounts were deemed uncollectible by the Finance Director/District Auditor regardless of the amount past due. For accounting and financial reporting purposes, write-offs of uncollectible receivables are made against the allowance for bad debt account once approved by the Board. The following accounts are requested to be written off as uncollectible:

Uncollectible Amount Range	Number of Accounts	Write-Off Amount
Up to \$50	3	\$81.65
\$51 - \$100	1	\$68.19
\$101 - \$200	1	\$158.55
\$201 - \$300	0	\$0.00
Over \$300	4	\$2,792.24
TOTAL	9	\$3,100.63

Approval, Board of Commissioners

Dan Toepper
Secretary

PUD Calendar

October 18, 2022

October 18, 2022, Regular BOC Meeting, 3:00pm/2023 Budget Hearing 5:00pm in person and per ZOOM 310 Four Corners Rd Port Townsend

November 1, 2022, Regular BOC Meeting, 3:00pm in person and per ZOOM 310 Four Corners Rd Port Townsend

November 8, 2022, Special Meeting, 10:00-12:00 TBD

November 16-18, WPUDA Association Meetings

Jefferson County PUD Internet Services

Subscriber Agreement

This Internet Service Subscriber Agreement (the “Agreement”) sets forth the terms and conditions under which Jefferson County Public Utility District No. 1 (“JPUD”) will provide Internet service to you (“Customer”) at your home or business. By subscribing to or using JPUD’s Internet services and/or any related products, equipment, or services, you agree to all of the terms and conditions set forth in this Agreement.

Agreement and Term

The Agreement, in addition to the terms and conditions provided below, also incorporates the following policies:

- JPUD Acceptable Use Policy
- JPUD Customer Service Policies
- JPUD Data Privacy Guidelines

The Acceptable Use Policy, Customer Service Policies and Data Privacy Guidelines are hereby incorporated into this Agreement, and they shall apply to the Agreement as if fully set forth herein. In the event of a conflict between the Customer Service Policies and Data Privacy Guidelines and, this Agreement, this Subscriber Agreement shall govern. However, In the event of any conflict between this Subscriber Agreement and the Acceptable Use Policy, the Acceptable Use Policy shall govern.

This Agreement shall have an initial term of one month and shall automatically renew each month for additional one-month periods, unless either Party provides notice of termination.

Service and Equipment

JPUD will provide you with interactive access to the Internet from a connection in your home or business (the “Service”). The type of service, monthly rates and installation costs are those you have requested in writing or selected via JPUD’s customer web portal. This Agreement contains all the terms and conditions for JPUD to provide the Service, and unless set forth in writing in this Agreement, no other representation, warranty, term or condition shall be binding on JPUD.

JPUD reserves the right to modify the terms of this Agreement from time to time by posting a notice of a new version of this document on JPUD’s web site. In addition, JPUD will provide an email notification of the new version to all customers at the email provided in the Customer Application. All revised copies of the Agreement are effective immediately upon sending of the email notification. Accordingly, JPUD customers should regularly visit our web site and review the notifications regarding the Agreement to ensure that their activities conform to the most recent version. Your continued use of the Service and/or any related products, equipment or services following modification to this Agreement shall be deemed as acceptance of such modification.

Installation and Access

You agree that JPUD, its employees, contractors, and agents may enter your home or business (the “Premises”) where the Service is scheduled to be provided and/or JPUD’s equipment is installed at reasonable times for the purposes of installing, adjusting, repairing, replacing, maintaining, upgrading, moving or removing any JPUD equipment as necessary. You represent that you either own the Premises or have the proper rights and permissions from the Premises’ owner to grant JPUD access to perform the activities necessary to provide the Service. You also agree to allow access for the purpose of checking operation and performance of the Service and JPUD’s equipment. You may always ask for proper identification anytime a JPUD employee, contractor, or agent requests entry onto your Premises. If proper identification is not provided, you may refuse access to the Premises.

JPUD shall provide all customer equipment necessary to provide the Service which shall remain the property of JPUD unless otherwise stated.

General Subscriber Obligations

You are accepting this Agreement on behalf of yourself and any person who accesses the Service through the connection in your home or business. You assume responsibility to ensure that all other users understand this Agreement and comply with its terms. Your acceptance of the Service from JPUD constitutes your agreement with, and acceptance of, the JPUD Acceptable Use Policy and the Data Privacy Guidelines on our website.

Subscription to the Service is restricted to individuals of at least 18 years of age and to businesses. By subscribing to the Service, you certify that you are at least 18 years of age or are a business operating in the State of Washington.

By subscribing to the Service, you agree that we may provide to you by use of electronic communications required notices, agreements, and other information concerning JPUD, including changes to this Agreement, the Authorized Use Policy, and the Privacy Statement, and marketing materials related to the Service.

You agree that your application for the Service provides JPUD with accurate, complete and current information, including your legal name, address, telephone number(s) and payment data (i.e., credit, debit or credit card numbers and expiration dates) upon subscribing to the Service. You agree to promptly inform JPUD if there is any change in the information you provided to JPUD at the time of enrollment. Failure to provide accurate information constitutes a breach of this Agreement and may result in termination of the Service.

The Service is provided to you at the service address listed on your application for the Service. You may not transfer your rights and obligations under this Agreement to any other person or service address without written approval of JPUD.

Service & Installation Charges

You agree to pay any and all fees and recurring charges associated with your chosen level of the Service. You further acknowledge that you have been informed of the rates for these services in effect at the time of installation for the type of service you select. You agree to pay any local, state and/or federal taxes, surcharges, and fees imposed or levied on or with respect to your subscription to or use of the Service. JPUD reserves the right to change the amount of charges, surcharges, and fees from time to time at its discretion and upon 30 days' notice to you by electronic mail.

Pre-payment of charges for installation and the first billing period is due when account is activated. Bills are sent on Customer's anniversary bill day for the period to come. The payment is due within 21 days.

If we have not received payment during the 21-day period, the payment is considered late. A late notice will be issued if we have not received payment within 30 days of the due date. If the account is not paid within 56 days of the due date, the account may be terminated. A \$10 reactivation fee will be charged to reactivate the account. If you discontinue service or your service is terminated, you agree to pay a reconnect charge before reconnection. You further agree to be charged and to pay any outstanding balance in the event of cancellation, deactivation, or termination of your account. In the case of a check returned for non-sufficient funds, JPUD will charge a returned check fee of \$20.00. You will be responsible for all expenses (including reasonable attorneys' fees) incurred by JPUD in collecting any unpaid amounts due in accordance with this Agreement. Note, please refer to JPUD Customer Service Policies regarding JPUD's policies for Customer Rights.

Service and Performance

JPUD will make reasonable efforts to assure that the Service will be available to you 24 hours per day 7 days per week. It is possible, however, that there will be interruptions of service or reduction in performance. JPUD shall not be liable for interruptions caused by failure of equipment or services, failure of communications, power outages, or any other interruptions to the Service.

JPUD shall not be liable for performance deficiencies caused or created by any equipment you use in connection with the Service. JPUD is not responsible to provide for the proper installation, operation and maintenance of any equipment not provided by JPUD used in connection with the Service. Further, you shall ensure that such equipment is technically and operationally compatible with the Service and in compliance with applicable Federal Communications Commission rules and regulations.

Customer Use of the Service

You agree to comply with the JPUD Acceptable Use Policy, and you acknowledge receipt of a copy of that policy.

You are personally responsible for all use of the Service under your account. You agree not to resell, redistribute, assign, transfer, or sublicense your access to the Service in any manner. You agree not to use the Service in any manner that is contradictory to the JPUD Acceptable Use Policy. You agree that any violation of this Agreement shall authorize JPUD to immediately disconnect the Service to you and terminate this Agreement without notice.

You agree not to alter, modify or tamper with the equipment provided by JPUD, or the configuration of such equipment as set by JPUD.

You agree not to use the Service for commercial purposes that are competitive with JPUD's business (e.g., use the Services to sell Internet access services, point-to-point data transport services, VoIP services, etc., to third parties within JPUDs service area).

LIMITATION OF LIABILITY: NO WARRANTIES

PLEASE READ THIS SECTION CAREFULLY. IT CONTAINS DISCLAIMERS OF WARRANTIES AND LIMITATIONS OF LIABILITY, MADE ON BEHALF OF JPUD AND ALL ITS AFFILIATES.

JPUD MAKES NO WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS OF ANY PROVIDED SERVICE OR EQUIPMENT FOR ANY PARTICULAR PURPOSE. JPUD IS NOT RESPONSIBLE FOR ANY INDIRECT, CONSEQUENTIAL OR INCIDENTAL DAMAGES SUFFERED BY CUSTOMER FROM, INCLUDING BUT NOT LIMITED TO, LOSS OF DATA, DELAYS, MIS- OR NON-DELIVERIES, OR SERVICE INTERRUPTIONS FOR ANY REASON. JPUD SHALL HAVE NO LIABILITY FOR ANY CLAIMS, LOSSES, ACTIONS, DAMAGES, SUITS OR PROCEEDINGS RESULTING FROM OTHERS ACCESSING THE SERVICE OR ANY EQUIPMENT RELATED TO THE SERVICE, VIRUSES, AND ANY USE OF THE SERVICE OR EQUIPMENT THAT IS UNLAWFUL, THAT INFRINGES UPON ANY PATENT, TRADEMARK, TRADE SECRET, CONFIDENTIALITY, PRIVACY OR INTERLECTUAL PROPERTY RIGHTS OF THIRD PARTIES.

IN THE EVENT THAT JPUD IS HELD LIABLE FOR DAMAGES ARISING OUT OF OR RELATING TO THE SERVICES, THIS AGREEMENT OR ITS OBLIGATIONS UNDER THIS AGREEMENT FROM A COURT WITH JURISDICTION, JPUD'S AGGREGATE LIABILITY SHALL NOT EXCEED THE TOTAL AMOUNT PAID BY THE CUSTOMER TO JPUD FOR THE SERVICE FOR THE SIX (6) MONTH PERIOD IMMEDIATELY PRECEDING THE OCCURRENCE OF THE EVENT GIVING RISE TO SUCH DAMAGES.

JPUD IS EXPRESSLY NOT RESPONSIBLE OR LIABLE FOR THE CONTENT OF ANY TRANSMISSION ACROSS ITS NETWORK.

Indemnification

You agree to indemnify, defend and hold harmless JPUD, affiliated companies, partners, licensors, commissioners, employees and agents from and against all losses, expenses, damages, liabilities, and costs, including reasonable attorneys' fees, arising out of any violation of this Agreement, the selection or use of your personal information, including your identity, or any activity related to your account by you or any other person accessing the Service using your account.

You agree to make payment of all proper charges for labor and services required under this Agreement and you shall indemnify JPUD and hold it harmless from and against any loss or damage, claim or cause of action, and any attorneys' fees and court costs, arising out of: any unpaid bills for labor, services or materials furnished pursuant to this Agreement; your failure of performance under this Agreement; or your negligence in the performance of your duties under this Agreement, or any act or omission on your part or your agents, employees, or servants. JPUD is not obligated to indemnify you, and you shall defend and indemnify JPUD hereunder, for any claims by any third party arising from the Service provided to you.

Termination

This Agreement, the license provided herein, and your right to use the Service may be terminated by JPUD at any time for any reason, with 30 days written notice by JPUD to you. In addition, you may terminate this Agreement at any time by notifying JPUD Customer Service. If the customer cancels service, all JPUD equipment must be returned to JPUD's office in good working order within 60 days, or the customer will be charged \$150. Note, please refer to JPUD Customer Service Policies regarding JPUD's policies for Customer Rights.

Governing Law

This Agreement shall be governed and construed in accordance with the laws of the State of Washington, without regard to its choice of law rules and jurisdictions for any claim or cause of action shall lie in Jefferson County, Washington. This Agreement may only be modified or supplemented by an instrument executed by an authorized representative of each Party. No failure by either Party to enforce any right(s) hereunder shall constitute a waiver of such right(s).

Jefferson County PUD Internet Services

Acceptable Use Policy

Free Speech Policy

Jefferson County Public Utility District No. 1 (“JPUD”) is committed to operating a network that values your right to open and free speech. It is the intent of this Acceptable Use Policy and the related Internet Service Subscriber Agreement to be administered and interpreted to protect your rights to open and free speech.

JPUD is also committed to the following principles regarding the delivery of internet service:

OPEN ACCESS

JPUD’s network and Service will be Open Access to all providers who meet the service standard requirements for operating on our network.

NO DATA CAPS

JPUD does not currently enforce specific limitations on the amount of Internet data utilized by its customers through data caps or usage-based billing.

NETWORK NEUTRALITY

JPUD honors network neutrality principles and will not block, slow, or monitor traffic to any particular websites (subject only to reasonable network management requirements).

DISPUTE RESOLUTION

JPUD has adopted a Customer Dispute process, at the end of this Acceptable Use Policy, to provide a review of operational decisions made pursuant to the Acceptable Use Policy and Internet Service Subscriber Agreement.

JPUD does not monitor your usage of the Internet, the web pages you visit, review your on-line correspondence or any similar activity unless the nature of that activity is unlawful or is contrary to reasonable network management requirements.

Introduction

JPUD seeks to provide our customers with the best Internet service possible, and we have adopted this Acceptable Use Policy (“Policy”) to help accomplish this. This Policy outlines acceptable use of JPUD Internet Services and any associated services (the “Service”), as well as examples of permissible and prohibited conduct for using the Service to access the Internet. This Policy, including its customer use restrictions, is in

addition to the restrictions contained in the JPUD Internet Service Subscriber Agreement (the “Agreement”). Any use of JPUD’s Internet Services constitutes agreement to all terms in this Policy and the Agreement.

JPUD may revise this Policy from time to time by posting a new version on our web site. All revised versions of the Policy are effective immediately upon posting and after email notification to customers. JPUD customers should regularly visit our web site and review this Policy to ensure that their activities conform to the most up to date Policy.

Customer Responsibility

You are personally responsible for all use of the Service under your account. As a customer, it is your responsibility to secure your computer equipment so that it is not subject to external threats such as viruses, spam, and other methods of external intrusion. Failure to comply with these or any other JPUD policies could result in the suspension or termination of the Service. JPUD reserves the right to immediately terminate the Service and the Agreement if you engage in any unlawful activity

Prohibited Uses

You agree to use JPUD Internet Service only for lawful purposes.

The following list of prohibited uses is provided as an example only, other uses may also be found to be in violation of JPUD’s Acceptable Use Policy. You may not use, or allow others to use, the Service or JPUD equipment, either directly or indirectly, to:

- post, store, transmit, promote, or facilitate the distribution of any information, data or material which is libelous, obscene, unlawful, threatening, defamatory, or illegal, including but not limited to, material that would constitute or encourage copyright or trademark infringement, a criminal offense, give rise to civil liability or otherwise violate any applicable local, state, national or international law;

- enable persons under 18 years of age to obtain material that is prohibited by law to be sent or displayed.

- post, transmit, promote, or facilitate the distribution of any unsolicited advertising, including but not limited to, mass or bulk e-mail, promotional materials or other forms of solicitation to other individuals or entities;

- participate in the collection of email addresses or other identifiers of others without their prior consent, or participate in the use of software (including “spyware”) designed to facilitate this activity;

- impersonate any person or entity, engage in sender address falsification, forge anyone else’s digital or manual signature, or perform any other fraudulent activity;

- access any other person’s computer system, software, or data without their knowledge and consent; breach the security of JPUD or another user; or attempt

to circumvent the user authentication or security of any host, network, or account. This includes, but is not limited to, accessing data not intended for you, logging into or making use of a server or account you are not expressly authorized to access, or probing the security of other host, networks, or accounts;

resell the Service, or otherwise make available to anyone outside the primary residence or primary business location, the ability to use the Service;

restrict, inhibit, or otherwise interfere with the ability of other persons to use or enjoy the service, including, without limitation, posting or transmitting any information or software that contains a worm, virus, or other harmful feature, or generating levels of traffic sufficient to impede others' ability to send or retrieve information;

restrict, inhibit, interfere with, or otherwise disrupt JPUD's Service or any JPUD host, server, backbone network, node or service, or otherwise cause a performance degradation to any JPUD facilities used to deliver the Service;

interfere with telecommunication or computer networking service to any user, host, or network, including, without limitation, denial of service attacks, flooding of a network, overloading a service, improper seizing and abuse of operator privileges and attempts to crash a host;

violate the rules, regulations, or policies applicable to any network, server, computer database, or web site that you access.

Inappropriate Content and Transmissions

JPUD reserves the right, but does not have the obligation, to refuse to transmit or post, and to remove or block any information or materials, in whole or in part, that is offensive, indecent, or otherwise inappropriate under any local, state or federal law. Neither JPUD nor its affiliates, suppliers or agents have any obligation to monitor the Service. However, JPUD and its affiliates, suppliers or agents have the right to monitor these transmissions and postings in response to possible or alleged violations of this Policy and to disclose, block, or remove them if in violation of local, state or federal law.

Network, Bandwidth, Data Storage and Other Limitations

You must comply with all current bandwidth, data storage, and other limitations on the Service established by JPUD and its suppliers. You must ensure that activity on your account does not improperly restrict, inhibit, or degrade any other user's use of the Service, nor represent (in the sole judgment of JPUD) an unusually large burden on the network. In addition, you must ensure that your activities do not improperly restrict, inhibit, disrupt, degrade or impede JPUD's ability to deliver the Service and monitor the Service, backbone, network nodes, and/or other network services.

Violation of Acceptable Use Policy

Although JPUD has no obligation to monitor the Service and/or the network, in order to protect the network, the Service and JPUD users, JPUD and its suppliers reserve the right at any time to monitor bandwidth, usage, transmissions, and content from time to time to operate the Service. If the Service is used in a way that violates this Policy, JPUD or its suppliers may take any responsive actions they deem appropriate. These actions include, but are not limited to, temporary or permanent removal of content, filtering of Internet transmissions, and the immediate suspension or termination of all or any portion of the Service. None of JPUD or its affiliates, suppliers, or agents will have any liability for any these responsive actions.

These actions are not JPUD's exclusive remedies and JPUD may take any other legal or technical action it deems appropriate. JPUD reserves the right to investigate suspected violations of this Policy, including examination of material on JPUD's servers and network. During an investigation, JPUD may suspend the account or accounts involved and/or remove or block material that potentially violates this Policy. You expressly authorize JPUD and its suppliers to cooperate with (i) law enforcement authorities in the investigation of suspected legal violations, and (ii) system administrators at other Internet service providers or other network or computing facilities in order to enforce this Policy. This cooperation may include JPUD providing available personally identifiable information about you to law enforcement or system administrators, including, but not limited to, username, subscriber name, and other account information. Upon termination of your account, JPUD is authorized to delete any files, programs, data and e-mail messages associated with your account, consistent with its legal obligations.

The failure of JPUD or its suppliers to enforce this Policy, for whatever reason, shall not be construed as a waiver of any right to do so at any time. You agree that if any portion of this Policy is held invalid or unenforceable, that portion will be construed consistent with applicable law as nearly as possible, and the remaining portions will remain in full force and effect.

Customer Dispute of Claimed Violation of Acceptable Use Policy

Informal Conference

A Customer who disputes a claimed violation of the Acceptable Use Policy shall have the right to an informal conference with JPUD's Broadband Director in the District.

1. Informal conferences shall take place during normal business hours, 9:00 a.m. to 4:30 p.m., Monday through Friday, excluding holidays.
2. The Customer may either appear in person in the District's office or confer by telephone.
3. JPUD's Broadband Director shall have the authority to reach agreements with the Customer to restore the Service.

Appeal Hearings

If a Customer is not satisfied with the determination of JPUD's Broadband Director during the informal conference, the Customer may schedule a hearing with the District Hearing Officer.

The Hearing Officer and any Deputy or Assistant Hearing Officers shall be management-level employees and shall be appointed by the Commission from employees whose other duties are not connected with the Broadband Department.

A written appeal by a Customer must be filed with the Hearing Officer within five (5) business days after the determination of the informal conference.

In response to a timely appeal, the Hearing Officer shall arrange an appeal hearing at a mutually convenient and accessible location or conduct the hearing by telephone. Such hearing must be scheduled during normal business hours – 9:00 a.m. to 4:30 p.m., Monday through Friday, and within seven (7) business days of the Customer's appeal.

If the Customer requests, a record will be made of the proceedings. The Hearing Officer may use a tape recorder or other means of preserving a record which he/she deems appropriate; the Customer may provide, at his/her own expense, a court reporter, or supplemental means of providing a record. The Customer shall have the right to counsel

The Customer shall open the hearing with a statement of the nature of the appeal and shall present whatever evidence the Customer deems relevant. The Customer shall have the reasonable right to examine the records of the District relating to his/her account. After the Customer has completed presenting his/her appeal, the appropriate District personnel shall provide the District's position. The Customer shall have the right to rebuttal.

The Hearing Officer shall provide the Customer with a written decision setting forth (a) the nature of the Customer's appeal; (b) the decision of the Hearing Officer; and (c) the reasons for the decision of the Hearing Officer. The written decision shall be promptly sent to the Customer by certified mail and may also be communicated by telephone.

In no event will an appeal of JPUD action taken pursuant to this Acceptable Use Policy prevent JPUD from taking any action that in its judgement protects the Service, the Customer and/or its vendors. Any claims must be filed pursuant to Washington state law.

Digital Millennium Copyright Act

JPUD is committed to complying with U.S. copyright and related laws and requires all customers and users of the Service to comply with these laws. Owners of copyrighted works who believe that their rights under U.S. copyright law have been infringed may take advantage of certain provisions of the Digital Millennium Copyright Act of 1998 (the "DMCA") to report alleged infringements. It is JPUD's policy in accordance with the

DMCA and other applicable laws to reserve the right to restrict the use of or terminate Services provided to any customer who is either found to infringe third party copyright or other intellectual property rights, including alleged repeat infringers, or who JPUD believes in its sole discretion is or may likely be infringing these rights. JPUD may terminate the Service of any such customer at any time with or without notice. Copyright owners may report alleged infringements of their works that are committed using the Services by sending JPUD 's authorized agent a notification of claimed infringement that satisfies the requirements of the DMCA. Upon JPUD's receipt of a satisfactory notice of claimed infringement for these works, JPUD will take appropriate action. If the affected customer believes in good faith that the allegedly infringing works have been removed or blocked by mistake or misidentification, then that person may send a counter notification to JPUD. Upon JPUD's receipt of a counter notification that satisfies the requirements of DMCA, JPUD will provide a copy of the counter notification to the person who sent the original notification of claimed infringement and will follow the DMCA's procedures with respect to a received counter notification. In all events, you expressly agree that JPUD will not be a party to any disputes or lawsuits regarding alleged copyright infringement.

Contact:	DMCA Agent
Mail	JPUD No. 1 Attn: Copyright Claims 310 Four Corners Rd Port Townsend, WA 98368
E-mail	dmca@jeffpud.org

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

RESOLUTION NO. 2022-XXXX-

A Resolution of the Board of Commissioners of Public Utility District (PUD) No. 1 of Jefferson County, Washington, approving retail Internet Service Policies, Acceptable Use Policies and a Retail Service Subscriber Agreement.

WHEREAS, the PUD has been working on the development of a Broadband fiber optic network to provide retail and wholesale Internet Services to serve the residents of Jefferson County, Washington over the past several years; and

WHEREAS, the PUD staff has prepared retail Internet Service Policies, Acceptable Use Policies and a form of Retail Service Subscriber Agreement for retail customers and presented them to the Board of Commissioners reviewed on April 20, 2021, May 4, 2021 and May 25, 2021 and June 27, 2022, September 6, 2022 and October 13, 2022; and

WHEREAS, the Board of Commissioners received public comment regarding the policies and agreement at the Regular and Special meetings listed above, as well as other meetings of the Board of Commissioners; and

WHEREAS, the Retail Internet Service Policies, Acceptable Use Policies and Retail Service Subscriber Agreement are attached to this resolution as Exhibit 1 and incorporated herein by this reference; and

WHEREAS, consistent with Engrossed Substitute House Bill 1336 and Senate Bill 5383, the PUD has continued to consult with the Washington State Broadband Office after providing formal notice regarding its intent to provide Broadband Services in Resolution No. 2021-037;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Public Utility District No. 1 of Jefferson County, that the foregoing recitals are incorporated herein as if fully set forth, and the Board of Commissioners for the PUD adopt the Retail Internet Services Policies, the Acceptable Use Policies and the Retail Service Subscriber Agreement, all attached as Exhibit 1 to this Resolution to be effective as of the date of this resolution.

ADOPTED at a regular meeting of the Board of Commissioners of Public Utility District No. 1 of Jefferson County, this 18th day of October 2022.

Kenneth Collins, President

ATTEST:

Jeff Randall, Vice President

Dan Toepper, Secretary

RESOLUTION No. 2022-00__

A Resolution of the Board of Commissioners of Public Utility District No. 1 of Jefferson County, Washington ("the PUD"), rescinding Resolution No. 2020-006 regarding COVID-19 and lifting of the Declaration of Emergency

WHEREAS, the Washington State Governor declared a state of emergency in Washington State on February 29, 2020 due to a growing number of verified cases and deaths related to the spread of the coronavirus disease 2019 (COVID-19), directing state agencies to use all resources necessary to prepare for and respond to the outbreak; and

WHEREAS, the President of the United States declared a national state of emergency on March 13, 2020; and

WHEREAS, on March 18, 2020, the PUD adopted Resolution No. 2020-006 authorizing the General Manager to implement all necessary policies to allow for the operational needs of the PUD to provide safe and reliable services to the public, and directed the General Manager to close all PUD offices and develop related employment policies; and

WHEREAS, the PUD, as a contractor of Washington State, required employees and contractors to be vaccinated, also adopting an exemption policy consistent with both state and federal law; and

WHEREAS, the Governor has declared that the Covid-19 emergency is over, and the emergency declaration adopted by the Governor will be lifted as of October 31, 2022.

NOW, THEREFORE, BE IT RESOLVED, that the Commission of Public Utility District No. 1 of Jefferson County hereby rescinds the declaration of an emergency in Resolution No. 2020-006 and directs the General Manager to take all steps necessary to have all utility operations return to its pre-emergency operations.

BE IT FURTHER RESOLVED, that the General Manager is authorized to implement necessary policies to allow for the operational needs of the PUD as it returns to pre-emergency operations.

ADOPTED by the Commission of Public Utility District No. 1 of Jefferson County, Washington, at a regular open meeting held this 18th day of October 2022.

Jeff Randall, Vice President

ATTEST:

Dan Toepper, Secretary

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

RESOLUTION NO. 2022-XXXX

A Resolution of the Board of Commissioners of Public Utility District (PUD) No. 1 of Jefferson County, Washington, authorizing the General Manager to execute all agreements necessary to enter into grant agreements with Washington State Broadband Office (WSBO), to extend to communities of Quilcene, Discovery Bay and Gardiner a Broadband fiberoptic network.

WHEREAS, the PUD has been developing a Broadband fiber optic network to provide retail and wholesale Internet Services to serve the residents of Jefferson County, Washington over the past several years; and

WHEREAS, JPUD is planning to extend a high-speed broadband fiberoptic network to the communities of Quilcene, Discovery Bay and Gardiner in Jefferson County, Washington; and

WHEREAS, in Resolution 2021-018, the Board of Commissioners determined that the communities of Quilcene, Discovery Bay and Gardiner are both unserved and underserved in Broadband infrastructure; and

WHEREAS, in Resolution 2021-018 the Board of Commissioners authorized the PUD to apply for funding from the National Telecommunications and Information Administration (NTIA), United States Department of Commerce through its NTIA-Broadband-Infrastructure-Program-21, and

WHEREAS, NTIA has awarded the grant through the Washington State Broadband Office and the Washington State Department of Commerce, in the form of a grant agreement, attached and incorporated into this Resolution as Exhibit 1.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Public Utility District No. 1 of Jefferson County, that the above recitals are incorporated herein into this resolution; and that the General Manager of the PUD is hereby authorized to execute the grant agreement attached as Exhibit 1, and any other agreements necessary, authorizing the extension of a Broadband fiberoptic network to the communities of Quilcene, Discovery Bay and Gardiner in Jefferson County, Washington.

ADOPTED at a regular meeting of the Board of Commissioners of Public Utility District No. 1 of Jefferson County, this 18th day of October 2022.

Kenneth Collins, President

Jeff Randall, Vice President

ATTEST:

Dan Toepper, Secretary



Federal Capital Agreement with

Public Utility District No. 1 of Jefferson County

through

Washington State Broadband Office – National Institute of Standards
and Technology (NIST), Broadband Infrastructure Program

For

Olympic Fiber Corridor

Start date: March 1, 2022

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Contract Number: 22-96811-004

**Washington State Department of Commerce
Local Government Division
State Broadband Office
NIST, Broadband Infrastructure Program Grant**

1. Subrecipient Jefferson County PUD No 1 310 Four Corners Road Port Townsend, WA 98368		2. Subrecipient Doing Business As (optional) N/A	
3. Subrecipient Representative Will O'Donnell Broadband and Communications Director (360) 385-8369 wodonnell@jeffpud.org		4. COMMERCE Representative Chelsea Bagwell Broadband Infrastructure Specialist (360) 485-3890 Chelsea.bagwell@commerce.wa.gov <div style="float: right; text-align: right;"> PO Box 42525 1011 Plum Street SE Olympia, WA 98504-2525 </div>	
5. Grant Amount \$ 11,562,392.00	6. Funding Source Federal: <input checked="" type="checkbox"/> State: <input checked="" type="checkbox"/> Other: <input type="checkbox"/> N/A: <input type="checkbox"/>	7. Start Date March 1, 2022	8. End Date February 28, 2023
9. Federal Funds (as applicable) \$ 6,153,426.00		Federal Agency US Dept. Commerce	
ALN (CFDA #): 11.031			
10. SWV # 0074555-01	11. UBI # 601-141-351	12. UNIQUE ENTITY ID # HQNGRB7DLGE4	
14. Grant Purpose The outcome of this performance-based Grant Agreement is to provide federal funding for a broadband infrastructure project as referenced in Attachment A – Statement of Work and Project Cost.			
COMMERCE, defined as the Department of Commerce and Subrecipient acknowledge and accept the terms of this Grant and attachments and have executed this Grant on the date below to start as of the date and year referenced above. The rights and obligations of both parties to this Grant are governed by this Grant and the following other documents incorporated by reference: Attachment “A” – Statement of Work and Project Cost, Attachment “B” – Certification of Availability of Funds to Complete the Project, Attachment “C” – Certification of the Payment and Reporting of Prevailing Wages, Attachment D – US Department of Commerce Special Terms and Conditions and the following documents incorporated herein by reference: Subrecipient's Application for Funding and the Washington State Broadband Office Infrastructure Broadband Infrastructure Grants Handbook 21-23 prepared by Commerce.			
FOR SUBRECIPIENT _____ Kevin Streett, General Manager _____ Date APPROVED AS TO FORM ONLY _____ Joel R. Paisner, Partner, Ascent Law Partners, LLP _____ Date		FOR COMMERCE _____ Mark K. Barkley, Assistant Director, Local Government Division _____ Date APPROVED AS TO FORM ONLY Dawn Cortez, Assistant Attorney General Washington State Office of the Attorney General 09/08/22	

DECLARATIONS

CLIENT INFORMATION

Subrecipient Name: **Jefferson County PUD No 1**
Grant Number: **22-96811-004**

PROJECT INFORMATION

Project Name: **Olympic Fiber Corridor**
Project City: **East Jefferson County**
Project State: **Washington**
Project Zip Code: **98368**

GRANT INFORMATION

Grant Amount: **\$ 6,153,426.00**
Local Match: **\$ 629,085.00**
State March: **\$ 5,408,966.00**
Total Project Funding: **\$12,191,477.00**

Grant End Date: **February 28, 2023**

Earliest Date for Reimbursement: **March 1, 2022**
Time of Performance: **March 1, 2022 to February 28, 2023**

FUNDING INFORMATION

Federal Award Agency: **US Department of Commerce, National Institute of Standards and Technology**

Amount of Federal Funds Obligated by this Action: **\$ 6,153,426.00**

ADDITIONAL SPECIAL TERMS AND CONDITIONS GOVERNING THIS AGREEMENT

N/A

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1. ACKNOWLEDGEMENT OF FEDERAL FUNDING

Federal Award Identification Number (FAIN): 53-08-I2298

Total amount of the federal award: **\$ 6,153,426.00**

Federal Awarding Agency: US Department of Commerce, National Institute of Standards and Technology

Research & Development (R&D): award will not be used for R&D

The Subrecipient agrees that any publications (written, visual, or sound) but excluding press releases, newsletters, and issue analyses, issued by the Subrecipient describing programs or projects funded in whole or in part with federal funds under this Grant, shall contain the following statements:

“This project was supported by grant 53-08-I2298 awarded by the US Department of Commerce, National Institute of Standards and Technology (NIST). Points of view in this document are those of the author and do not necessarily represent the official position or policies of the NIST. Grant funds are administered by the National Telecommunications and Information Administration (NTIA) Broadband Infrastructure Program Funds, Washington State Department of Commerce.”

2. ANNUAL REPORTING REQUIREMENTS

Not later than one year after receiving grant funds under the Broadband Infrastructure Program, and annually thereafter until the funds have been expended (unless the federal funding source has granted an extension to Commerce) the Subrecipient shall submit a report that:

- A. describes how the covered Subrecipient expended the funds; and
- B. certifies that the covered partnership complied with the requirements of the Act and the Broadband Infrastructure Program, including:
 - i. a description of each service provided with the grant funds; and
 - ii. the number of locations or geographic areas at which broadband service was provided using the grant funds; and
 - iii. identifies each Subrecipient that received a Subgrant from the covered partnership and a description of the specific project for which grant funds were provided.

3. AUDIT

If the Subrecipient expends \$750,000 or more in federal awards from any and/or all sources in any fiscal year, the Subrecipient shall procure and pay for a single audit or a program-specific audit for that fiscal year. Upon completion of each audit, the Subrecipient shall:

- A. Submit to COMMERCE the reporting package specified in OMB Super Circular 2 CFR § 200.501, reports required by the program-specific audit guide (if applicable), and a copy of any management letters issued by the auditor.
- B. Submit to COMMERCE follow-up and developed corrective action plans for all audit findings.

If the Subrecipient is a subrecipient and expends less than \$750,000 in federal awards from any and/or all sources in any fiscal year, the Subrecipient shall notify COMMERCE they did not meet the single audit requirement.

The Subrecipient shall send all single audit documentation to auditreview@commerce.wa.gov.

4. BASELINE PROJECT PLAN

Subrecipient shall submit baseline project plans and details regarding key outputs and outcomes from its projects within 45 days of the final approvals from NEPA. NTIA will provide guidance on the format and content of these baseline plans and details for this activity.

5. BILLING PROCEDURES AND PAYMENT

COMMERCE shall reimburse the Subrecipient for eligible Project expenditures, up to the maximum payable under this Grant Agreement. When requesting reimbursement for expenditures made, the Subrecipient shall submit to COMMERCE a signed and completed Invoice Voucher (Form A-19), that

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documents capitalized Project activity performed for the billing period. The Subrecipient can submit all Invoice Vouchers and any required documentation electronically through COMMERCE's Grants Management System (CMS), which is available through the Secure Access Washington (SAW) portal.

Grant funds are disbursed on reimbursement basis-only for eligible costs within the approved project's scope of work. Grant funds will be reimbursed and Subrecipient's matching funds must be expended by Subrecipient in the amounts and as identified on the Declarations Page.

The invoices shall describe and document, to COMMERCE's satisfaction, a description of the work performed, the progress of the project, and fees. The invoice shall include the Grant Number listed on the contract Face Sheet. If expenses are invoiced, provide a detailed breakdown of each type. A receipt must accompany any single expenses in the amount of \$50.00 or more in order to receive reimbursement.

The voucher must be certified (signed) by an official of the Subrecipient with authority to bind the Subrecipient. The final voucher shall be submitted to COMMERCE within sixty (60) days following the completion of work or other termination of this Grant Agreement, or if work is not completed or Grant terminated, within fifteen (15) days following the end of the state biennium unless Grant Agreement funds are reappropriated by the Legislature in accordance with Additional Special Terms and Conditions set forth in the Declarations page above.

Each request for payment must be accompanied by a Project Status Report, which describes, in narrative form, the progress made on the Project since the last invoice was submitted, as well as a report of Project status to date. COMMERCE will not release payment for any reimbursement request received unless and until the Project Status Report is received. After approving the Invoice Voucher and Project Status Report, COMMERCE shall promptly remit a warrant to the Subrecipient.

COMMERCE will pay Subrecipient upon acceptance of services provided and receipt of properly completed invoices, which shall be submitted to the Representative for COMMERCE **not more often than monthly**.

Payment shall be considered timely if made by COMMERCE within thirty (30) calendar days after receipt of properly completed invoices. Payment shall be sent to the address designated by the Subrecipient.

COMMERCE may, in its sole discretion, terminate the Grant or withhold payments claimed by the Subrecipient for services rendered if the Subrecipient fails to satisfactorily comply with any term or condition of this Grant.

No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by COMMERCE.

Invoices and End of Fiscal Year

Invoices are due on the 20th of the month following the provision of services.

Final invoices for a state fiscal year may be due sooner than the 20th and Commerce will provide notification of the end of fiscal year due date.

The Subrecipient must invoice for all expenses from the beginning of the contract through June 30, regardless of the contract start and end date.

Duplication of Billed Costs

The Subrecipient shall not bill COMMERCE for services performed under this Agreement, and COMMERCE shall not pay the Subrecipient, to extent that the Subrecipient is entitled to payment or has been or will be paid by any other source, including grants, for that service.

Disallowed Costs

The Subrecipient is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.

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Withholding

At its sole discretion, COMMERCE may withhold ten percent (10%) from each payment until acceptance by COMMERCE of the final report (or completion of the project, etc.).

6. CHANGE OF OWNERSHIP OR USE FOR SUBRECIPIENT-OWNED PROPERTY

- A. The Subrecipient understands and agrees that any and all real property or facilities owned by the Subrecipient that are acquired, constructed, or otherwise improved by the Subrecipient using funds under this Grant Agreement, shall be held and used by the Subrecipient for the purpose or purposes stated elsewhere in this Grant Agreement for a period of at least twenty five (25) years from the date the final payment is made hereunder.
- B. The Subrecipient may be required to execute and to record a statement of interest, financing statement (Form UCC-1), lien, mortgage or other public notice of record to indicate that real or personal property acquired or improved in whole or in part pursuant to a Broadband Infrastructure Program award is subject to a Federal Interest, and that certain use and disposition requirements apply to the property. The statement of interest, financing statement (Form UCC-1), lien, mortgage or other public notice must be acceptable in form and substance to NTIA and to the NIST Grants Officer and must be placed on record in accordance with Washington State and local law, with continuances re-filed as appropriate. In such cases, the NIST Grants Officer may further require the non-Federal entity to provide NTIA and the NIST Grants Officer with a written statement from a licensed attorney in the jurisdiction where the property is located, certifying that the Federal Interest has been protected, as required under the award and in accordance with Washington State and local law. The attorney's statement, along with a copy of the instrument reflecting the recordation of the Federal Interest, must be promptly returned to the Grants Officer. The non-Federal entity may use model documentation made available by NTIA.
- C. The Recipient must disclose all encumbrances to the NIST Grants Officer. The NIST Grants Officer will not accept any encumbrance that interferes with the construction, intended use, operation, or maintenance of the project during its estimated useful life.
- D. These provisions shall not be construed to prohibit the Subrecipient from selling any property or properties described in this section; Provided, that any such sale shall be subject to prior review and approval by COMMERCE, and that all proceeds from such sale shall be applied to the purchase price of a different facility or facilities of equal or greater value than the original facility and that any such new facility or facilities will be used for the purpose or purposes stated elsewhere in this Grant Agreement.
- E. In the event the Subrecipient is found to be out of compliance with this section, the Subrecipient shall repay to the state general fund the principal amount of the grant as stated on the Face Sheet, hereof, plus interest calculated at the rate of interest on state of Washington general obligation bonds issued most closely to the effective date of the legislation in which the subject facility was authorized. Repayment shall be made pursuant to Section 34 (Recapture provision of the General Terms and Conditions).

7. CHANGE OF USE FOR LEASED PROPERTY PERFORMANCE MEASURE

- A. The Subrecipient understands and agrees that any facility leased by the Subrecipient that is constructed, renovated, or otherwise improved using funds under this Grant Agreement shall be used by the Subrecipient for the purpose or purposes stated elsewhere in this Grant Agreement for a period of at least twenty five (25) years from the date the final payment is made hereunder.
- B. In the event the Subrecipient is found to be out of compliance with this section, the Subrecipient shall repay to COMMERCE the principal amount of the grant as stated on the Face Sheet, hereof, plus interest calculated at the rate of interest on state of Washington general obligation bonds issued most closely to the effective date of the legislation in which the subject facility was authorized. Repayment shall be made pursuant to Section 35 (Recapture Provision).

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8. COMPENSATION

COMMERCE shall pay an amount not to exceed the total contract amount listed on the contract Face Sheet for the performance of all things necessary for or incidental to the performance of work as set forth in the Scope of Work.

9. COMPLIANCE WITH APPLICABLE LAW AND REGULATIONS

- B. Federal regulations applicable to this award include, but are not necessarily limited to the following:
 - i. The US Department of Commerce Special Terms and Conditions in Attachment D.
 - ii. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR § 200 Part 200, other than such provisions as NTIA may determine are inapplicable to this Award. Subpart F – Audit Requirements of the Uniform Guidance, implementing the Single Audit Act, shall apply to this award.
 - iii. Universal Identifier and System for Award Management (SAM), 2 CFR § 200 Part 25, pursuant to which the award term set forth in Appendix A to 2 CFR § 200 Part 25 is hereby incorporated by reference.
 - iv. Reporting Subaward and Executive Compensation Information, 2 CFR § 200 Part 170, pursuant to which the award term set forth in Appendix A to 2 CFR § 200 Part 170 is hereby incorporated by reference.
 - v. OMB Guidelines to Agencies on Government wide Debarment and Suspension (Non-procurement), 2 C.F.R. Part 180, including the requirement to include a term or condition in all lower tier covered transactions (contracts and subcontracts described in 2 CFR § 200 Part 180, subpart B) that the award is subject to 2 CFR § 200 Part 180.
 - vi. Recipient Integrity and Performance Matters, pursuant to which the award term set forth in 2 CFR § 200 Part 200, Appendix XII to Part 200 is hereby incorporated by reference.
 - vii. Government wide Requirements for Drug-Free Workplace, 2 CFR § 200 Part 182.
 - viii. New Restrictions on Lobbying, 2 CFR § 200 Part 418.
 - ix. Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (42 U.S.C. §§ 4601-4655) and implementing regulations.
 - x. Generally applicable federal environmental laws and regulations.
 - xi. Prohibition on certain telecommunications and video surveillance services or equipment 2 CFR [§ 200.216](#).
- C. Statutes and regulations prohibiting discrimination applicable to this award include, but are not necessarily limited to the following:
 - i. Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.), which prohibit discrimination on the basis of race, color, or national origin under programs or activities receiving federal financial assistance;
 - ii. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 et seq.), which prohibits discrimination in housing on the basis of race, color, religion, national origin, sex, familial status, or disability;
 - iii. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of disability under any program or activity receiving federal financial assistance;
 - iv. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 et seq.), which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance; and

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- v. Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. §§ 12101 et seq.), which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto.

10. CONTRACTING WITH SMALL AND MINORITY BUSINESSES, WOMEN'S BUSINESS ENTERPRISES, AND LABOR SURPLUS AREA FIRMS

Pursuant to 2 CFR § 200.321, the Subrecipient must take all necessary affirmative steps (as described in 2 CFR § 200.321) to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

11. COPYRIGHT PROVISIONS

Per the Scope of Work, Section 16 is not intended to apply to any architectural and engineering work funded by this Grant.

12. DEBARMENT

- A.** Subrecipient, defined as the primary participant and its principals, certifies by signing these General Terms and Conditions that to the best of its knowledge and belief that they:
- i. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency.
 - ii. Have not within a three-year period preceding this Grant, been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public or private agreement or transaction, violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, receiving stolen property, making false claims, or obstruction of justice;
 - iii. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of federal Executive Order 12549; and
 - iv. Have not within a three-year period preceding the signing of this Grant had one or more public transactions (Federal, State, or local) terminated for cause of default.
- B.** Where the Subrecipient is unable to certify to any of the statements in this Grant, the Subrecipient shall attach an explanation to this Grant.
- C.** The Subrecipient agrees by signing this Grant that it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by COMMERCE.
- D.** The Subrecipient further agrees by signing this Grant that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," as follows, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions:

LOWER TIER COVERED TRANSACTIONS

- i. The lower tier Subrecipient certifies, by signing this Grant that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- ii. Where the lower tier Subrecipient is unable to certify to any of the statements in this Grant, such contractor shall attach an explanation to this Grant.

The terms **covered transaction, debarred, suspended, ineligible, lower tier covered transaction, person, primary covered transaction, principal, and voluntarily excluded**, as used in this section, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549, currently available online at [eCFR :: 22 CFR Part 513 Subpart A -- General](https://www.ecfr.gov/current/title-22/chapter-I/subchapter-A/part-513/subpart-A)

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13. DOMESTIC PREFERENCE FOR PROCUREMENTS (BUY AMERICAN)

Pursuant to 2 CFR § 200.322, the Subrecipient should, to the greatest extent practicable under the BIP award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including, but not limited to, iron, aluminum, steel, cement, and other manufactured products). The requirements of 2 CFR § 200.322 must be included in all subawards, including all contracts and purchase orders for work or products pursuant to this program.

14. ENVIRONMENTAL ASSESSMENT

The Subrecipient must comply with all environmental standards and identify to NTIA any impact a proposed infrastructure project may have on the environment. The Subrecipient may not expend any federal infrastructure funds other than for engineering design, permitting and work related to environmental, historical and cultural reviews, and limited, preliminary procurement funds, as described below, prior to the following:

- A. The completion of environmental review and issuance of a Record of Consideration (REC), Finding of No Significant Impact (FONSI), or Record of Decision (ROD) (hereinafter “decision documents”) that meets the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321, et seq.);
- B. The completion of any required consultations, to include consultations with the State Historic Preservation Office (SHPO) and the appropriate federally recognized Native American tribes, under Section 106 of the National Historic Preservation Act of 1966 (16 U.S.C. 470, et seq.) (NHPA), and/or consultations with the U.S. Fish and Wildlife Service (USFWS) under Section 7 of the Endangered Species Act (16 U.S.C. 1531, et seq.); and
- C. Demonstration of compliance with all other applicable federal, state, and local environmental laws and regulations.

Project implementation (site preparation, demolition, construction, ground disturbance, or any other project implementation activities) may not begin prior to the completion of the above activities.

15. EXPENSES

Subrecipient shall receive reimbursement for travel and other expenses as identified below or as authorized in advance by COMMERCE as reimbursable. The maximum amount to be paid to the Subrecipient for authorized expenses shall not exceed the total contract amount listed on the contract Face Sheet.

Such expenses may include airfare (economy or coach class only), other transportation expenses, and lodging and subsistence necessary during periods of required travel. Subrecipient shall receive compensation for travel expenses at current state travel reimbursement rates.

16. FEDERAL EXCLUSION

These terms add to the terms in Section 12 Certification Regarding Debarment, Suspension or Ineligibility and Voluntary Exclusion — Primary and Lower Tier Covered Transactions in General Terms and Conditions. The Subrecipient also agrees to access the Federal Exclusion List at www.sam.gov and provide Federal Exclusion documentation to Commerce and to keep a copy on file with the Subrecipient's project records.

17. GRANT MANAGEMENT

The Representative for each of the parties shall be responsible for and shall be the contact person for all communications and billings regarding the performance of this Grant.

The Representative for COMMERCE and their contact information are identified on the Face Sheet of this Grant.

The Representative for the Subrecipient and their contact information are identified on the Face Sheet of this Grant.

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18. INSPECTION AND TESTING OF MATERIALS

The Subrecipient shall ensure that all materials and equipment used in the completion of the work shall be subject to adequate inspection and testing in accordance with accepted standards. Materials of construction, particularly those upon which the strength and durability of any structure may depend, shall be subject to inspection and testing to establish conformance with specifications and suitability for intended uses. The Subrecipient shall ensure that documentation of same is cataloged and retained.

19. INSURANCE

The Subrecipient shall provide insurance coverage as set out in this section. The intent of the required insurance is to protect the State should there be any claims, suits, actions, costs, damages or expenses arising from any loss, or negligent or intentional act or omission of the Subrecipient or Subcontractor, or agents of either, while performing under the terms of this contract. Failure to maintain the required insurance coverage may result in termination of this Grant.

The insurance required shall be issued by an insurance company authorized to do business within the state of Washington. Except for Professional Liability or Errors and Omissions Insurance, the insurance shall name the state of Washington, its agents, officers, and employees as additional insureds under the insurance policy. All policies shall be primary to any other valid and collectable insurance. The Subrecipient shall instruct the insurers to give COMMERCE thirty (30) calendar days advance notice of any insurance cancellation, non-renewal or modification.

The Subrecipient shall submit to COMMERCE within fifteen (15) calendar days of a written request by COMMERCE, a certificate of insurance which outlines the coverage and limits defined in this insurance section. During the term of the Grant, if required or requested, the Subrecipient shall submit renewal certificates not less than thirty (30) calendar days prior to expiration of each policy required under this section.

The Subrecipient shall provide, at COMMERCE's request, copies of insurance instruments or certifications from the insurance issuing agency. The copies or certifications shall show the insurance coverage, the designated beneficiary who is covered, the amounts, the period of coverage, and that COMMERCE will be provided thirty (30) days advance written notice of cancellation.

The Subrecipient shall provide insurance coverage that shall be maintained in full force and effect during the term of this Grant, as follows:

Commercial General Liability Insurance Policy. Provide a Commercial General Liability Insurance Policy, including contractual liability, written on an occurrence basis, in adequate quantity to protect against legal liability arising out of contract activity but no less than \$1,000,000 per occurrence. Additionally, the Subrecipient is responsible for ensuring that any Subcontractors provide adequate insurance coverage for the activities arising out of subcontracts.

Automobile Liability. In the event that performance pursuant to this Grant involves the use of vehicles, owned or operated by the Subrecipient or its Subcontractor, automobile liability insurance shall be required. The minimum limit for automobile liability is \$1,000,000 per occurrence, using a Combined Single Limit for bodily injury and property damage.

Professional Liability, Errors and Omissions Insurance. The Subrecipient shall maintain Professional Liability or Errors and Omissions Insurance. The Subrecipient shall maintain minimum limits of no less than \$1,000,000 per occurrence to cover all activities by the Subrecipient and licensed staff employed or under contract to the Subrecipient. The state of Washington, its agents, officers, and employees need *not* be named as additional insureds under this policy.

Fidelity Insurance. Every officer, director, employee, or agent who is authorized to act on behalf of the Subrecipient for the purpose of receiving or depositing funds into program accounts or issuing financial documents, checks, or other instruments of payment for program costs shall be insured to provide protection against loss:

- A.** The amount of fidelity coverage secured pursuant to this Grant shall be \$100,000 or the highest of planned reimbursement for the Grant period, whichever is lowest. Fidelity insurance secured pursuant to this paragraph shall name COMMERCE as beneficiary.

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- B.** Subcontractors that receive \$10,000 or more per year in funding through this Grant shall secure fidelity insurance as noted above. Fidelity insurance secured by Subcontractors pursuant to this paragraph shall name the Subrecipient as beneficiary.

Subrecipients and Local Governments that Participate in a Self-Insurance Program.

Self-Insured/Liability Pool or Self-Insured Risk Management Program – Subrecipient may provide the coverage above under a self-insured/liability pool or self-insured risk management program. In order to obtain permission from COMMERCE, the Subrecipient shall provide: (1) a description of its self-insurance program, and (2) a certificate and/or letter of coverage that outlines coverage limits and deductibles. All self-insured risk management programs or self-insured/liability pool financial reports must comply with Generally Accepted Accounting Principles (GAAP) and adhere to accounting standards promulgated by: 1) Governmental Accounting Standards Board (GASB), 2) Financial Accounting Standards Board (FASB), and 3) the Washington State Auditor's annual instructions for financial reporting. Subrecipient's participating in joint risk pools shall maintain sufficient documentation to support the aggregate claim liability information reported on the balance sheet. The state of Washington, its agents, and employees need not be named as additional insured under a self-insured property/liability pool, if the pool is prohibited from naming third parties as additional insured.

Annually Subrecipient shall provide upon written request by COMMERCE a summary of coverages and a letter of self-insurance, evidencing continued coverage under Subrecipient's self-insured/liability pool or self-insured risk management program. Such annual summary of coverage and letter of self-insurance will be provided on the anniversary of the start date of this Agreement.

20. MODIFICATION TO THE PROJECT COSTS

As provided at 2 CFR § 200.308(f), the Subrecipient may, at its discretion, make modifications not to exceed ten percent (10%) of each cost category item in the ATTACHMENT A: STATEMENT OF WORK AND PROJECT COSTS.

The Subrecipient shall notify COMMERCE in writing when making any budget modifications that would exceed ten percent (10%) of any cost category line item as identified in ATTACHMENT A: STATEMENT OF WORK AND PROJECT COSTS. Nothing in this section shall be construed to permit an increase in the amount of grant as set forth on the declaration page.

21. NATIONAL HISTORIC PRESERVATION ACT

The Recipient may not expend any federal infrastructure funds other than for engineering design, permitting and work related to environmental, historical and cultural reviews, and limited, preliminary procurement funds prior to the following:

- A. The completion of any required consultations, to include consultations with the State Historic Preservation Officer (SHPO) and the appropriate federally recognized Native American tribes, under Section 106 of the National Historic Preservation Act of 1966 (16 U.S.C. 470, et seq.) (NHPA); and/or
- B. Demonstration of compliance with all other applicable Federal, State, and local environmental laws and regulations.

Project implementation (site preparation, demolition, construction, ground disturbance, or any other project implementation activities) may not begin prior to the completion of the above activities.

22. OPEN NETWORK REQUIREMENTS

The Subrecipient must comply with NTIA's open network requirements, which allows all other broadband service providers to interconnect with networks and other broadband infrastructure deployed using funds for the grant program on fair and non-discriminatory terms and conditions. The requirement to interconnect will apply to Subrecipient that deploy middle mile networks or submarine cable landing stations and not last mile networks.

- A. **Interconnection:** Subrecipient shall allow interconnection to grant-funded facilities at any technically feasible point along the network (without exceeding current or reasonably anticipated capacity limitations). This duty includes, at a minimum, the physical interconnection of the Subrecipient's facilities to a requesting party's facilities for the

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exchange of traffic. In addition, Subrecipient shall connect to the public Internet directly or indirectly and provide requesting parties with an ability to connect to the Internet. Rates and terms for interconnection shall be reasonable and nondiscriminatory.

- B. **Negotiate in Good Faith:** Subrecipient shall negotiate in good faith with all requesting parties (i.e., public, private, non-profit, or other parties) making a bona fide request for interconnection or wholesale services.
- C. **Wholesale Broadband Service:** NTIA encourages Subrecipient to offer wholesale broadband services at rates and terms that are reasonable and nondiscriminatory.

23. OWNERSHIP OF PROJECT/CAPITAL FACILITIES

COMMERCE makes no claim to any real property improved or constructed with funds awarded under this Grant Agreement and does not assert and will not acquire any ownership interest in or title to the capital facilities and/or equipment constructed or purchased with state funds under this Grant Agreement; provided, however, that COMMERCE may be granted a security interest in real property, to secure performance and funds awarded under this Grant Agreement. For the avoidance of doubt, the foregoing replaces in its entirety the introductory paragraph of Section 46 of the General Terms and Conditions. This provision does not extend to claims that COMMERCE may bring against the Subrecipient in recapturing funds expended in violation of this Grant Agreement.

24. PROHIBITION ON USE FOR COVERED COMMUNICATIONS EQUIPMENT OR SERVICES

A Subrecipient may not use grant funds received under the BIP to purchase or support any covered communications equipment or service (as defined in section 9 of the Secure and Trusted Communications Networks Act of 2019 (47 U.S.C. 1608). See also CFR § 200.216 (Prohibition on certain telecommunications and video surveillance services or equipment), which also applies to this award.

25. PROPERTY TRUST RELATIONSHIP AND PUBLIC NOTICE FILINGS FOR GRANT-ACQUIRED PROPERTY

In accordance with 2 CFR § 200.316 (Property trust relationship), real property, equipment, and intangible property, that are acquired or improved with a Federal award must be held in trust by the Subrecipient as trustee for the beneficiaries of the project or program under which the property was acquired or improved. This trust relationship exists throughout the duration of the property's estimated useful life, as determined by the NIST Grants Officer in consultation with the NTIA Program Office, during which time the Federal Government retains an undivided, equitable reversionary interest in the property (Federal Interest). The Subrecipient must comply with all use and disposition requirements and restrictions as set forth in 2 CFR § 200.310 (Insurance coverage) through 200.316 (Property trust relationship), as applicable, and in the terms and conditions of the Federal award.

The NIST Grants Officer will require a Subrecipient to execute and to record (as applicable) a statement of interest, financing statement (Form UCC-1), lien, mortgage or other public notice of record to indicate that real or personal property acquired or improved in whole or in part pursuant to a Broadband Infrastructure Program award is subject to the Federal Interest, and that certain use and disposition requirements apply to the property. The statement of interest, financing statement (Form UCC-1), lien, mortgage or other public notice must be acceptable in form and substance to NTIA and to the NIST Grants Officer and must be placed on record in accordance with applicable State and local law, with continuances re-filed as appropriate. In such cases, the NIST Grants Officer may further require the Subrecipient to provide NTIA and the NIST Grants Officer with a written statement from a licensed attorney in the jurisdiction where the property is located, certifying that the Federal Interest has been protected, as required under the award and in accordance with applicable State and local law. The attorney's statement, along with a copy of the instrument reflecting the recordation of the Federal Interest, must be promptly returned to the Grants Officer. The Subrecipient entity may use model documentation made available by NTIA.

Without releasing or excusing the Subrecipient from these obligations, the Subrecipient entity, by execution of the financial assistance award or by expending Federal financial assistance funds (in the case of a Subrecipient), authorizes NTIA and/or the NIST Grants Officer to file such notices and continuations as it determines to be necessary or convenient to disclose and protect the Federal

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Interest in the property. The NIST Grants Officer may elect not to release any or a portion of the Federal award funds until the Subrecipient has complied with this provision and any other applicable award terms or conditions, unless other arrangements satisfactory to the NIST Grants Officer are made.

26. REDUCTION IN FUNDS

In the event state funds appropriated for the work contemplated under this Grant Agreement are withdrawn, reduced, or limited in any way by the Governor or the Washington State Legislature during the Period of Performance, the parties hereto shall be bound by any such revised funding limitations as implemented at the discretion of COMMERCE, and shall meet and renegotiate the Grant Agreement accordingly.

27. REGISTRATION WITH THE SYSTEM FOR AWARD MANAGEMENT (SAM)

By signing this Grant, the Subrecipient accepts the requirements stated in 48 CFR 52.204-7 to register with the System for Award Management at the SAM website (<https://www.sam.gov>). To register in SAM, a valid Unique Entity Identifier (UEI) is required. The Subrecipient is responsible for the accuracy and completeness of the data within the SAM database and for any liability resulting from the Government's reliance on inaccurate or incomplete data. The Subrecipient must remain registered in the SAM database after the initial registration. The Subrecipient is required to review and update on an annual basis from the date of initial registration or subsequent updates its information in SAM to ensure it is current, accurate and complete. The Subrecipient shall provide evidence documenting registration and renewal of SAM registration to COMMERCE.

In the event of the Subrecipient's noncompliance or refusal to comply with the requirement stated above, Commerce reserves the right to suspend payment until the Subrecipient cures this noncompliance.

28. REQUIREMENTS DURING CONSTRUCTION

During construction, the Subrecipient is responsible for:

- A. Ensuring project completion in accordance with approved plans and specifications;
- B. Providing for required construction permits and adequate construction inspection.

29. SCHEDULING INSPECTION FOR FINAL ACCEPTANCE

The Subrecipient will schedule a final inspection when all construction has been completed, the architect/engineer has conducted a final inspection, and any deficiencies have been corrected. COMMERCE staff, the architect/engineer, and the contractor(s) will make the final inspection. The NIST Grants Officer must be given advance notice of the final inspection so that the NIST Grants Officer may participate.

30. SUBCONTRACTOR DATA COLLECTION

Subrecipient will submit reports, in a form and format to be provided by COMMERCE and at intervals as agreed by the parties, regarding work under this Grant performed by subcontractors and the portion of Grant funds expended for work performed by subcontractors, including but not necessarily limited to minority-owned, woman-owned, and veteran-owned business subcontractors. "Subcontractors" shall mean subcontractors of any tier.

31. SUBCONTRACTORS

No prior approval of subcontracting to a Subcontractor of any tier shall be required and the first three paragraphs of Section 41 of the General Terms and Conditions shall be deemed to refer to "subrecipient" rather than Subcontractor or subcontracting. The parties acknowledge and agree that Subrecipient may perform work under this agreement using subrecipients and that Subrecipient is wholly responsible for selection of subrecipients and to ensure their compliance with applicable law.

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32. TERMINATION FOR FRAUD OR MISREPRESENTATION

In the event the Subrecipient commits fraud or makes any misrepresentation in connection with the Grant application or during the performance of this Grant Agreement, COMMERCE reserves the right to terminate or amend this Grant Agreement accordingly, including the right to recapture all funds disbursed to the Subrecipient under the Grant.

33. ORDER OF PRECEDENCE

In the event of an inconsistency in this Grant, the inconsistency shall be resolved by giving precedence in the following order:

- Applicable federal and state of Washington statutes and regulations
- US Department of Commerce Special Terms and Conditions
- Additional Special Terms and Conditions
- General Terms and Conditions
- Attachment A – Scope of Work
- Attachment B – Certification of the Availability of Funds to Complete the Project
- Attachment C – Certification of the Payment and Reporting of Prevailing Wages
- Attachment D – [US Department of Commerce Special Terms and Conditions](#)

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1. DEFINITIONS

As used throughout this Grant, the following terms shall have the meaning set forth below:

- A. "Authorized Representative" shall mean the Director of Commerce and/or the designee authorized in writing to act on the Director's behalf.
- B. "COMMERCE" shall mean the Department of Commerce.
- C. "Grant" or "Agreement" means the entire written agreement between COMMERCE and the Subrecipient, including any Exhibits, documents, or materials incorporated by reference. E-mail or Facsimile transmission of a signed copy of this contract shall be the same as delivery of an original.
- D. "Subrecipient" shall mean the entity identified on the face sheet performing service(s) under this Grant, and shall include all employees and agents of the Subrecipient.
- E. "Personal Information" shall mean information identifiable to any person, including, but not limited to, information that relates to a person's name, health, finances, education, business, use or receipt of governmental services or other activities, addresses, telephone numbers, social security numbers, driver license numbers, other identifying numbers, and any financial identifiers.
- F. "State" shall mean the state of Washington.
- G. "Subcontractor" shall mean one not in the employment of the Subrecipient, who is performing all or part of those services under this Grant under a separate contract with the Subrecipient. The terms "subcontractor" and "subcontractors" mean subcontractor(s) in any tier.

2. ADMINISTRATIVE COST ALLOCATION

Administrative costs that may be allowed are set forth in the Special Terms and Conditions. Administrative services shared by other programs shall be assigned to this Grant based on an allocation plan that reflects allowable administrative costs that support services provided under each Grant administered by the Subrecipient. An approved current federal indirect cost rate may be applied up to the maximum administrative budget allowed.

3. ALLOWABLE COSTS

Costs allowable under this Grant are actual expenditures according to an approved budget up to the maximum amount stated on the Grant Award or Amendment Face Sheet.

4. ALL WRITINGS CONTAINED HEREIN

This Grant contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Grant shall be deemed to exist or to bind any of the parties hereto.

5. AMENDMENTS

This Grant may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.

6. AMERICANS WITH DISABILITIES ACT (ADA) OF 1990, PUBLIC LAW 101-336, also referred to as the "ADA" 28 CFR Part 35

The Subrecipient must comply with the ADA, which provides comprehensive civil rights protection to individuals with disabilities in the areas of employment, public accommodations, state and local government services, and telecommunications.

7. APPROVAL

This contract shall be subject to the written approval of COMMERCE's Authorized Representative and shall not be binding until so approved. The contract may be altered, amended, or waived only by a written amendment executed by both parties.

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8. ASSIGNMENT

Neither this Grant, nor any claim arising under this Grant, shall be transferred or assigned by the Subrecipient without prior written consent of COMMERCE.

9. ATTORNEYS' FEES

Unless expressly permitted under another provision of the Grant, in the event of litigation or other action brought to enforce Grant terms, each party agrees to bear its own attorney's fees and costs.

10. AUDIT

If the Subrecipient is a subrecipient and expends \$750,000 or more in federal awards from any and/or all sources in any fiscal year, the Subrecipient shall procure and pay for a single audit or a program-specific audit for that fiscal year. Upon completion of each audit, the Subrecipient shall:

- A. Submit to COMMERCE the reporting package specified in OMB Super Circular 2 CFR § 200.501, reports required by the program-specific audit guide (if applicable), and a copy of any management letters issued by the auditor.
- B. Submit to COMMERCE follow-up and developed corrective action plans for all audit findings.

If the Subrecipient is a subrecipient and expends less than \$750,000 in federal awards from any and/or all sources in any fiscal year, the Subrecipient shall notify COMMERCE they did not meet the single audit requirement.

The Subrecipient shall send all single audit documentation to auditreview@commerce.wa.gov.

11. CERTIFICATION REGARDING DEBARMENT, SUSPENSION OR INELIGIBILITY AND VOLUNTARY EXCLUSION—PRIMARY AND LOWER TIER COVERED TRANSACTIONS

- A. Subrecipient, defined as the primary participant and its principals, certifies by signing these General Terms and Conditions that to the best of its knowledge and belief that they:
 - i. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency.
 - ii. Have not within a three-year period preceding this contract, been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public or private agreement or transaction, violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, receiving stolen property, making false claims, or obstruction of justice;
 - iii. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of federal Executive Order 12549; and
 - iv. Have not within a three-year period preceding the signing of this contract had one or more public transactions (federal, state, or local) terminated for cause of default.
- B. Where the Subrecipient is unable to certify to any of the statements in this contract, the Subrecipient shall attach an explanation to this contract.
- C. The Subrecipient agrees by signing this contract that it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by COMMERCE.
- D. The Subrecipient further agrees by signing this contract that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," as follows, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions:

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- i. The lower tier contractor certifies, by signing this contract that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
 - ii. Where the lower tier contractor is unable to certify to any of the statements in this contract, such contractor shall attach an explanation to this contract.
- E. The terms **covered transaction, debarred, suspended, ineligible, lower tier covered transaction, person, primary covered transaction, principal, and voluntarily excluded**, as used in this section, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact COMMERCE for assistance in obtaining a copy of these regulations.

12. CODE REQUIREMENTS

All construction and rehabilitation projects must satisfy the requirements of applicable local, state, and federal building, mechanical, plumbing, fire, energy and barrier-free codes. Compliance with the Americans with Disabilities Act of 1990 28 C.F.R. Part 35 will be required, as specified by the local building Department.

13. CONFIDENTIALITY/SAFEGUARDING OF INFORMATION

- A. "Confidential Information" as used in this section includes:
- 1. All material provided to the Subrecipient by COMMERCE that is designated as "confidential" by COMMERCE;
 - 2. All material produced by the Subrecipient that is designated as "confidential" by COMMERCE; and
 - 3. All personal information in the possession of the Subrecipient that may not be disclosed under state or federal law. "Personal information" includes but is not limited to information related to a person's name, health, finances, education, business, use of government services, addresses, telephone numbers, social security number, driver's license number and other identifying numbers, and "Protected Health Information" under the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA).
- B. The Subrecipient shall comply with all state and federal laws related to the use, sharing, transfer, sale, or disclosure of Confidential Information. The Subrecipient shall use Confidential Information solely for the purposes of this Grant and shall not use, share, transfer, sell or disclose any Confidential Information to any third party except with the prior written consent of COMMERCE or as may be required by law. The Grantor shall take all necessary steps to assure that Confidential Information is safeguarded to prevent unauthorized use, sharing, transfer, sale or disclosure of Confidential Information or violation of any state or federal laws related thereto. Upon request, the Subrecipient shall provide COMMERCE with its policies and procedures on confidentiality. COMMERCE may require changes to such policies and procedures as they apply to this Grant whenever COMMERCE reasonably determines that changes are necessary to prevent unauthorized disclosures. The Subrecipient shall make the changes within the time period specified by COMMERCE. Upon request, the Subrecipient shall immediately return to COMMERCE any Confidential Information that COMMERCE reasonably determines has not been adequately protected by the Subrecipient against unauthorized disclosure.
- C. Unauthorized Use or Disclosure. The Subrecipient shall notify COMMERCE within five (5) working days of any unauthorized use or disclosure of any confidential information, and shall take necessary steps to mitigate the harmful effects of such use or disclosure.

14. CONFORMANCE

If any provision of this contract violates any statute or rule of law of the state of Washington, it is considered modified to conform to that statute or rule of law.

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15. CONFLICT OF INTEREST

Notwithstanding any determination by the Executive Ethics Board or other tribunal, the COMMERCE may, in its sole discretion, by written notice to the Subrecipient terminate this contract if it is found after due notice and examination by COMMERCE that there is a violation of the Ethics in Public Service Act, Chapters 42.52 RCW and 42.23 RCW; or any similar statute involving the Subrecipient in the procurement of, or performance under this contract.

Specific restrictions apply to contracting with current or former state employees pursuant to chapter 42.52 of the Revised Code of Washington. The Subrecipient and their subcontractor(s) must identify any person employed in any capacity by the state of Washington that worked on the Commerce program administering this contract, including but not limited to formulating or drafting the legislation, participating in grant procurement planning and execution, awarding grants, and monitoring grants, during the 24 month period preceding the start date of this Grant. Identify the individual by name, the agency previously or currently employed by, job title or position held, and separation date. If it is determined by COMMERCE that a conflict of interest exists, the Subrecipient may be disqualified from further consideration for the award of a Grant.

In the event this contract is terminated as provided above, COMMERCE shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of a breach of the contract by the Subrecipient. The rights and remedies of COMMERCE provided for in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law. The existence of facts upon which COMMERCE makes any determination under this clause shall be an issue and may be reviewed as provided in the "Disputes" clause of this contract.

16. COPYRIGHT PROVISIONS

Unless otherwise provided, all Materials produced under this Grant shall be considered "works for hire" as defined by the U.S. Copyright Act and shall be owned by COMMERCE. COMMERCE shall be considered the author of such Materials. In the event the Materials are not considered "works for hire" under the U.S. Copyright laws, the Subrecipient hereby irrevocably assigns all right, title, and interest in all Materials, including all intellectual property rights, moral rights, and rights of publicity to COMMERCE effective from the moment of creation of such Materials.

"Materials" means all items in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. "Ownership" includes the right to copyright, patent, register and the ability to transfer these rights.

For Materials that are delivered under the Grant, but that incorporate pre-existing materials not produced under the Grant, the Subrecipient hereby grants to COMMERCE a nonexclusive, royalty-free, irrevocable license (with rights to sublicense to others) in such Materials to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display. The Subrecipient warrants and represents that the Subrecipient has all rights and permissions, including intellectual property rights, moral rights and rights of publicity, necessary to grant such a license to COMMERCE.

The Subrecipient shall exert all reasonable effort to advise COMMERCE, at the time of delivery of Materials furnished under this Grant, of all known or potential invasions of privacy contained therein and of any portion of such document which was not produced in the performance of this Grant. The Subrecipient shall provide COMMERCE with prompt written notice of each notice or claim of infringement received by the Subrecipient with respect to any Materials delivered under this Grant. COMMERCE shall have the right to modify or remove any restrictive markings placed upon the Materials by the Subrecipient.

17. DISALLOWED COSTS

The Subrecipient is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its Subcontractors.

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18. DISPUTES

Except as otherwise provided in this Grant, when a dispute arises between the parties and it cannot be resolved by direct negotiation, either party may request a dispute hearing with the Director of COMMERCE, who may designate a neutral person to decide the dispute.

The request for a dispute hearing must:

- be in writing;
- state the disputed issues;
- state the relative positions of the parties;
- state the Contractor's name, address, and Grant number; and
- be mailed to the Director and the other party's (respondent's) Contract Representative within three (3) working days after the parties agree that they cannot resolve the dispute.

The respondent shall send a written answer to the requestor's statement to both the Director or the Director's designee and the requestor within five (5) working days.

The Director or designee shall review the written statements and reply in writing to both parties within ten (10) working days. The Director or designee may extend this period if necessary by notifying the parties.

The decision shall not be admissible in any succeeding judicial or quasi-judicial proceeding.

The parties agree that this dispute process shall precede any action in a judicial or quasi-judicial tribunal.

Nothing in this Grant shall be construed to limit the parties' choice of a mutually acceptable alternate dispute resolution (ADR) method in addition to the dispute hearing procedure outlined above.

19. DUPLICATE PAYMENT

The Subrecipient certifies that work to be performed under this contract does not duplicate any work to be charged against any other contract, subcontract, or other source.

20. GOVERNING LAW AND VENUE

This Grant shall be construed and interpreted in accordance with the laws of the state of Washington, and the venue of any action brought hereunder shall be in the Superior Court for Thurston County.

21. FRAUD AND OTHER LOSS REPORTING

Subrecipient shall report in writing all known or suspected fraud or other loss of any funds or other property furnished under this Grant Agreement immediately or as soon as practicable to the COMMERCE Representative identified on the Face Sheet.

22. INDEMNIFICATION

To the fullest extent permitted by law, the Subrecipient shall indemnify, defend, and hold harmless the state of Washington, COMMERCE, agencies of the state and all officials, agents and employees of the state, for, from and against all claims for injuries or death arising out of, or resulting from, the performance of the contract. "Claim" as used in this contract, means any financial loss, claim, suit, action, damage, or expense, including but not limited to attorney's fees, attributable for bodily injury, sickness, disease, or death, or injury to or the destruction of tangible property including loss of use resulting therefrom.

The Subrecipient's obligation to indemnify, defend, and hold harmless includes any claim by Subrecipient's agents, employees, representatives, or any subcontractor or its employees.

Subrecipient expressly agrees to indemnify, defend, and hold harmless the State for any claim arising out of or incident to Subrecipient's or any subcontractor's performance or failure to perform the contract. Subrecipient's obligation to indemnify, defend, and hold harmless the State shall not be eliminated or reduced by any actual or alleged concurrent negligence of State or its agents, agencies, employees and officials.

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The Subrecipient waives its immunity under Title 51 RCW to the extent it is required to indemnify, defend and hold harmless the state and its agencies, officers, agents or employees.

23. INDEPENDENT CAPACITY OF THE SUBRECIPIENT

The parties intend that an independent contractor relationship will be created by this Grant. The Subrecipient and its employees or agents performing under this Grant are not employees or agents of the state of Washington or COMMERCE. The Subrecipient will not hold itself out as or claim to be an officer or employee of COMMERCE or of the state of Washington by reason hereof, nor will the Subrecipient make any claim of right, privilege or benefit which would accrue to such officer or employee under law. Conduct and control of the work will be solely with the Subrecipient.

24. INDUSTRIAL INSURANCE COVERAGE

The Subrecipient shall comply with all applicable provisions of Title 51 RCW, Industrial Insurance. If the Subrecipient fails to provide industrial insurance coverage or fails to pay premiums or penalties on behalf of its employees as may be required by law, COMMERCE may collect from the Subrecipient the full amount payable to the Industrial Insurance Accident Fund. COMMERCE may deduct the amount owed by the Subrecipient to the accident fund from the amount payable to the Subrecipient by COMMERCE under this Grant, and transmit the deducted amount to the Department of Labor and Industries, (L&I) Division of Insurance Services. This provision does not waive any of L&I's rights to collect from the Subrecipient.

25. LAWS

The Subrecipient shall comply with all applicable laws, ordinances, codes, regulations, and policies of local, state, and federal governments, as now or hereafter amended.

26. LICENSING, ACCREDITATION AND REGISTRATION

The Subrecipient shall comply with all applicable local, state, and federal licensing, accreditation and registration requirements or standards necessary for the performance of this Grant.

27. LIMITATION OF AUTHORITY

Only the Authorized Representative or Authorized Representative's designee by writing (designation to be made prior to action) shall have the express, implied, or apparent authority to alter, amend, modify, or waive any clause or condition of this Grant.

28. NONCOMPLIANCE WITH NONDISCRIMINATION LAWS

During the performance of this Grant, the Subrecipient shall comply with all federal, state, and local nondiscrimination laws, regulations and policies. In the event of the Subrecipient's non-compliance or refusal to comply with any nondiscrimination law, regulation or policy, this contract may be rescinded, canceled or terminated in whole or in part, and the Subrecipient may be declared ineligible for further contracts with COMMERCE. The Subrecipient shall, however, be given a reasonable time in which to cure this noncompliance. Any dispute may be resolved in accordance with the "Disputes" procedure set forth herein.

The funds provided under this contract may not be used to fund religious worship, exercise, or instruction. No person shall be required to participate in any religious worship, exercise, or instruction in order to have access to the facilities funded by this grant.

29. PAY EQUITY

The Subrecipient agrees to ensure that "similarly employed" individuals in its workforce are compensated as equals, consistent with the following:

- A. Employees are "similarly employed" if the individuals work for the same employer, the performance of the job requires comparable skill, effort, and responsibility, and the jobs are performed under similar working conditions. Job titles alone are not determinative of whether employees are similarly employed;
- B. Subrecipient may allow differentials in compensation for its workers if the differentials are based in good faith and on any of the following:

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(i) A seniority system; a merit system; a system that measures earnings by quantity or quality of production; a bona fide job-related factor or factors; or a bona fide regional difference in compensation levels.

(ii) A bona fide job-related factor or factors may include, but not be limited to, education, training, or experience that is: Consistent with business necessity; not based on or derived from a gender-based differential; and accounts for the entire differential.

(iii) A bona fide regional difference in compensation level must be: Consistent with business necessity; not based on or derived from a gender-based differential; and account for the entire differential.

This Grant may be terminated by the Department, if the Department or the Department of Enterprise services determines that the Subrecipient is not in compliance with this provision.

30. POLITICAL ACTIVITIES

Political activity of Subrecipient employees and officers are limited by the State Campaign Finances and Lobbying provisions of Chapter 42.17A RCW and the Federal Hatch Act, 5 USC 1501 - 1508.

No funds may be used for lobbying or for working for or against ballot measures or for or against the candidacy of any person for public office.

31. PREVAILING WAGE LAW

The Subrecipient certifies that all contractors and subcontractors performing work on the Project shall comply with state Prevailing Wages on Public Works, Chapter 39.12 RCW, as applicable to the Project funded by this contract, including but not limited to the filing of the "Statement of Intent to Pay Prevailing Wages" and "Affidavit of Wages Paid" as required by RCW 39.12.040. The Subrecipient shall maintain records sufficient to evidence compliance with Chapter 39.12 RCW, and shall make such records available for COMMERCE's review upon request.

32. PROCUREMENT STANDARDS FOR FEDERALLY FUNDED PROGRAMS

A Subrecipient which is a local government or Indian Tribal government must establish procurement policies and procedures in accordance with 2 **CFR § 200** for all purchases funded by this contract.

All recipients of funds under this Contract, including Contractor and subrecipients or subcontractors of any tier, must follow the procurement standards in 2 CFR §§ 200.318 through 200.327, including ensuring that the procurement method used for the contracts are appropriate based on the dollar amount and conditions specified in 2 CFR § 200.320.

The Subrecipient's procurement system should include but not necessarily be limited to, the following:

- A. General procurement standards 2 CFR [§ 200.318](#). A code or standard of conduct that shall govern the performance of its officers, employees, or agents engaged in the awarding of contracts using federal funds.
- B. Competition 2 CFR [§ 200.319](#). Procedures that ensure all procurement transactions shall be conducted in a manner providing full and open competition consistent with the standards of this section and [§ 200.320](#).
- C. Methods of procurement to be followed 2 CFR [§ 200.320](#).
- D. Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms 2 CFR [§ 200.321](#).
- E. Domestic preferences for procurements 2 CFR [§ 200.322](#).

33. PROHIBITION AGAINST PAYMENT OF BONUS OR COMMISSION

The funds provided under this Grant shall not be used in payment of any bonus or commission for the purpose of obtaining approval of the application for such funds or any other approval or concurrence under this Grant provided, however, that reasonable fees or bona fide technical consultant, managerial, or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as project costs.

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34. PUBLICITY

The Subrecipient agrees not to publish or use any advertising or publicity materials in which the state of Washington or COMMERCE's name is mentioned, or language used from which the connection with the state of Washington's or COMMERCE's name may reasonably be inferred or implied, without the prior written consent of COMMERCE.

35. RECAPTURE

In the event that the Subrecipient fails to perform this contract in accordance with state laws, federal laws, and/or the provisions of this contract, COMMERCE reserves the right to recapture funds in an amount to compensate COMMERCE for the noncompliance in addition to any other remedies available at law or in equity.

Repayment by the Subrecipient of funds under this recapture provision shall occur within the time period specified by COMMERCE. In the alternative, COMMERCE may recapture such funds from payments due under this contract.

36. RECORDS MAINTENANCE

The Subrecipient shall maintain books, records, documents, data and other evidence relating to this contract and performance of the services described herein, including but not limited to accounting procedures and practices that sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this contract.

The Subrecipient shall retain such records for a period of six years following the date of final payment. At no additional cost, these records, including materials generated under the contract, shall be subject at all reasonable times to inspection, review or audit by COMMERCE, personnel duly authorized by COMMERCE, the Office of the State Auditor, and federal and state officials so authorized by law, regulation or agreement.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

37. REGISTRATION WITH DEPARTMENT OF REVENUE

If required by law, the Subrecipient shall complete registration with the Washington State Department of Revenue.

38. RIGHT OF INSPECTION

At no additional cost all records relating to the Subrecipient's performance under this Grant shall be subject at all reasonable times to inspection, review, and audit by COMMERCE, the Office of the State Auditor, and federal and state officials so authorized by law, in order to monitor and evaluate performance, compliance, and quality assurance under this Grant. The Subrecipient shall provide access to its facilities for this purpose.

39. SAVINGS

In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Grant and prior to normal completion, COMMERCE may terminate the Grant under the "Termination for Convenience" clause, without the ten business day notice requirement. In lieu of termination, the Grant may be amended to reflect the new funding limitations and conditions.

40. SEVERABILITY

The provisions of this contract are intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the contract.

41. SUBCONTRACTING

The Subrecipient may only subcontract work contemplated under this Grant if it obtains the prior written approval of COMMERCE.

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If COMMERCE approves subcontracting, the Subrecipient shall maintain written procedures related to subcontracting, as well as copies of all subcontracts and records related to subcontracts. For cause, COMMERCE in writing may:

- A. require the Subrecipient to amend its subcontracting procedures as they relate to this Grant;
- B. prohibit the Subrecipient from subcontracting with a particular person or entity; or
- C. require the Subrecipient to rescind or amend a subcontract.

Every subcontract shall bind the Subcontractor to follow all applicable terms of this Grant. The Subrecipient is responsible to COMMERCE if the Subcontractor fails to comply with any applicable term or condition of this Grant. The Subrecipient shall appropriately monitor the activities of the Subcontractor to assure fiscal conditions of this Grant. In no event shall the existence of a subcontract operate to release or reduce the liability of the Subrecipient to COMMERCE for any breach in the performance of the Subrecipient's duties.

Every subcontract shall include a term that COMMERCE and the State of Washington are not liable for claims or damages arising from a Subcontractor's performance of the subcontract.

42. SURVIVAL

The terms, conditions, and warranties contained in this Grant that by their sense and context are intended to survive the completion of the performance, cancellation or termination of this Grant shall so survive.

43. TAXES

All payments accrued on account of payroll taxes, unemployment contributions, the Subrecipient's income or gross receipts, any other taxes, insurance or expenses for the Subrecipient or its staff shall be the sole responsibility of the Subrecipient.

44. TERMINATION FOR CAUSE

In the event COMMERCE determines the Subrecipient has failed to comply with the conditions of this contract in a timely manner, COMMERCE has the right to suspend or terminate this contract. Before suspending or terminating the contract, COMMERCE shall notify the Subrecipient in writing of the need to take corrective action. If corrective action is not taken within 30 calendar days, the contract may be terminated or suspended.

In the event of termination or suspension, the Subrecipient shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original contract and the replacement or cover contract and all administrative costs directly related to the replacement contract, e.g., cost of the competitive bidding, mailing, advertising and staff time.

COMMERCE reserves the right to suspend all or part of the contract, withhold further payments, or prohibit the Subrecipient from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the Subrecipient or a decision by COMMERCE to terminate the contract. A termination shall be deemed a "Termination for Convenience" if it is determined that the Subrecipient: (1) was not in default; or (2) failure to perform was outside of his or her control, fault or negligence.

The rights and remedies of COMMERCE provided in this contract are not exclusive and are, in addition to any other rights and remedies, provided by law.

45. TERMINATION FOR CONVENIENCE

Except as otherwise provided in this Grant COMMERCE may, by ten (10) business days written notice, beginning on the second day after the mailing, terminate this Grant, in whole or in part. If this Grant is so terminated, COMMERCE shall be liable only for payment required under the terms of this Grant for services rendered or goods delivered prior to the effective date of termination.

**GENERAL TERMS AND CONDITIONS
CAPITAL
FEDERAL FUNDS**

46. TERMINATION PROCEDURES

Upon termination of this contract, COMMERCE, in addition to any other rights provided in this contract, may require the Subrecipient to deliver to COMMERCE any property specifically produced or acquired for the performance of such part of this contract as has been terminated. The provisions of the "Treatment of Assets" clause shall apply in such property transfer.

COMMERCE shall pay to the Subrecipient the agreed upon price, if separately stated, for completed work and services accepted by COMMERCE, and the amount agreed upon by the Subrecipient and COMMERCE for (i) completed work and services for which no separate price is stated, (ii) partially completed work and services, (iii) other property or services that are accepted by COMMERCE, and (iv) the protection and preservation of property, unless the termination is for default, in which case the authorized Representative shall determine the extent of the liability of COMMERCE. Failure to agree with such determination shall be a dispute within the meaning of the "Disputes" clause of this contract. COMMERCE may withhold from any amounts due the Subrecipient such sum as the Authorized Representative determines to be necessary to protect COMMERCE against potential loss or liability.

The rights and remedies of COMMERCE provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

After receipt of a notice of termination, and except as otherwise directed by the Authorized Representative, the Subrecipient shall:

- A. Stop work under the contract on the date, and to the extent specified, in the notice;
- B. Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the work under the contract that is not terminated;
- C. Assign to COMMERCE, in the manner, at the times, and to the extent directed by the Authorized Representative, all of the rights, title, and interest of the Subrecipient, under the orders and subcontracts so terminated, in which case COMMERCE has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
- D. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the Authorized Representative to the extent the Authorized Representative may require, which approval or ratification shall be final for all the purposes of this clause;
- E. Transfer title to COMMERCE and deliver in the manner, at the times, and to the extent directed by the Authorized Representative any property which, if the contract had been completed, would have been required to be furnished to COMMERCE;
- F. Complete performance of such part of the work as shall not have been terminated by the Authorized Representative; and
- G. Take such action as may be necessary, or as the Authorized Representative may direct, for the protection and preservation of the property related to this contract, which is in the possession of the Subrecipient and in which COMMERCE has or may acquire an interest.

47. TREATMENT OF ASSETS

Title to all property furnished by COMMERCE shall remain in COMMERCE. Title to all property furnished by the Subrecipient, for the cost of which the Subrecipient is entitled to be reimbursed as a direct item of cost under this contract, shall pass to and vest in COMMERCE upon delivery of such property by the Subrecipient. Title to other property, the cost of which is reimbursable to the Subrecipient under this contract, shall pass to and vest in COMMERCE upon (i) issuance for use of such property in the performance of this contract, or (ii) commencement of use of such property in the performance of this contract, or (iii) reimbursement of the cost thereof by COMMERCE in whole or in part, whichever first occurs.

- A. Any property of COMMERCE furnished to the Subrecipient shall, unless otherwise provided herein or approved by COMMERCE, be used only for the performance of this contract.

**GENERAL TERMS AND CONDITIONS
CAPITAL
FEDERAL FUNDS**

- B. The Subrecipient shall be responsible for any loss or damage to property of COMMERCE that results from the negligence of the Subrecipient or which results from the failure on the part of the Subrecipient to maintain and administer that property in accordance with sound management practices.
- C. If any COMMERCE property is lost, destroyed or damaged, the Subrecipient shall immediately notify COMMERCE and shall take all reasonable steps to protect the property from further damage.
- D. The Subrecipient shall surrender to COMMERCE all property of COMMERCE prior to settlement upon completion, termination or cancellation of this contract

All reference to the Subrecipient under this clause shall also include Subrecipient's employees, agents or Subcontractors.

48. WAIVER

Waiver of any default or breach shall not be deemed to be a waiver of any subsequent default or breach. Any waiver shall not be construed to be a modification of the terms of this Grant unless stated to be such in writing and signed by Authorized Representative of COMMERCE.

49. WORK HOURS AND SAFETY STANDARDS

The Grant Work Hours and Safety Standards Act (40 U.S.C. 327-333)-Where applicable, all contracts awarded by recipients in excess of \$100,000 for construction and other purposes that involve the employment of mechanics or laborers must include a provision for compliance with Section 102 and 107 of the Grant Work Hours Safety Standards Act (40 U.S.C. 327-333), as supplemented by Department of Labor regulations (29 CFR part 5). Under Section 102 of the Act, each subcontractor is required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than 1 ½ times the basic rate of pay for all hours worked in excess of 40 hours in the work week. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic is required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

STATEMENT OF WORK AND PROJECT COSTS

SCOPE OF WORK

Funds awarded under this grant will be used for capital expenditures for the Olympic Fiber Corridor Broadband project.

This project:

- Utilizes district electric utility assets and right of ways to install 122 miles of overhead fiber optic cable and 118 miles of buried fiber.
- Core electronics for the two areas will be placed in new huts constructed on PUD owned property at existing electric substations in Discovery Bay and Quilcene.
- Constructs a 10G XGS PON-based open access network.
- Installs customer electronics at each connection.
- Provides minimum speeds of 100/100 Mbps and make available 1/1 Gbps and faster speeds.

The project will connect the following to qualifying broadband service in the proposed service area:

- Households - 982
- Businesses - 28
- Community anchor institutions - 0

The broadband technology funded by this grant will result in minimum service speed to each of the above premises that reliably meets or exceeds 25 megabits per second download (Mbps) and 3 Mbps upload speeds.

Grantee shall require that all retail internet service providers using the broadband funded through this grant either:

- Participate in the Federal Communications Commission's Affordable Connectivity Program (ACP); or
- Provide access to a broad-based affordability program to consumers with low incomes in the broadband infrastructure proposed service area that provides benefits commensurate with those provided under the ACP.

Submit executed Partnership Agreement(s) and/or Indefeasible Rights of Use (IRU), no later than thirty (30) days prior to the anticipated construction completion date or contract end date.

Broadband Service: NTIA will interpret the 25/3 standard to mean the ability to provide 25 Mbps downstream and 3 Mbps upstream simultaneously to every household in the eligible service area. NTIA will interpret latency to mean 95 percent or more of all peak period measurements of network round trip latency [i.e., the total round-trip latency between the customer premises and the closest designated Internet core peering interconnection point] are at or below 100 milliseconds.

Subrecipient must require that all retail internet service providers using the broadband funded through this grant to either participate in the Federal Communications Commission's Affordable Connectivity Program (ACP), or otherwise provide access to a broad-based affordability program to consumers with low incomes in the broadband infrastructure proposed service area that provides benefits commensurate with those provided under the ACP.

The location of the project is: East Jefferson County, WA

Project activities will include and not be limited to:

- **Preliminary Design** – Initial project design and planning.
- **Engineering** – Includes detailed design engineering, permitting and rights of way, creation of construction documents

Attachment A

- **Procurement** – Identification, ordering, receiving, and inventory of all necessary materials and equipment.
- **Marketing** – Customer communication and outreach. Includes general awareness campaign, and final customer acquisition.
- **Construction** – Advertisement of bids for aerial and buried fiber contractors. Contractor Selection. Construction Management. Advertisement of bids for drops contractors, selection, and management.
- **Customer Connection/Completion** – Installation of network equipment in customer homes. Network connections and provision of internet service.

The project needs to meet all applicable Local, State, and/or Federal standards.

The “Copyright Provisions”, Section 16 of the General Terms and Conditions, are not intended to apply to any architectural and engineering design work funded by this grant.

Estimated Project Costs

Cost Category	Grant Amount	Local Match	SBO Match	Total
Administrative and Legal Expenses	110,000.00	222,840.00		332,840.00
Site Work (Land, Structures, ROW, Appraisals, etc.)	63,400.00			63,400.00
Architectural and Engineering	745,425.00			745,425.00
Project Inspection Fees				-
Construction	2,786,003.00		2,448,218.00	5,234,221.00
Equipment	2,356,632.00	406,245.00	2,000,000.00	4,762,877.00
Miscellaneous	18,404.00			18,404.00
Contingencies	73,562.00		960,748.00	1,034,310.00
TOTAL PROJECT COSTS	\$ 6,153,426.00	\$ 629,085.00	\$ 5,408,966.00	\$12,191,477.00

CERTIFICATION PERFORMANCE MEASURE – STATEMENT OF WORK AND PROJECT COSTS

The Subrecipient, by its signature, certifies that the declaration set forth above has been reviewed and approved by the Subrecipient's governing body as of the date and year written below.

Kevin Streett, General Manager

DATE

CERTIFICATION OF THE AVAILABILITY OF FUNDS TO COMPLETE THE PROJECT

Type of Funding	Source Description	Amount
Grant	Washington State Department of Commerce	\$ 6,153,426.00
Other Grants		
Grant #1	WSBO Match	\$ 5,408,966.00
Total Other Grants		\$ 5,408,966.00
Other Loans		
Loan #1	N/A	\$ 0.00
Total Loans		\$ 0.00
Other Local Revenue		
Source #1	Local Match	\$ 629,085.00
Total Local Revenue		\$ 629,085.00
Other Funds		
Source #1	N/A	\$ 0.00
Total Other Funds		\$ 0.00
Total Project Funding		\$ 12,191,477.00

CERTIFICATION PERFORMANCE MEASURE - AVAILABILITY OF FUNDS

The Subrecipient, by its signature, certifies that project funding from sources other than those provided by this Grant Agreement and identified above has been reviewed and approved by the Subrecipient's governing body or board of directors, as applicable, and has either been expended for eligible Project expenses, or is committed in writing and available and will remain committed and available solely and specifically for carrying out the purposes of this Project as described in elsewhere in this Grant Agreement, as of the date and year written below. The Subrecipient shall maintain records sufficient to evidence that it has expended or has access to the funds needed to complete the Project, and shall make such records available for COMMERCE's review upon reasonable request.

Kevin Streett, General Manager

DATE

CERTIFICATION OF THE PAYMENT AND REPORTING OF PREVAILING WAGES

The Subrecipient, by its signature, certifies that all contractors and subcontractors performing work on the Project shall comply with prevailing wage laws set forth in Chapter 39.12 RCW, as applicable to the Project funded by this Grant Agreement, including but not limited to the filing of the "Statement of Intent to Pay Prevailing Wages" and "Affidavit of Wages Paid" as required by RCW 39.12.040. The Subrecipient shall maintain records sufficient to evidence compliance with Chapter 39.12 RCW, and shall make such records available for COMMERCE's review upon request.

Subrecipient certifies that "all laborers and mechanics employed by contractors and subcontractors in the performance of the project are paid wages at rates not less than those prevailing, as determined by the U.S. Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code (commonly known as the "Davis-Bacon Act"), for the corresponding classes of laborers and mechanics employed on projects of a character similar to the contract work in the civil subdivision of the State (or the District of Columbia) in which the work is to be performed, or by the appropriate state entity pursuant to a corollary state prevailing-wage-in construction law (commonly known as "baby Davis-Bacon Acts").

Subrecipient certifies that "the indicated project includes a project labor agreement, meaning a pre-hire collective bargaining agreement consistent with section 8(f) of the National Labor Relations Act (29 U.S.C. 158(f)).

For any funds are used by the Subrecipient for the purpose of construction, applicable State Prevailing Wages must be paid.

CERTIFICATION PERFORMANCE MEASURE – PREVAILING WAGES

The Subrecipient, by its signature, certifies that the declaration set forth above has been reviewed and approved by the Subrecipient's governing body as of the date and year written below.

Kevin Streett, General Manager

DATE



DocuSign Routing Form

SBO Unit

Review by (Title):	Name:	Date:	Initials:
Contract Manager	Chelesa Bagwell		
SBO Infrastructure Programs Manager	Connie Rivera		
LGD Deputy Assistant Director (before AD signature)	Tony Hanson		

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Status: Sent

Subject: Complete with DocuSign: 22-96811-004 Jefferson Co Contract.docx, SBO Countract Routing Form-Che...

Division:

Local Government

Program: NSIT-NTIA BIP

ContractNumber: 22-96811-004

DocumentType: Contract

Source Envelope:

Document Pages: 34

Signatures: 0

Envelope Originator:

Certificate Pages: 5

Initials: 0

Connie Rivera

AutoNav: Enabled

1011 Plum Street SE

Envelopeld Stamping: Enabled

MS 42525

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Olympia, WA 98504-2525

connie.rivera@commerce.wa.gov

IP Address: 147.55.134.66

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Joel Paisner

Sent: 10/17/2022 9:32:09 AM

joel@ascentlp.com

Security Level: Email, Account Authentication
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Kevin Streett

Sent: 10/17/2022 9:32:09 AM

kstreett@jeffpud.org

Security Level: Email, Account Authentication
(None)**Electronic Record and Signature Disclosure:**

Accepted: 10/4/2022 11:10:03 AM

ID: c31bb26f-9b28-42d5-acef-1d839e136e6a

Chelesa Bagwell

chelsea.bagwell@commerce.wa.gov

Security Level: Email, Account Authentication
(None)**Electronic Record and Signature Disclosure:**

Not Offered via DocuSign

Connie Rivera

connie.rivera@commerce.wa.gov

Security Level: Email, Account Authentication
(None)**Electronic Record and Signature Disclosure:**

Not Offered via DocuSign

Tony Hanson

tony.hanson@commerce.wa.gov

Security Level: Email, Account Authentication
(None)**Electronic Record and Signature Disclosure:**

Not Offered via DocuSign

Signer Events	Signature	Timestamp
Mark Barkley mark.barkley@commerce.wa.gov Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign		
In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Will O'Donnell wodonnell@jeffpud.org Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Accepted: 10/17/2022 9:32:08 AM ID: 26e46191-9c4b-4afe-b4a8-374af0a5c8fa	<div>VIEWED</div> Using IP Address: 107.115.41.80 Viewed using mobile	Sent: 10/16/2022 8:37:05 PM Viewed: 10/17/2022 9:32:08 AM
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	10/16/2022 8:37:05 PM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, Washington State Department of Commerce (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.15 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact Washington State Department of Commerce:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: docusign@commerce.wa.gov

To advise Washington State Department of Commerce of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at docusign@commerce.wa.gov and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from Washington State Department of Commerce

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to docusign@commerce.wa.gov and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with Washington State Department of Commerce

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to docusign@commerce.wa.gov and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

By selecting the check-box next to ‘I agree to use electronic records and signatures’, you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify Washington State Department of Commerce as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by Washington State Department of Commerce during the course of your relationship with Washington State Department of Commerce.

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

RESOLUTION NO. 2021-018

A Resolution of the Board of Commissioners of Public Utility District (JPUD) No. 1 of Jefferson County, Washington, authorizing submission of project information to the Washington State Broadband Office (WSBO), and committing resources to the project.

WHEREAS, JPUD is planning to extend a high-speed broadband fiberoptic network through the communities of Quilcene, Discovery Bay and Gardiner in Jefferson County, Washington; and

WHEREAS, the proposed area is both unserved and underserved in broadband infrastructure; and

WHEREAS, JPUD is seeking funding support to extend the broadband fiberoptic network through application to the National Telecommunications and Information Administration (NTIA), United States Department of Commerce through its NTIA-Broadband-Infrastructure-Program-21, and

WHEREAS, the NTIA grant requires, among other things, that the application be a “covered partnership” as further defined in the Notice of Funding Opportunity, and a “covered partnership” includes a State and a provider of fixed broadband, and

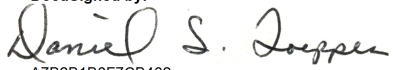
WHEREAS, JPUD qualifies as a provider of fixed broadband with the passage of SB 5383 and HB 1336 authorizing Public Utility Districts to provide wholesale and retail Internet Services, and JPUD intends to extend its fixed broadband service to an “Eligible Service Area” as defined in the Notice of Funding Opportunity to provide Qualifying Broadband Service; and

WHEREAS The WSBO will serve as a central coordinating body to apply on behalf of Washington State for the NTIA grant opportunity and has solicited project information from eligible project partners who wish to join the WSBO application on behalf of Washington State for NTIA broadband infrastructure funding; and


WHEREAS The WSBO has issued a Request for Information and will serve as a central coordinating body to apply on behalf of Washington State for the NTIA grant opportunity and is initially soliciting project information from eligible project partners who wish to join the WSBO application on behalf of Washington State for NTIA broadband infrastructure funding; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Public Utility District No. 1 of Jefferson County, that staff is hereby authorized to respond to WSBO's Request for Information and commit resources necessary to serve as a provider for fixed broadband for the proposed project in the unserved and underserved communities of the communities of Quilcene, Discovery Bay and Gardiner in Jefferson County, Washington

ADOPTED at a regular meeting of the Board of Commissioners of Public Utility District No. 1 of Jefferson County, this 6th day of July 2021.

DocuSigned by:

A7B2B1B6F7CB462...

Dan Toepper, President

DocuSigned by:

B55120D92D6C415...

Ken Collins, Vice President

ATTEST:

DocuSigned by:

54D5DB51D999412...

Jeff Randall, Secretary

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

RESOLUTION NO. 2022-XXXX-

A Resolution of the Board of Commissioners of Public Utility District (PUD) No. 1 of Jefferson County, Washington, authorizing the General Manager to take all necessary steps to apply for Loan-Grant Combination funding from the ReConnect Program, United States Department of Agriculture (USDA), and execute related grant and loan agreements.

WHEREAS, the PUD has been developing a Broadband fiber optic network to provide retail and wholesale Internet Services to serve the residents of Jefferson County, Washington over the past several years; and

WHEREAS, the Board of Commissioners adopted Resolution No. 2022-001 that assigned Representative-Signature-Certifier security role on behalf of the PUD, to be responsible for providing signatures, authorizing certifications, entering and updating applications, submitting applications for consideration, and assigning access to new users in USDA's online application system for the ReConnect Program and Community Connect Grant Program, consistent with ReConnect Program; and

WHEREAS, ReConnect offers, as one of its funding categories, Loan-Grant Combinations, the maximum award amount for this funding category is \$50 million. The maximum amount of a ReConnect Grant under this funding category is \$25 million or 50 percent of total eligible costs, whichever is less. The remaining eligible costs may be covered by a loan from the ReConnect Program (up to \$25 million), cash substitution, or a combination thereof. If cash substitution is proposed, it must be available at the time of closing. The interest rate for the 50 Percent Loan component will be set at the Treasury rate of securities of comparable maturity for the remaining amortization period at the time of each advance of funds; and

WHEREAS, the PUD is preparing an application requesting up to \$17.5 million in Loan-Grant Combination funding from the ReConnect Program to build fiber internet connections to unserved rural residents in the southeast Jefferson County project area - stretching from Chimacum through Port Ludlow and down to the Coyle area; and

WHEREAS, consistent with Engrossed Substitute House Bill 1336 and Senate Bill 5383, the PUD has been consulting with the Washington State Broadband Office and provided formal notice regarding its intent to provide Broadband Services in Resolution No. 2021-037.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Public Utility District No. 1 of Jefferson County, that the foregoing recitals are incorporated herein, and that the General Manager is authorized to take all necessary steps to apply for Loan-Grant

Combination funding from the ReConnect Program, United States Department of Agriculture (USDA), and execute related grant and loan agreements..

ADOPTED at a Special meeting of the Board of Commissioners of Public Utility District No. 1 of Jefferson County, this 18th day of October, 2022.

Kenneth Collins, President

ATTEST:

Jeff Randall, Vice President

Dan Toepper, Secretary

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

RESOLUTION NO. 2022-XXXX-

A Resolution of the Board of Commissioners of Public Utility District (PUD) No. 1 of Jefferson County, Washington, declaring the PUD's Broadband network will not block lawful content, impair lawful Internet traffic, and engage in paid prioritization, among other things, all in support of the application to the ReConnect Program, United States Department of Agriculture (USDA).

WHEREAS, the PUD has been developing a Broadband fiber optic network to provide retail and wholesale Internet Services to serve the residents of Jefferson County, Washington over the past several years; and

WHEREAS, the Board of Commissioners adopted Resolution No. 2022-001 that assigned Representative-Signature-Certifier security role on behalf of the PUD, to be responsible for providing signatures, authorizing certifications, entering and updating applications, submitting applications for consideration, and assigning access to new users in USDA's online application system for the ReConnect Program and Community Connect Grant Program, consistent with ReConnect Program; and

WHEREAS, the PUD is preparing applications for grant and loan funding from the ReConnect Program to build Broadband fiber internet connections to unserved residents in the southeast Jefferson County project area - stretching from Chimacum through Port Ludlow and down to the Coyle area; and

WHEREAS, as part of the process for the ReConnect application, the PUD must commit to operating its entire Broadband network consistent with the terms of the ReConnect program.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Public Utility District No. 1 of Jefferson County, that the foregoing recitals are incorporated herein, and that the PUD commits to the following with regard to its entire Broadband network:

Jefferson County PUD No. 1's Broadband networks shall not (1) block lawful content, applications, services, or non-harmful devices, subject to reasonable network management; (2) impair or degrade lawful Internet traffic on the basis of Internet content, application, or service, or use of a non-harmful device, subject to reasonable network management; and (3) engage in paid prioritization, meaning the management of a broadband provider's network to directly or indirectly favor some traffic over other traffic, including through use of techniques such as traffic

shaping, prioritization, resource reservation, or other forms of preferential traffic management, either (a) in exchange for consideration (monetary or otherwise) from a third-party or (b) to benefit an affiliated entity.

ADOPTED at a Regular meeting of the Board of Commissioners of Public Utility District No. 1 of Jefferson County, this 18th day of October, 2022.

Ken Collins, President

ATTEST:

Jeff Randall, Vice President

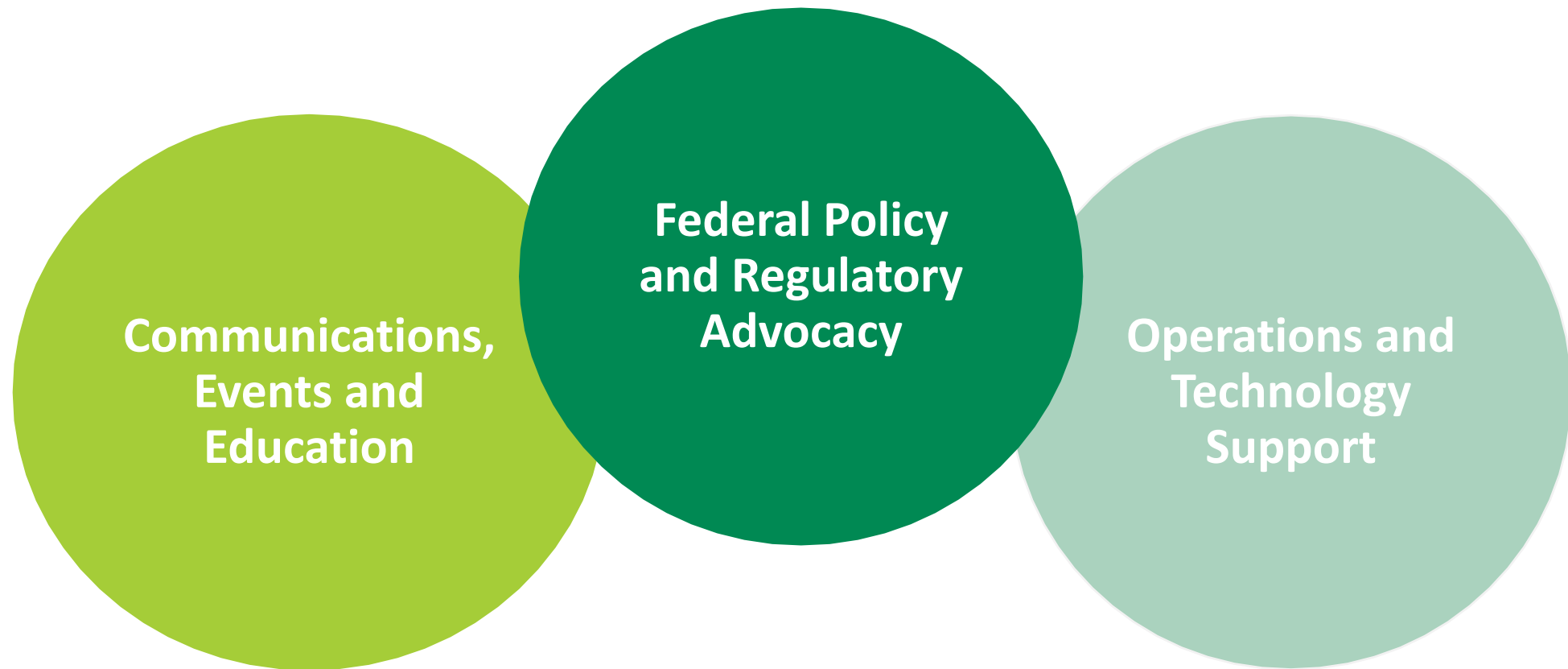
Dan Toepper, Secretary



Helping America's electric cooperatives close the digital divide

What Is NRECA Broadband?

A specialized level of NRECA service designed to support America's electric cooperatives as they serve their communities with reliable, high-speed internet.



What Is NRECA Broadband?

Federal Policy and Regulatory Advocacy

- Specialized telecommunications staff.
- Expert advice on complex regulations and funding opportunities.
- Dedicated advocacy.

Communications, Events and Education

- Exclusive broadband-specific conferences and training.
- Key insights through communications and publications.
- Paid and earned strategic positioning.

Operations and Technology Support

- Analytics and technical research to guide business decisions.
- Protection support for your broadband investments.
- Economic scale through group discounts.

Why Should Cooperatives Participate?

Broadband brings a new set of business challenges and regulatory requirements.



Unique federal and state regulations

Distinct regulatory reporting and compliance requirements

Tax implications specific to broadband business and corporate structure

Compliance with FCC broadband reporting and mapping

Why Should Cooperatives Participate?

Co-ops compete against formidable corporations with deep pockets.

Telecom Competitors



\$234 million in 2019-20

Their Associations



Why Now?

350+ Co-ops in
Broadband by 2024

Unprecedented
Federal Funding



Stakes are High

Your Investment to Participate

Operational with consumers	Operational with consumers – joint ownership with NRECA voting members		Operational without consumers	Non-operational
\$12,000 plus \$1 per broadband consumer, annually	If all joint owners are participants: \$12,000 each, plus \$1 per broadband consumer , divided in proportion to each participant's ownership or control, annually.	If all joint owners are not participants: \$12,000 each, plus \$1 per broadband consumer , divided evenly among the participants, annually.	\$12,000, annually	\$6,000, annually



AGENDA REPORT

DATE: October 18, 2022
TO: Board of Commissioners
FROM: Mike Bailey, Finance Director/District Auditor
RE: Updates to Travel Policy

BACKGROUND: As Jefferson County PUD continues to improve its process to be more efficient and move towards being paperless, we are beginning to review various policies. As part of that review, we want to address reimbursement for employee travel expenses. The PUD's current policy does not allow meals to be included with conference and educational registrations or to be included with hotel stays.

ANALYSIS/FINDINGS: As the PUD moves towards electronic expense reporting, we need to review how we handle Meal Per Diems to get the system to work properly. We have always had questions on what is or isn't considered a reasonable meal, and this policy change will help to clarify it for everyone. Currently, we pay a percentage of the GSA amount for Breakfast, Lunch, and Dinner, however, to move to paperless reporting paying 100% of the Meal Per Diem works with the system.

FISCAL IMPACT: There is little to no fiscal impact as we already pay Meal Per Diems based on the GSA amounts for the location of the training.

RECOMMENDATION: Staff recommends the Commissioners approve the updates to the Travel policy. The update would be updating the Meal Per Diems as well as cleaning up other language.

Jefferson County PUD #1

Human Resources Policies Section HR-8: Employee Travel

- HR8.01 Purpose
- HR8.02 In General
- HR8.03 Travel Authorization
- HR8.04 Meal Per Diem Rates
- HR8.05 Meals Included in Registration Fees
- HR8.06 Lodging Rates
- HR8.07 Automobile Use
- HR8.08 Reimbursement
- HR8.09 Procedure
- HR8.10 Extending a trip for Personal Reasons
- HR8.11 Traveler's Responsibility
- Modification of Policy

HR8.01.

Purpose

This policy provides guidance concerning travel while an employee is conducting official District business.

HR8.02.

In General

- A. Travelers are required to take steps to minimize travel expenses to the extent practical.
- B. The departure point for travel will be either ~~310 Four Corners Road, Port Townsend~~ the employee's main office location or the traveler's residence, whichever is closer to the travel destination.
- C. The return point for travel will be either ~~310 Four Corners Road, Port Townsend~~ the employee's main office location or the traveler's residence, whichever is closer to the travel destination.

HR8.03.

Travel Authorization

In state travel on behalf of the District must be pre-approved on the JPUD travel request form by the Department ~~Manager~~ Director. Out of state must be approved by the General Manager. When the General Manager is the traveler, any required authorization will come from the Board President.

HR8.04. Meal Per Diem Rates

JPUD uses the rates set by the U.S. General Services Administration. The full per diem for meals and incidental expenses will apply for ~~the first and last day of travel. To determine the rate for individual meals, the following calculations rounded to the nearest dollar apply: each day the employee is traveling and attending the training or conference.~~

Breakfast	25% of the daily GSA amount
± Lunch:	30% of the daily GSA amount
Dinner:	45% of the daily GSA amount

Travelers are required to accept per diem rather than reimbursement, unless such would be impractical or not in JPUD's best interest.

If an employee is traveling for a one-day meeting, and no over- night stay is involved, reimbursement for meals with receipts will not be taxed. Meals without receipts, per diem rate, will be taxed.

~~**HR8.05. Meals Included in Registration Fees or as Part of Lodging** If meals are provided at an event and are included in the registration fee for that event or are provided as part of the cost of lodging, the traveler is not eligible for meal per diem for that meal. Continental meals or light refreshments do not count as a meal.~~

HR8.06. Lodging Rates

Travelers will be reimbursed for actual costs, as evidenced by a receipt. Travelers may also use a JPUD credit card if authorized and available. Travelers should attempt to reserve lodging at the lowest available rate. Lodging needs to be authorized from the Department ~~Manager~~ Director when the destination is over 50 miles away absent unusual circumstances. Lodging needs to be authorized from the General Manager when the destination is under 50 miles away absent unusual circumstances.

official District business is a priority. Travel plans may be altered in consideration of hazardous, inclement weather and other situations, such as driving after hours, that could threaten the health and safety of Travelers. On these occasions, the Traveler will notify their Department Manager of the situation needing to stay overnight.

Final Day of JPUD Business: Payment for lodging expenses related to the night of the traveler's final day of business may be authorized under the following circumstances:

- A. When the overnight stay is more economical to JPUD (such as the increased cost of travel the final day of business being greater than an extra night's lodging and travelling the following day.)
- B. When the health or safety of the traveler is at unreasonable risk.
- C. In exceptional circumstances.

If a family member or guest accompanies the traveler, the traveler shall pay any additional costs incurred as a result of the additional guest.

HR8.07. Automobile Use

JPUD vehicles will be used for JPUD business, unless a JPUD vehicle is not available, or where use of a JPUD vehicle is determined to be impractical. Where use of a non-JPUD vehicle is approved, the privately owned vehicle mileage rate or motorcycle mileage rate will be used for mileage reimbursement, at then current mileage rate as published by GSA. When JPUD vehicles are unavailable, travelers will make reasonable efforts to use as few non-JPUD vehicles as possible.

Mileage reimbursement rates for use of a privately owned vehicle or motorcycle will be shown on the PUD reimbursement form.

Employees are encouraged to discuss the pros and cons of using a JPUD vehicle with their supervisor when getting pre-approval for travel.

Tolls, parking fees, and other associated costs related to vehicle use are eligible for reimbursement. Actual fuel costs are paid only for rental cars.

HR8.0808. Reimbursement Procedure

A travel expense reimbursement form must be completed that includes a detailed explanation of the items purchased and itemization of the amounts where appropriate, along with a

description that clearly evidences the business purpose of the expense. No receipts are required for per diem meals. JPUD will not reimburse for:

~~A. Travel or meals paid by any other organization.~~

~~B.A.~~ Alcoholic beverages.

~~C.B.~~ Valet services unless no other reasonable option existed.

~~D.C.~~ Expenses incurred by anyone other than the employee.

~~E.D.~~ Fees for sightseeing tours or other activities with no direct relationship to District business, and entertainment expenses.

~~F.E.~~ Mileage when traveling as a passenger.

~~G.F.~~ Any other expenditure for personal purposes.

In cases where a receipt is not practical (such as parking meters or cash only parking lots), and the expenditure is less than \$10, a written explanation from the employee will serve as a receipt.

When an employee uses a District credit card, detailed receipts shall be retained and turned in to Accounts Payable in accordance with the District's credit card program policy and procedures. Each receipt must clearly identify the type of expense (e.g. air fare, hotel room, etc.).

An employee will use the District's expense report form for reimbursable expenses not charged on a District credit card. The form must be submitted to Accounts Payable within forty-five (45) days with Finance Department having the flexibility to adjust the due date based on accounting needs of the earliest expense item shown on the voucher. Reimbursements less than \$25 maybe requested from petty cash.

HRSHR8.09. Extending a Trip for Personal Reasons

A business trip may be extended for personal reasons, such as a vacation, provided JPUD does not incur any additional expense. If additional expense is incurred, JPUD will reimburse only up to the expense that would have been incurred had the trip not been extended. The same expense calculation will be made if the traveler chooses to take a spouse, domestic partner, or other family member on a trip.

HRSHR8.10. Traveler's Responsibility to Abide by Travel Policy

It is always the traveler's responsibility to understand and abide by this policy. Claiming a misunderstanding of this policy will not be grounds for reimbursement that would otherwise not be authorized. Travelers should clarify any

reimbursement issues before they incur any expense for which they intend to seek reimbursement.

HR8.11. Modification of Policy

If at any time the General Manager determines administration of any part of this policy is not in the best interest of JPUD, he/she may modify or suspend the part in question pending consideration and final action by the Board.

HR8.12. Exceptions to Policy

The General Manager, Board President, or the Board as appropriate, is authorized to make exceptions to this policy for health, dietary, or religious reasons or when circumstances warrant special consideration. Examples include but are not limited to an overnight stay for the safety of the traveler, lodging at a hotel other than the cheapest available for security or practicality, or a meal per diem where the meal otherwise did not accommodate a traveler's dietary restrictions.

HR8.13. Direct Payment of Travel Expenditures

Travelers may request direct payment of lodging and airfare costs by using the established procedure for requesting a purchase order or using the JPUD credit card for payment.

Jefferson County PUD #1

Human Resources Policies

Section HR-8A

Commissioner Travel

HR8.01	Purpose
HR8.02	In General
HR8.03	Travel Authorization
HR8.04	Meal Per Diem Rates
HR8.05	Lodging Rates
HR8.06	Automobile Use
HR8.07	Reimbursement Procedure
HR8.08	Extending a Trip for Personal Reasons
HR8.09	Traveler's Responsibility to Abide by Travel Policy
HR8.10	Modification of Policy
HR8.11	Exceptions to Policy
HR8.12	Direct Payment of Travel Expenditures

HR8.01 **Purpose**
This policy provides guidance concerning travel while a Commissioner is conducting official District business.

HR8.02 **In General**
The departure and return point for travel will be the Commissioner's residence.

HR8.03 **Travel Authorization**
Commissioners do not need to request pre-approval for travel within the State of Washington or the Portland, Oregon, metropolitan area. Commissioners wishing to travel out of state will require pre-approval. The request for approval from the other Commissioners will be placed on the Consent agenda prior to traveling.

HR8.04 **Meal Per Diem Rates**
JPUD uses the rates set by the U.S. General Services Administration. The full per diem for meals and incidental expenses will apply for ~~the first and last day of travel. To determine the rate for individual meals, the following calculations rounded to the nearest dollar apply: each day the~~

commissioner is traveling and attending the training or conference.

~~Breakfast: 25% of the daily GSA amount~~

~~Lunch: 30% of the daily GSA amount~~

~~Dinner: 45% of the daily GSA amount~~

Travelers are required to accept the per diem rather than reimbursement, unless such would be impractical or not in JPUD's best interest.

If an employee is traveling for a one-day meeting, and no over-night stay is involved, reimbursement for meals with receipts will not be taxed. Meals without receipts, per diem rate, will be taxed.

HR8.05 Lodging Rates

Travelers will be reimbursed for actual costs, as evidenced by a receipt. Travelers may also use a JPUD credit card if authorized and available. Travelers should attempt to reserve lodging at the lowest available rate.

Health and Safety of Travelers: The health and safety of Travelers on official District business is a priority. Travel plans may be altered in consideration of hazardous, inclement weather and other situations, such as driving after hours, that could threaten the health and safety of Travelers.

Final Day of JPUD Business: Payment for lodging expenses related to the night of the traveler's final day of business may be authorized under the following circumstances:

- A. When the overnight stay is more economical to JPUD (such as the increased cost of travel the final day of business being greater than an extra night's lodging and traveling the following day.)
- B. When the health or safety of the traveler is at unreasonable risk.
- C. In exceptional circumstances.

If a family member or guest accompanies the traveler, the traveler shall pay any additional costs incurred as a result of the additional guest.

HR8.06 Automobile Use

Commissioners may choose whether to use a JPUD vehicle or their own and may receive mileage reimbursement at the privately owned vehicle mileage rate when using their personal vehicle.

Tolls, parking fees, and other associated costs related to vehicle use are eligible for reimbursement. Actual fuel costs are paid only for rental cars.

HR8.07 Reimbursement Procedure

A travel expense reimbursement form must be completed that includes a detailed explanation of the items purchased and itemization of the amounts where appropriate, along with a description that clearly evidences the business purpose expense. No receipts are required for per diem meals. JPUD will not reimburse for:

~~A. Travel or meals paid by any other organization.~~

~~B.A.~~ Alcoholic beverages.

~~C.B.~~ Valet services unless no other reasonable option existed.

~~D.C.~~ Expenses incurred by anyone other than the Commissioner

~~E.D.~~ Fees for sightseeing tours or other activities with no direct relationship to District business, and entertainment expenses.

~~F.E.~~ Mileage when traveling as a passenger.

~~G.F.~~ Any other expenditure for personal purposes.

In cases where a receipt is not practical (such as parking meters or cash only parking lots), and the expenditure is less than \$10, a written explanation from the Commissioner will serve as a receipt.

When a Commissioner uses a District credit card, detailed receipts shall be retained and turned into Accounts Payable in accordance with the District's credit card program policy and procedures. Each receipt must clearly identify the type of expense (e.g. airfare, hotel room, etc.). Commissioners will use the District's expense report form for reimbursable expenses not charged on a District credit card. The form must be submitted to Accounts Payable within sixty (60) days with Finance Department having the flexibility to change the due date based on accounting needs of the earliest expense item shown on the voucher. Reimbursements less than \$25 may be requested from petty cash.

HR8.08 Extending a Trip for Personal Reasons

A business trip may be extended for personal reasons, such as a vacation, provided JPUD does not incur any additional expense. If additional expense is incurred, JPUD will reimburse only up to the expense that would have been incurred had the trip not been extended. The same expense calculation will be made if the traveler chooses to take a spouse, domestic partner, or other family member on a trip.

HR8.09 Traveler's Responsibility to Abide by Travel Policy

It is always the traveler's responsibility to understand and abide by this policy. Claiming a misunderstanding of this policy will not be grounds for reimbursement that would otherwise not be authorized. Travelers should clarify any reimbursement issues before they incur any expense for which they intend to seek reimbursement.

HR8.10 Modification of Policy

If at any time the General Manager determines administration of any part of this policy is not in the best interest of JPUD, he/she may modify or suspend the part in question pending consideration and final action by the Board.

HR8.11 Exceptions to Policy

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HR8.12 Direct Payment of Travel Expenditures

Travelers may request direct payment of lodging and airfare costs by using the established procedure for requesting a purchase order or using the JPUD credit card for payment.



AGENDA REPORT

DATE: October 18, 2022
TO: Board of Commissioners
FROM: Kevin Streett, Stephanie Witheridge
RE: New Non-Represented Position

BACKGROUND: Staff would like to add a new Non-Represented position of Water Superintendent and also include Engineering & Water Director that wasn't formally added before. Staff would also like to adjust the Financial Service Manager position and remove the I/II/III and keep the middle range for the position.

ANALYSIS/FINDINGS:

FISCAL IMPACT: N/A

RECOMMENDATION: Staff recommends that the BOC pass a motion to approve the above listed position and adjustments to the other positions.

Exhibit "A"

Updated with Additional 10/13/2022

Titles and Bi-weekly Salary Ranges for Non-Represented Employees as of June, 2019

Title	% from	Low	Mid	High
Executive Assistant/Records	40%			
Bi-weekly		\$2,357	\$3,300	\$4,620
Hourly		\$29.46	\$41.25	\$57.75
Annual		\$61,286	\$85,800	\$120,120
Human Resources Manager	30%			
Bi-weekly		\$2,300	\$4,000	\$4,300
Hourly		\$28.75	\$49.61	\$53.75
Annual		\$80,000	\$104,000	\$135,200
Human Resources Coordinator	40%			
Bi-weekly		\$2,357	\$3,300	\$4,620
Hourly		\$29.46	\$41.25	\$57.75
Annual		\$61,286	\$85,800	\$120,120
Communications Coordinator	40%			
Bi-weekly		\$2,143	\$3,000	\$4,200
Hourly		\$26.79	\$37.50	\$52.50
Annual		\$55,714	\$78,000	\$109,200
Records Management Coordinator	40%			
Bi-weekly		\$2,143	\$3,000	\$4,200
Hourly		\$26.79	\$37.50	\$52.50
Annual		\$55,714	\$78,000	\$109,200
Financial Services Coordinator	40%			
Bi-weekly		\$2,143	\$3,000	\$4,200
Hourly		\$26.79	\$37.50	\$52.50
Annual		\$55,714	\$78,000	\$109,200
Financial Services Manager I	40%			
 Bi-weekly		\$2,143	\$3,000	\$4,200
 Hourly		\$26.79	\$37.50	\$52.50
 Annual		\$55,714	\$78,000	\$109,200
Financial Services Manager II	40%			
Bi-weekly		\$2,887	\$4,042	\$5,658
Hourly		\$36.09	\$50.52	\$70.73
Annual		\$75,060	\$105,084	\$147,117
Financial Services Manager III	40%			
 Bi-weekly		\$3,631	\$5,083	\$7,117
 Hourly		\$45.39	\$63.54	\$88.96
 Annual		\$94,405	\$132,167	\$185,033
Finance Director	40%			
Bi-weekly		\$5,083	\$6,100	\$7,320
Hourly		\$63.54	\$76.25	\$76.25
Annual		\$132,167	\$158,600	\$190,320
Controller/Accountant	40%			
Bi-weekly		\$2,500	\$3,500	\$4,900
Hourly		\$31.25	\$43.75	\$61.25

	Annual		\$65,000	\$91,000	\$127,400
Accounting Specialist	40%				
	Bi-weekly		\$2,143	\$3,000	\$4,200
	Hourly		\$26.79	\$37.50	\$52.50
	Annual		\$55,714	\$78,000	\$109,200
Customer Service Manager	30%				
	Bi-weekly		\$2,300	\$3,500	\$4,300
	Hourly		\$28.75	\$43.75	\$53.75
	Annual		\$70,000	\$91,000	\$118,300
Information Technology Manager	30%				
	Bi-weekly		\$2,300	\$3,500	\$4,300
	Hourly		\$28.75	\$43.75	\$53.75
	Annual		\$70,000	\$91,000	\$118,300
Info Technology Support Technician	40%				
	Bi-weekly		\$1,714	\$2,400	\$3,360
	Hourly		\$21.43	\$30.00	\$42.00
	Annual		\$44,571	\$62,400	\$87,360
Water Resource Manager	30%				
	Bi-weekly		\$2,769	\$3,600	\$4,680
	Hourly		\$34.62	\$45.00	\$58.50
	Annual		\$72,000	\$93,600	\$121,680
Energy Efficiency Specialist	40%				
	Bi-weekly		\$1,786	\$2,500	\$3,500
	Hourly		\$22.32	\$31.25	\$43.75
	Annual		\$46,429	\$65,000	\$91,000
Staking Engineer	40%				
	Bi-weekly		\$2,286	\$3,200	\$4,480
	Hourly		\$28.57	\$40.00	\$56.00
	Annual		\$59,429	\$83,200	\$116,480
Senior Electrical Engineer	30%				
	Bi-weekly		\$3,846	\$5,000	\$6,500
	Hourly		\$48.08	\$62.50	\$81.25
	Annual		\$100,000	\$130,000	\$169,000
Electrical Operations Superintendent	30%				
	Bi-weekly		\$3,846	\$5,000	\$6,500
	Hourly		\$48.08	\$62.50	\$81.25
	Annual		\$100,000	\$130,000	\$169,000
Operations Manager	30%				
	Bi-weekly		\$3,846	\$5,000	\$6,500
	Hourly		\$48.08	\$62.50	\$81.25
	Annual		\$100,000	\$130,000	\$169,000
Water Operations Director	20%				
	Bi-weekly		\$4,583	\$5,500	\$6,600
	Hourly		\$57.29	\$68.75	\$82.50
	Annual		\$119,167	\$143,000	\$171,600
GIS Dispatching	40%				
	Bi-weekly		\$2,143	\$3,000	\$4,200

	Hourly	\$26.79	\$37.50	\$52.50
	Annual	\$55,714	\$78,000	\$109,200
Operations Assistant	40%			
	Bi-weekly	\$2,357	\$3,300	\$4,620
	Hourly	\$29.46	\$41.25	\$57.75
	Annual	\$61,286	\$85,800	\$120,120
Special Projects	40%			
	Bi-weekly	\$2,214	\$3,100	\$4,340
	Hourly	\$27.68	\$38.75	\$54.25
	Annual	\$57,571	\$80,600	\$112,840
Service Director	20%			
	Bi-weekly	\$5,000	\$6,000	\$7,200
	Hourly	\$62.50	\$75.00	\$90.00
	Annual	\$130,000	\$156,000	\$187,200
Power Director	20%			
	Bi-weekly	\$5,000	\$6,000	\$7,200
	Hourly	\$62.50	\$75.00	\$90.00
	Annual	\$130,000	\$156,000	\$187,200
Broadband Manager	30%			
	Bi-weekly	\$2,300	\$3,500	\$4,300
	Hourly	\$28.75	\$43.75	\$53.75
	Annual	\$70,000	\$91,000	\$118,300
Projects Manager	20%			
	Bi-weekly	\$2,300	\$3,500	\$4,300
	Hourly	\$28.75	\$43.75	\$53.75
	Annual	\$70,000	\$91,000	\$118,300
Contracts Specialist	30%			
	Bi-weekly	\$2,357	\$3,300	\$4,620
	Hourly	\$29.46	\$41.25	\$57.75
	Annual	\$61,286	\$85,800	\$120,120
Administrative Assistant				
	Bi-weekly	\$2,357	\$3,300	\$4,620
	Hourly	\$29.46	\$41.25	\$57.75
	Annual	\$61,286	\$85,800	\$120,120
Network/Broadband Engineer				
	Bi-weekly	\$4,615.00	\$5,576.92	\$6,730.77
	Hourly	\$57.69	\$69.71	\$84.13
	Annual	\$120,000	\$145,000	\$175,000
Network Engineer				
	Bi-weekly	\$3,461.53	\$4,423.07	\$5,384.61
	Hourly	\$43.26	\$55.28	\$67.30
	Annual	\$90,000	\$115,000	\$140,000
Digital Communications Specialist				
	Bi-weekly	\$2,028	\$2,360	\$2,692
	Hourly	\$25.35	\$29.50	\$33.65
	Annual	\$52,744	\$61,372	\$70,000
SCADA/Engineer II				

	Bi-weekly	\$3,462	\$4,423	\$5,384.61
	Hourly	\$43.26	\$55.28	\$67.30
	Annual	\$90,000	\$115,000	\$140,000
Water Superintendent				
	Bi-weekly	\$3,846	\$4,615	\$5,576.92
	Hourly	\$48.08	\$57.69	\$69.71
	Annual	\$100,000	\$120,000	\$145,000
Engineering & Water Director				
	Bi-weekly	\$4,808	\$5,923	\$6,730.77
	Hourly	\$60.10	\$74.04	\$84.13
	Annual	\$125,000	\$154,000	\$175,000

Jefferson County PUD No. 1

2023 Budget



The proposed budget for 2023 on the following pages shows Staff's best idea on what money will be coming into the PUD and what money will be going out. This is a guide to the financial path that will allow the PUD to operate day to day as well as complete capital projects.

In 2023, we are budgeting for our new broadband utility. Most of the budget numbers for broadband are based on the probability of building out our fiber and adding connections as an Internet Service Provider.

As part of the budget packet, Staff has included supplementary pages showing a look back at the actual operating revenues and expenses since 2017. Also, a 10-year forecast is included in the supplementary pages. An outline of capital purchases and projects that will need to be completed in the next 5 to 10 years is included.

Electric Summary (cash basis)

	2023
Revenues	Budget
Sales	\$46,009,532
Other	\$31,442
Interest	\$4,902
Customer Contributions	\$1,539,542
Grant/Loan Proceeds	\$5,530,555
	<u>\$53,115,973</u>

Expenses	
Purchased Resources	\$19,499,834
Operations & Maintenance	\$7,895,774
Customer Related	\$2,098,849
Administrative and General	\$5,132,534
Taxes	\$2,554,821
Debt	\$6,877,373
Capital	\$6,833,618
	<u>\$50,892,803</u>

Net Change in Op. Reserves \$ 2,223,170

Broadband Summary (cash basis)

	2023
Revenues	Budget
Sales	\$828,070
Other	\$600,000
Interest	\$0
Customer Contributions	\$205,000
Grant/Loan Proceeds	\$15,879,366
	<u>\$17,512,436</u>

Expenses	
Purchased Resources	\$15,819
Operations & Maintenance	\$1,247,159
Customer Related	\$149,528
Administrative and General	\$550,003
Taxes	\$16,048
Debt	\$387,394
Capital	\$15,172,063
	<u>\$17,538,014</u>

Net Change in Op. Reserves \$ (25,578)

Water Summary (cash basis)

	2023
Revenues	Budget
Sales	\$4,671,610
Other	\$380,815
Interest	\$24,651
Customer Contributions	\$263,519
Grant/Loan Proceeds	\$3,019,982
	<u>\$8,360,577</u>

Expenses	
Purchased Resources	\$142,432
Operations & Maintenance	\$1,634,101
Customer Related	\$260,493
Administrative and General	\$1,257,099
Taxes	\$169,026
Debt	\$793,515
Capital	\$3,532,419
	<u>\$7,789,085</u>

Net Change in Op. Reserves \$ 571,492

Sewer Summary (cash basis)

	2023
Revenues	Budget
Sales	\$243,441
Other	\$28,770
Interest	\$1,862
Customer Contributions	\$19,908
Grant/Loan Proceeds	\$0
	<u>\$293,981</u>

Expenses	
Purchased Resources	\$10,607
Operations & Maintenance	\$387,577
Customer Related	\$19,619
Administrative and General	\$94,971
Taxes	\$12,770
Debt	\$51,538
Capital	\$55,000
	<u>\$632,082</u>

Net Change in Op. Reserves \$ (338,101)

2023 Budget Presentation Talking Points

1. Electric and Water Revenues were increased by 4.5% based on 2021 Rate increases.
2. Broadband Revenues are based on projected connections along with current connections.
3. We raised expenses by 8%.
4. We raised our Fleet Expenses by 8% based on new vehicles and personnel.
5. We have budgeted for 11 new positions in 2023. The positions include 1 Broadband Admin, 2 Broadband Tech, 1 SCADA/Substation Apprentice, 1 Network Engineer, 3 Linemen, 1 Summer Intern, 1 Water Meter Reader, and 1 Custodian.
6. We kept our Purchased Power cost about the same but did add some for projected BPA reserves cost adjustment.
7. Electric Transmission Expense is primarily Bonneville Power Administration (BPA) but also includes expenses (labor, materials, fleet) associated with maintaining transmission lines.
8. Included in Electric Distribution Expense—Maintenance is \$800,000 for tree trimming.
9. Included in the Administrative and General expenses is \$150,000 available for raises per RCW 54.16.100.
10. Interest on Long-Term Debt is based on the amortization schedules within our loan documents with RUS, USDA Rural Development, and bonds.
11. Labor, Benefits, Fleet, and Inventory Expenses are based on historical information
12. All expenses are based on actual expenses from June 2021 to May 2022.
13. Training Budgets were reduced based on historical training expenses.
14. We have included a COLA increase for Non-Represented Employees and COLAs for Union Employees per their contracts.
15. Property tax revenues have been kept at the same level as last year and 100% of the funds will go toward Broadband.
16. Electric Construction Projects are based on the previously approved 4-year work plan with Board approved additions.
17. Water Construction Projects are based on current needs and our 10-year work plan.
18. Broadband Construction Projects are based on previously approved Grant Areas and applications.
19. General Plant capital purchases include warehouse improvements, information technology equipment, fleet, electric tools, communications, and engineering costs.
20. Principal payments on long-term debt are based on the amortization schedules within our loan documents with RUS, USDA Rural Development, and bonds.
21. Added depreciation back into the cash flow as our construction costs should be close to our depreciation rate. We are replenishing our assets at the same rate they are depreciating.
22. We still have some LUDs that are paying on assessments which the Treasurer's Office collects and then we pay the bond payments.
23. We incorporated a 10-year Financial Forecast into the 2023 budget along with a 5-year look back.

EXHIBIT A
2023 PUD Electric, Water, and Broadband Utility Budgets

	<u>Electrical</u> <u>Utility</u>	<u>Water</u> <u>Utility</u>	<u>Broadband</u> <u>Utility</u>	<u>Talking</u> <u>Points</u>
Operating Revenues	\$46,009,532	\$4,915,051	\$828,070	1,2
Operating Expenses				3,4,5
Power Production Cost	\$0	\$2,027	\$0	
Cost of Purchased Power	\$17,095,180	\$151,012	\$15,819	6
Transmission Expense	\$2,404,654	\$0	\$0	7
Distribution Expense--Operation	\$3,116,911	\$1,412,908	\$440,469	
Distribution Expense--Maintenance	\$4,778,863	\$608,771	\$806,690	8
Customer Accounts Expense	\$2,075,683	\$280,113	\$149,528	
Customer Service and Informational Expense	\$23,166	\$0	\$0	
Administrative and General Expense	\$5,132,534	\$1,352,069	\$550,003	9
Depreciation & Amortization Expense	\$5,605,637	\$388,013	\$0	
Tax Expense--Other	\$2,554,821	\$181,796	\$16,048	
Interest on Long-Term Debt	\$2,756,315	\$182,692	\$0	10
Interest Expense--Other	\$0	\$0	\$0	
Other Deductions	\$0	\$0	\$0	
Total Operating Expenses	\$45,543,764	\$4,559,401	\$1,978,557	11,12,13,14
Net Operating Margins (Loss)	\$465,768	\$355,650	(\$1,150,487)	
Property Tax Revenue	\$0	\$0	\$600,000	15
Non-Operating Margins (Loss)	\$1,575,886	\$719,525	\$205,000	
Net Margins (Loss)	\$2,041,654	\$1,075,175	(\$345,487)	
Cash Flow Budget				
Construction Projects	\$6,044,500	\$3,477,419	\$0	16,17
General Plant Purchases	\$789,118	\$110,000	\$15,172,062	18,19
Principal on Long Term Debt	\$4,121,058	\$662,361	\$387,394	20
Add Depreciation & Amortization (non-cash)	(\$5,605,637)	(\$388,013)	\$0	21
Principal & Interest Received on LUDs	\$0	(\$442,966)	\$0	22
Grants and Loan Funds	(\$5,530,555)	(\$2,577,016)	(\$15,879,366)	
Total Cash Expenditures/Cash Outflow	(\$181,516)	\$841,785	(\$319,910)	23
Net Cash Inflow/(Outflow)	\$2,223,170	\$233,390	(\$25,577)	
Net TIER (Minimum of 1.25)	1.74			
Net DSC (Minimum of 1.25)	1.51			

**Electric Utility
Expense Changes
2022 Budget to 2023 Budget**

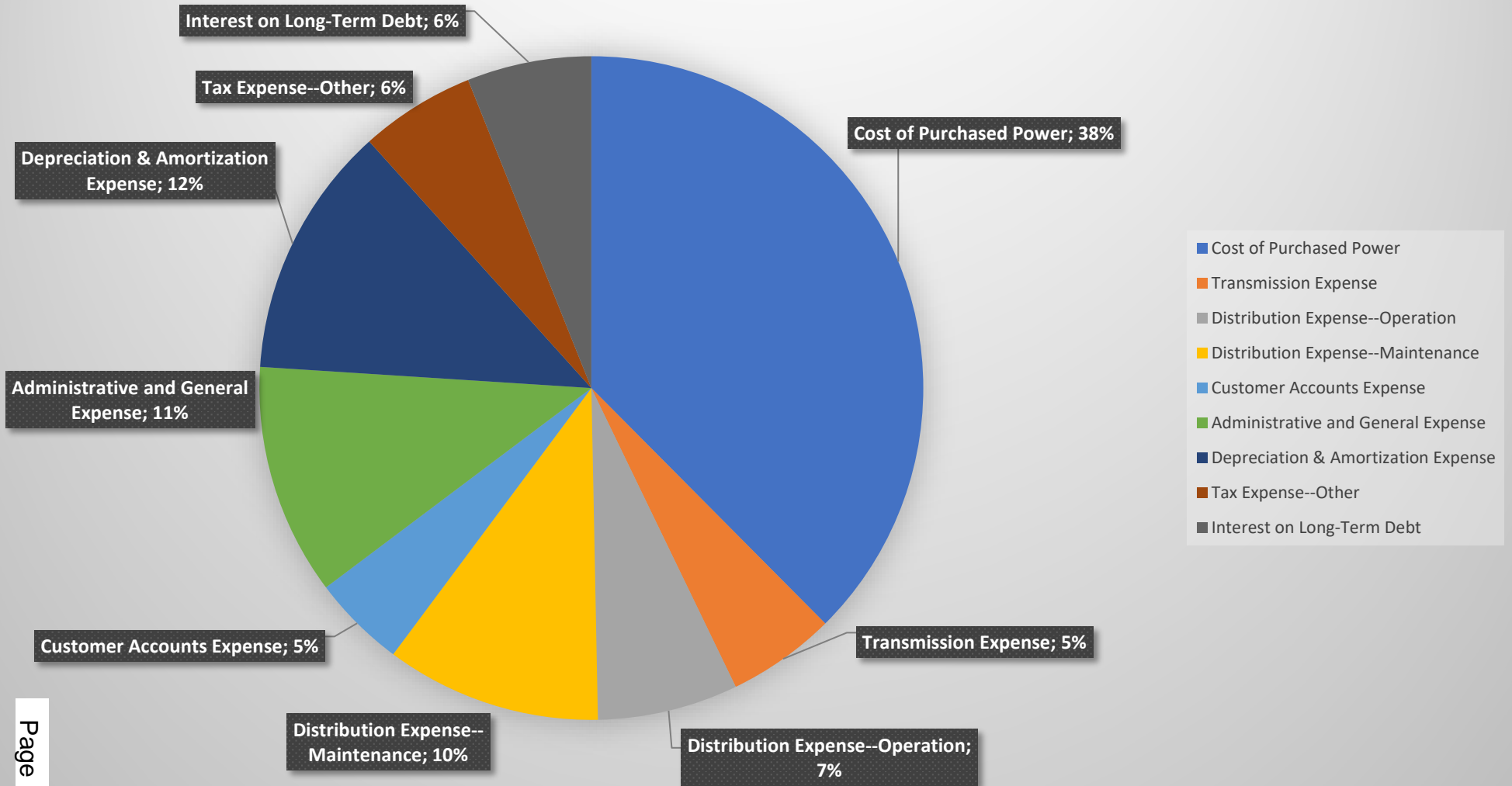
	2022 Budget	2023 Budget	Change
Operating Revenues	\$40,094,599	\$46,009,532	\$5,914,933
Operating Expenses			
Power Production Cost	\$0	\$0	\$0
Cost of Purchased Power	\$15,050,647	\$17,095,180	\$2,044,533
Transmission Expense	\$1,988,049	\$2,404,654	\$416,605
Distribution Expense--Operation	\$2,472,245	\$3,116,911	\$644,666
Distribution Expense--Maintenance	\$5,016,304	\$4,778,863	(\$237,441)
Customer Accounts Expense	\$2,202,865	\$2,075,683	(\$127,182)
Customer Service and Informational Expense	\$18,794	\$23,166	\$4,372
Administrative and General Expense	\$5,537,981	\$5,132,534	(\$405,447)
Depreciation & Amortization Expense	\$5,548,199	\$5,605,637	\$57,438
Tax Expense--Other	\$2,262,163	\$2,554,821	\$292,658
Interest on Long-Term Debt	\$2,720,820	\$2,756,315	\$35,495
Interest Expense--Other	\$0	\$0	\$0
Other Deductions	\$0	\$0	\$0
Total Operating Expenses	\$42,818,067	\$45,543,764	\$2,725,697
Net Operating Margins (Loss)	(\$2,723,468)	\$465,768	\$3,189,236
Non-Operating Margins (Loss)	\$2,088,887	\$1,575,886	(\$513,001)
Net Margins (Loss)	(\$634,581)	\$2,041,654	\$2,676,235
Cash Flow Budget			
Construction Projects	\$3,595,500	\$6,044,500	\$2,449,000
General Plant Purchases	\$3,111,550	\$789,118	(\$2,322,432)
Principal on Long Term Debt	\$3,474,557	\$4,121,058	\$646,501
Add Depreciation & Amortization (non-cash)	(\$5,548,199)	(\$5,605,637)	(\$57,438)
Principal & Interest Received on LUDs	\$0	\$0	\$0
Grants and Loan Funds	\$0	(\$5,530,555)	(\$5,530,555)
Total Cash Expenditures/Cash Outflow	\$4,633,408	(\$181,516)	(\$4,814,924)
Net Cash Inflow/(Outflow)	(\$5,267,989)	\$2,223,170	\$7,491,159
Net TIER (Minimum of 1.25)	0.77	1.74	0.97
Net DSC (Minimum of 1.25)	1.23	1.51	0.28

**Water Utility
Expense Changes
2022 Budget to 2023 Budget**

	2022 Budget	2023 Budget	Change
Operating Revenues	\$2,757,235	\$4,915,051	\$2,157,816
Operating Expenses			
Power Production Cost	\$0	\$2,027	\$2,027
Cost of Purchased Power	\$135,041	\$151,012	\$15,971
Transmission Expense	\$0	\$0	\$0
Distribution Expense--Operation	\$1,024,330	\$1,412,908	\$388,578
Distribution Expense--Maintenance	\$605,218	\$608,771	\$3,553
Customer Accounts Expense	\$207,322	\$280,113	\$72,791
Customer Service and Informational Expense	\$0	\$0	\$0
Administrative and General Expense	\$1,097,305	\$1,352,069	\$254,764
Depreciation & Amortization Expense	\$428,634	\$388,013	(\$40,621)
Tax Expense--Other	\$133,811	\$181,796	\$47,985
Interest on Long-Term Debt	\$235,079	\$182,692	(\$52,387)
Interest Expense--Other	\$0	\$0	\$0
Other Deductions	\$0	\$0	\$0
Total Operating Expenses	\$3,866,740	\$4,559,401	\$692,661
Net Operating Margins (Loss)	(\$1,109,505)	\$355,650	\$1,465,155
Non-Operating Margins (Loss)	\$247,535	\$719,525	\$471,990
Net Margins (Loss)	(\$861,970)	\$1,075,175	\$1,937,145
Cash Flow Budget			
Construction Projects	\$633,105	\$3,477,419	\$2,844,314
General Plant Purchases	\$55,000	\$110,000	\$55,000
Principal on Long Term Debt	\$633,513	\$662,361	\$28,848
Add Depreciation & Amortization (non-cash)	(\$428,634)	(\$388,013)	\$40,621
Principal & Interest Received on LUDs	(\$442,966)	(\$442,966)	\$0
Grants and Loan Funds	\$0	(\$2,577,016)	(\$2,577,016)
Total Cash Expenditures/Cash Outflow	\$450,018	\$841,785	\$391,767
Net Cash Inflow/(Outflow)	(\$1,311,988)	\$233,390	\$1,545,378

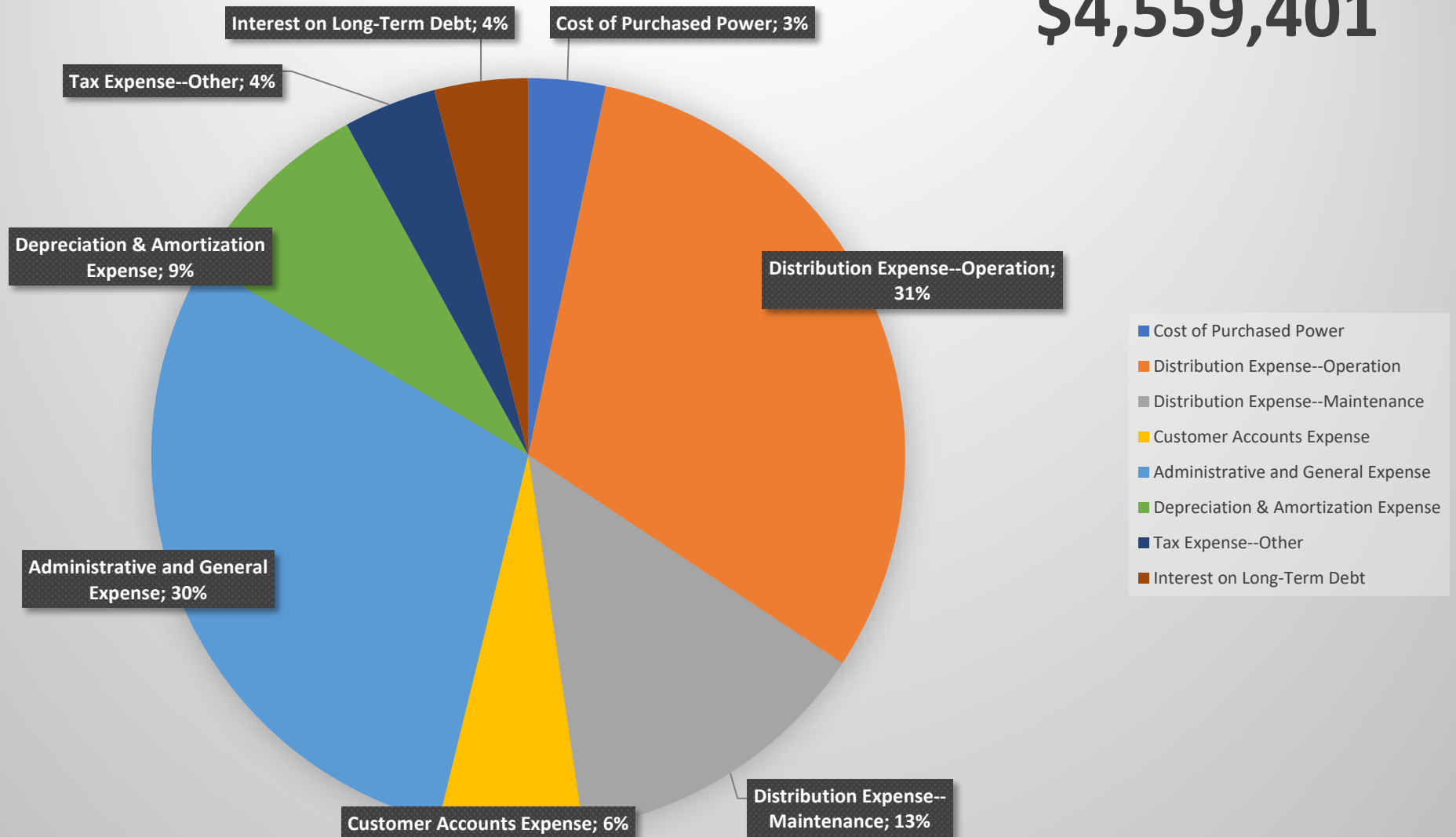
Electric Expenses

\$45,543,764



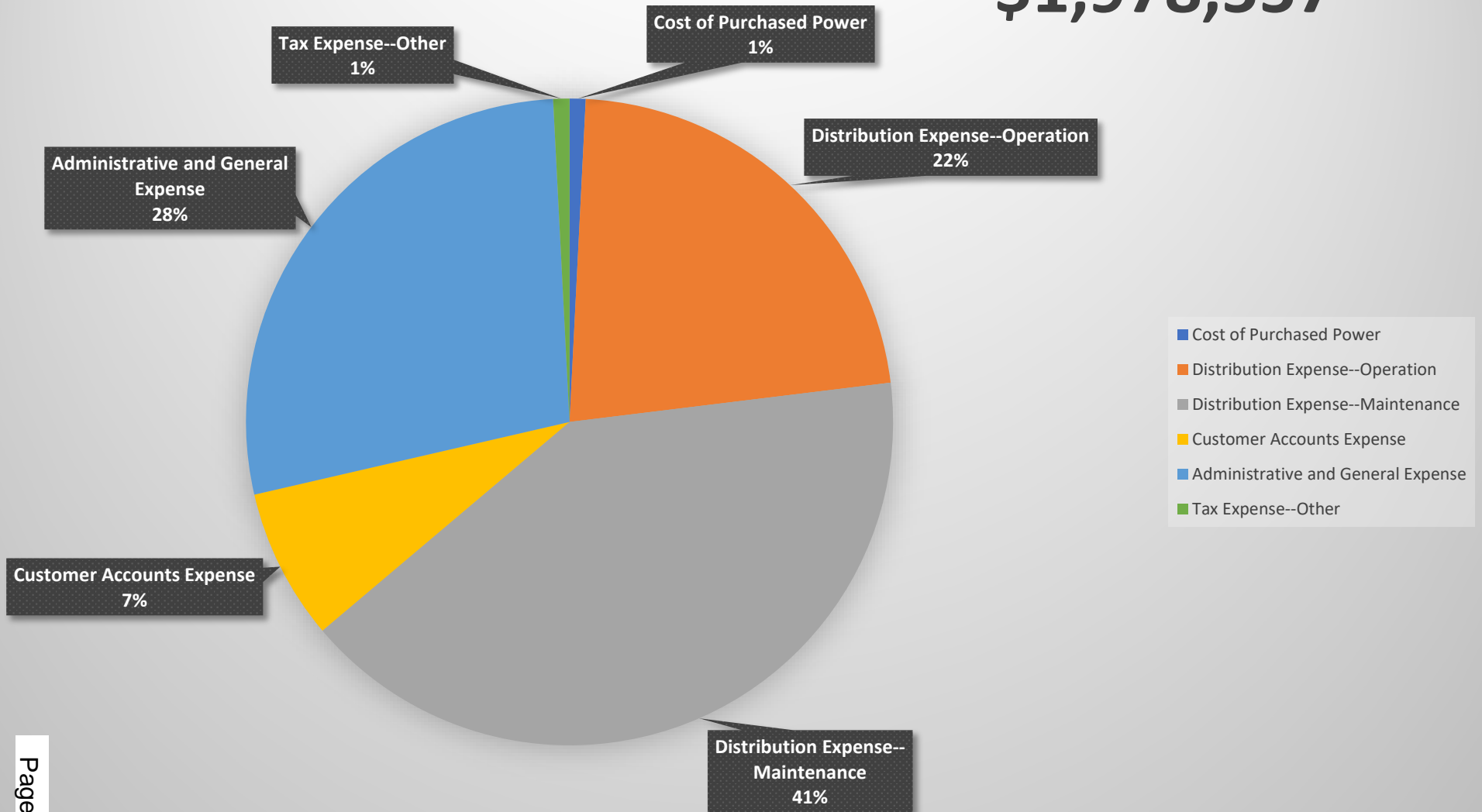
Water Expenses

\$4,559,401



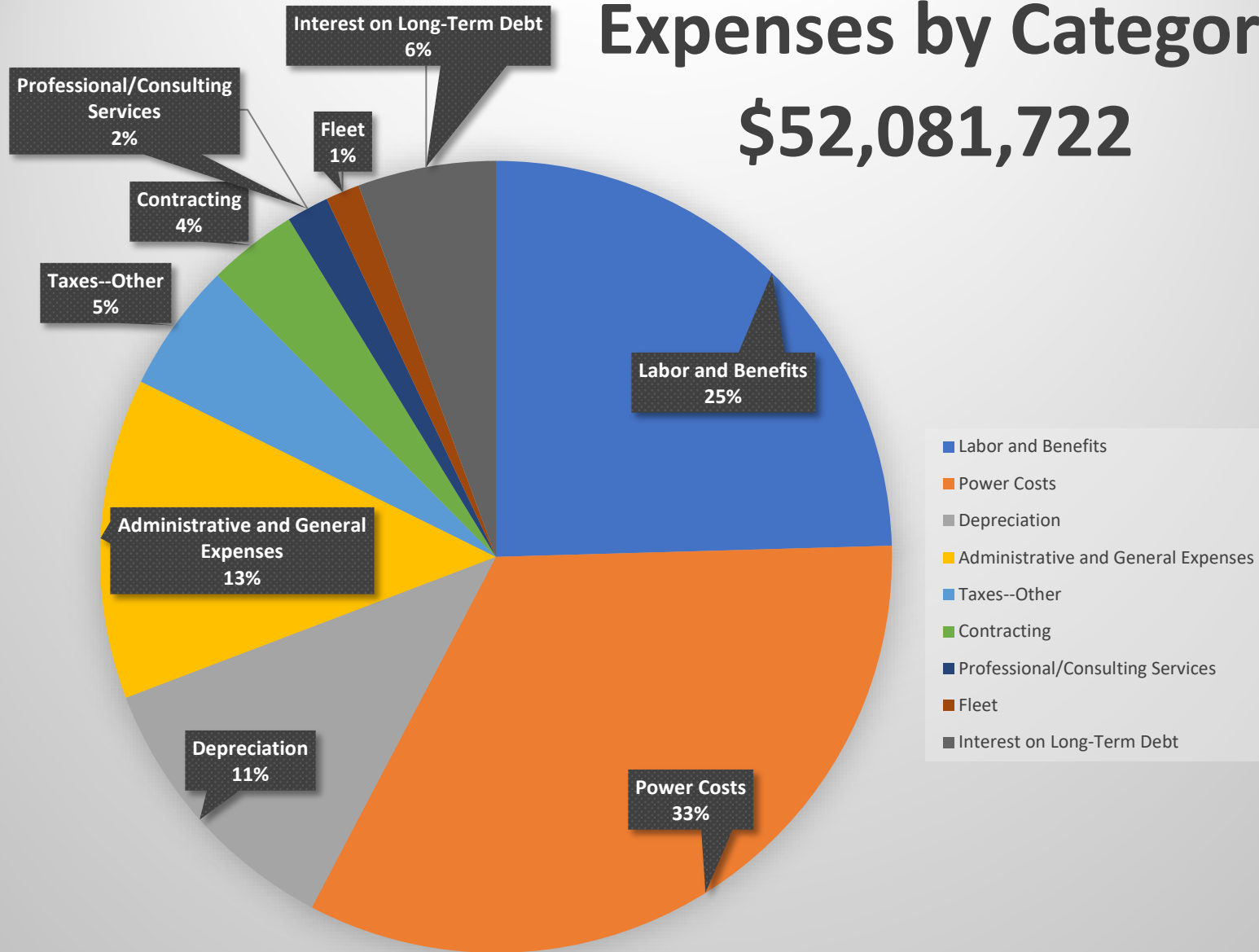
Broadband Expenses

\$1,978,557



Expenses by Category

\$52,081,722



Combined Utility Expenses By Category

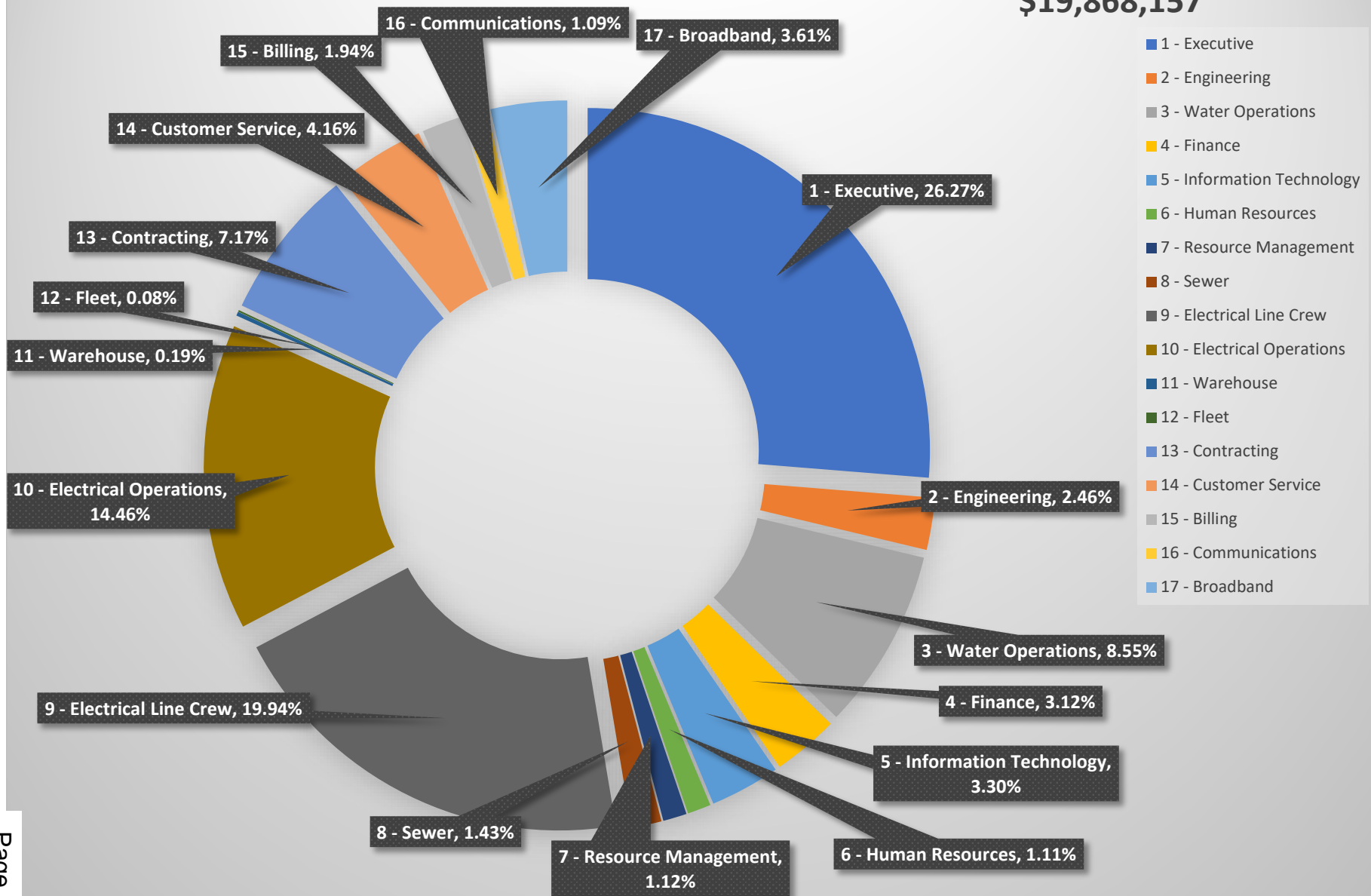
Expense Category	Amount	Percentage
Labor and Benefits	\$12,787,059	25%
Power Costs	\$17,264,038	33%
Depreciation	\$5,993,650	12%
Administrative and General Expenses	\$6,816,572	13%
Taxes--Other	\$2,752,665	5%
Contracting	\$1,904,458	4%
Professional/Consulting Services	\$901,447	2%
Fleet	\$722,826	1%
Interest on Long-Term Debt	\$2,939,007	6%
Total	\$52,081,722	100%

Expense Allocation By Department

Department	Labor and Benefits	Administrative and		Professional and		Total	Percentage
		General	Contracting	Consulting Services	Fleet		
1 - Executive	\$2,963,073	\$1,443,373	\$39,967	\$707,728	\$66,184	\$5,220,324	26.27%
2 - Engineering	\$438,886	\$44,174	\$2,734	\$0	\$2,842	\$488,635	2.46%
3 - Water Operations	\$1,093,651	\$255,765	\$89,590	\$1,178	\$258,794	\$1,698,979	8.55%
4 - Finance	\$506,108	\$110,755	\$2,407	\$0	\$0	\$619,270	3.12%
5 - Information Technology	\$422,943	\$229,214	\$1,604	\$2,410	\$186	\$656,357	3.30%
6 - Human Resources	\$187,462	\$28,092	\$802	\$3,737	\$0	\$220,093	1.11%
7 - Resource Management	\$211,462	\$9,525	\$802	\$834	\$0	\$222,623	1.12%
8 - Sewer	\$153,867	\$14,119	\$62,574	\$3,459	\$49,768	\$283,786	1.43%
9 - Electrical Line Crew	\$3,146,859	\$480,021	\$149,071	\$26,950	\$158,313	\$3,961,214	19.94%
10 - Electrical Operations	\$1,984,993	\$687,033	\$11,884	\$10,646	\$178,772	\$2,873,328	14.46%
11 - Warehouse	\$18,821	(\$532)	\$14,868	\$0	\$4,313	\$37,469	0.19%
12 - Fleet	\$11,574	\$3,057	\$802	\$0	\$192	\$15,625	0.08%
13 - Contracting	\$0	\$2,707	\$1,416,456	\$4,903	\$0	\$1,424,066	7.17%
14 - Customer Service	\$773,668	\$26,353	\$4,813	\$21,371	\$0	\$826,206	4.16%
15 - Billing	\$372,911	\$9,570	\$2,407	\$0	\$0	\$384,888	1.94%
16 - Communications	\$78,034	\$116,284	\$802	\$22,338	\$0	\$217,459	1.09%
17 - Broadband	\$422,746	\$92,859	\$102,875	\$95,892	\$3,463	\$717,835	3.61%
Totals	\$12,787,059	\$3,552,367	\$1,904,458	\$901,447	\$722,826	\$19,868,157	

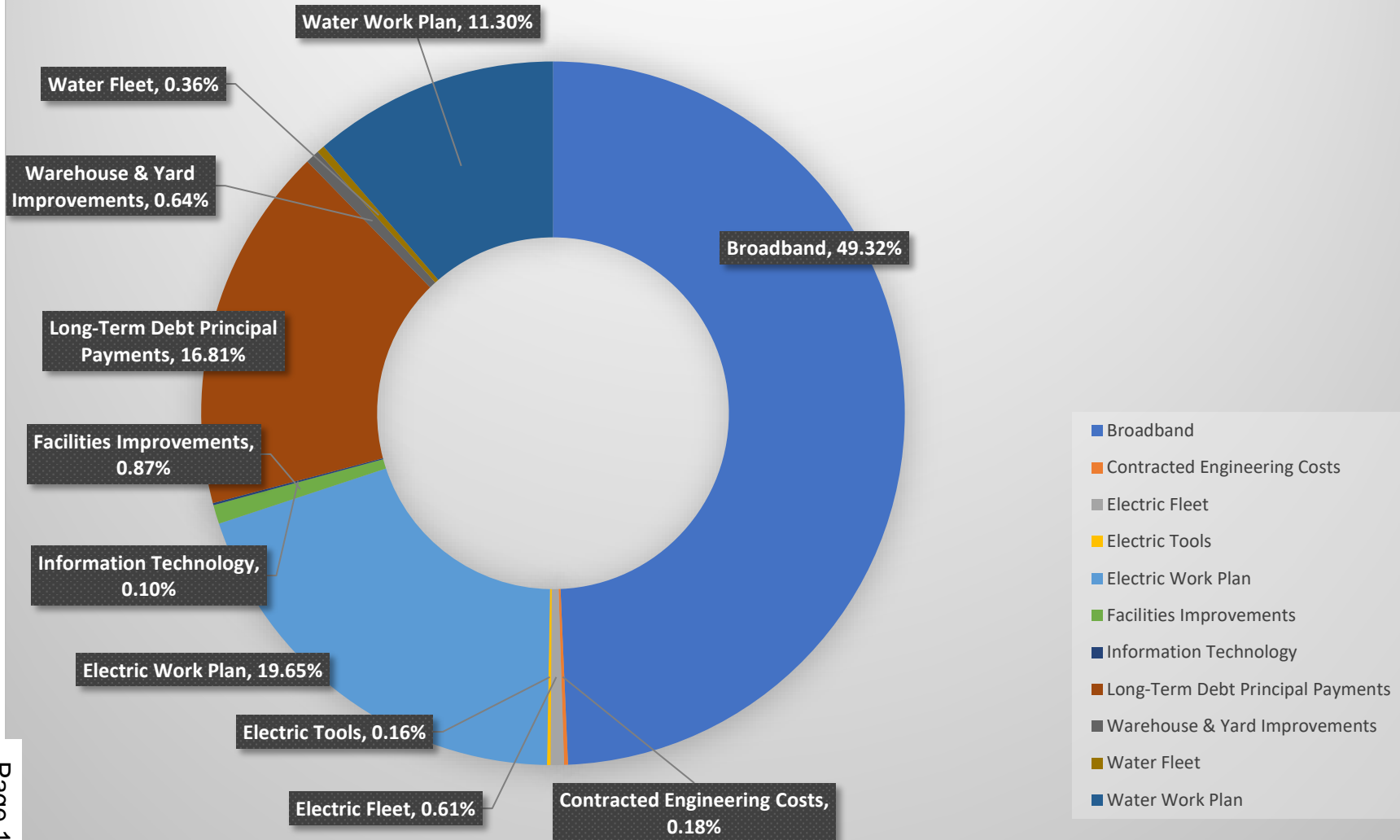
Expense Allocation By Department

\$19,868,157



Capital and Debt Principal Costs

\$30,763,912



Capital and Debt Principal Costs By Category

Cost Group	Amount	Percentage
Broadband	\$15,172,062	49.32%
Contracted Engineering Costs	\$55,000	0.18%
Electric Fleet	\$188,468	0.61%
Electric Tools	\$50,000	0.16%
Electric Work Plan	\$6,044,500	19.65%
Facilities Improvements	\$268,150	0.87%
Information Technology	\$30,000	0.10%
Long-Term Debt Principal Payments	\$5,170,813	16.81%
Warehouse & Yard Improvements	\$197,500	0.64%
Water Fleet	\$110,000	0.36%
Water Work Plan	\$3,477,419	11.30%
Total	\$30,763,912	100%

2023 Electric Work Plan Capital Costs

Item #	Description	Budget Amount
101	UG Distribution Line Extensions	\$300,000
102	OH Distribution Line Extensions	\$175,000
103	New Subdivision	\$150,000
202	Underground Feeds Out of Irondale Bay 2	\$100,000
301	Convert Single Phase to Three Phase	\$150,000
303	Convert OH to UG 4 Locations	\$380,000
501	Replace Aging Substation Equipment--Hastings	\$235,000
503	Replace/Install New Relays	\$120,000
505	SCADA System Substation Communications and Devices Upgrades	\$100,000
507-2	New Breaker Hastings	\$210,000
601-1	Install new pole-mount Transformers to serve new customers. 10 per year	\$30,000
601-2	Install new pad-mount Transformers to serve new customers. 15 per year	\$40,000
601-3	Transformer replacement of aging units. 60 per year	\$180,000
604-1	Install four new Three-Phase distribution line reclosers	\$0
605-1	Install new line regulators	\$175,000
605-2	Regulator replacement of aging units	\$0
607	Pole Replacements. 20 per year	\$180,000
608	Replace Aging Conductors	\$354,500
608-1	Install Single Phase 15kv 1/0 Distribution Line	\$225,000
610	Wildlife Protection. X sites	\$25,000
701	Security and Street Lighting	\$20,000
703	SCADA System Distribution Line Devices Communications and Control Upgrades	\$90,000
704	SCADA Communications	\$40,000
705-1	Meter Replacement Project	\$2,300,000
1001	Move Transmission Poles for Easements	\$160,000
1002	Install 115kVA Switches	\$125,000
1101	Easements and Right-of-Way	\$80,000
1201	Fiber Line Extensions	\$0
1302	Fencing	\$100,000
Total Electric Capital Costs		\$6,044,500

2023 Water Work Plan Capital Costs

Description	Budget Amount
Quilcene Water Tank	\$2,577,016
WSDOT Culvert Replacement Chimacum Creek	\$410,403
Brinnon Consolidation Projects--Feasibility Studies	\$180,000
Service Line Replacement	\$60,000
Well Pump and Motor Replacement	\$40,000
Booser Pump Replacements	\$60,000
Water Distribution Replacement	\$140,000
Wastewater system improvements	\$10,000
Total Water Capital Costs	\$3,477,419

2023 Broadband Capital Costs

Description	Budget Amount
Huts/Buildings	\$163,506
Fiber	\$9,655,334
Engineering	\$1,699,975
Core PON	\$210,134
Drops	\$1,527,980
ONTs	\$771,247
Consulting	\$125,529
Contingency	\$1,018,357
Total Broadband Capital Costs	\$15,172,062

2023 Facilities Improvements

Description	Budget Amount
Solar Panel Installation at 310 Four Corners	\$238,150
Installation of 4 Dual Head Electric Vehicle Chargers	\$30,000
Total Facilities Improvements Capital Costs	\$268,150

2023 Warehouse and Yard Improvements Capital Costs

Description	Budget Amount
Log, clear area at 310 Four Corners for new fiber lay yard. Costs are from fencing and County requirements.	\$130,000
Install utility pole bunks between the asphalt road and storm water drainage pond.	\$30,000
Install concrete base around PUD oil storage facility in the open shed.	\$30,000
Install fencing around Oil containment with two 8' gates.	\$7,500
Total Warehouse and Yard Capital Costs	\$197,500

2023 Information Technology Capital Costs

Description	Budget Amount
Network Switches	\$30,000
<hr/>	
Total IT Capital Costs	\$30,000

2023 Electric Fleet Capital Costs

Description	Budget Amount	
Ford F-150 Lightning	\$52,034	On order
Ford Ranger	\$31,717	On order
Ford Ranger	\$31,717	On order
Ford Mustang Mach - E	\$73,000	
Total Electric Fleet Capital Costs	\$188,468	

2023 Water Fleet Capital Costs

Description	Budget Amount
Vehicle--Sewer	\$55,000
Vehicle--Water	\$55,000
Total Water Fleet Capital Costs	\$110,000

2023 Electric Tools

Description	Budget Amount
Tools	\$50,000
Total Electric Tools Capital Costs	\$50,000

2023 Contracted Engineering Capital Costs

Description	Budget Amount
Contracted Electric Engineering	\$25,000
Contracted Water Engineering	\$30,000
Total Contracted Engineering Capital Costs	\$55,000

**Change in Capital Projects
10/3/2022 to 10/18/2022**

	10/3/2022	10/18/2022	
Project Name	Presentation	Presentation	Change
Electric Work Plan	\$6,044,500	\$6,044,500	\$0
Water Work Plan	\$3,477,419	\$3,477,419	\$0
Broadband	\$15,172,062	\$15,172,062	\$0
Facilities Improvements	\$238,150	\$268,150	\$30,000
Warehouse & Yard Improvements	\$197,500	\$197,500	\$0
Information Technology	\$30,000	\$30,000	\$0
Electric Fleet	\$164,000	\$188,468	\$24,468
Water Fleet	\$110,000	\$110,000	\$0
Electric Tools and PPE	\$50,000	\$50,000	\$0
Contracted Engineering Costs	\$55,000	\$55,000	\$0
	\$25,538,631	\$25,593,099	\$54,468

**2023 Cash Summary
Through July 31, 2022**

Cash-Operating Depository	\$ 586,472
Cash-Jefferson County Treasurer General	\$ 127,433
Cash-Payroll Clearing-1st Security Payroll Clearing	\$ 15
Working Funds	\$ 2,000
Cash-1996 Bond LUD #6	\$ 9,209
Cash-1996 Bond LUD #8	\$ 31,644
Temp Invest Jefferson County Treasurer Gen	\$ 163,303
Tax Revenue Fund	\$ 3,312,425
Tax Revenue Fund Investment	\$ 1,925,000
Operating Account - Jefferson County Treasurer	\$ 90,924
2022 Ending Unrestricted Cash	\$ 6,248,425
2023 Net Cash Outflow	<u>\$1,422,133</u>
2023 Ending Unrestricted Cash	\$ 7,670,558

Restricted Cash

Other Special Funds	\$ 250
Tri Area Bond Investment	\$ 164,817
Capital Reserves	\$ 100,000
Cash-2009 Bond LUD #14	\$ 1,434
Cash-2008 Bond LUD #15	\$ 482
Cash-1999 Bond LUD #11	\$ 2,404
LUD #14 Bond Investment	\$ 1,012,453
LUD #15 Bond Investment	\$ 370,935
Meter Replacment--2024 Work	\$ 1,008,850
2023 Ending Restricted Cash	\$ 2,661,625

2023 Budget

Supplementary Pages



**Electric Utility
Budget Comparison
2022 to 2023**

	2022	2023	
	Approved	Proposed	Change
Operating Revenues	\$40,094,599	\$46,009,532	\$5,914,933
Operating Expenses			
Power Production Cost	\$0	\$0	\$0
Cost of Purchased Power	\$15,050,647	\$17,095,180	\$2,044,533
Transmission Expense	\$1,988,049	\$2,404,654	\$416,605
Distribution Expense--Operation	\$2,472,245	\$3,116,911	\$644,666
Distribution Expense--Maintenance	\$5,016,304	\$4,778,863	(\$237,441)
Customer Accounts Expense	\$2,202,865	\$2,075,683	(\$127,182)
Customer Service and Informational Expense	\$18,794	\$23,166	\$4,372
Administrative and General Expense	\$5,537,981	\$5,132,534	(\$405,447)
Depreciation & Amortization Expense	\$5,548,199	\$5,605,637	\$57,438
Tax Expense--Other	\$2,262,163	\$2,554,821	\$292,658
Interest on Long-Term Debt	\$2,720,820	\$2,756,315	\$35,495
Interest Expense--Other	\$0	\$0	\$0
Other Deductions	\$0	\$0	\$0
Total Operating Expenses	\$42,818,067	\$45,543,764	\$2,725,697
Net Operating Margins (Loss)	(\$2,723,468)	\$465,768	\$3,189,236
Non-Operating Margins (Loss)	\$2,088,887	\$1,575,886	(\$513,001)
Net Margins (Loss)	(\$634,581)	\$2,041,654	\$2,676,235
Cash Flow Budget			
Construction Projects	\$3,595,500	\$6,044,500	\$2,449,000
General Plant Purchases	\$3,111,550	\$789,118	(\$2,322,432)
Principal on Long Term Debt	\$3,474,557	\$4,121,058	\$646,501
Add Depreciation & Amortization (non-cash)	(\$5,548,199)	(\$5,605,637)	(\$57,438)
Principal & Interest Received on LUDs	\$0	\$0	\$0
Grants and Loan Funds	\$0	(\$5,530,555)	(\$5,530,555)
Total Cash Expenditures/Cash Outflow	\$4,633,408	(\$181,516)	(\$4,814,924)
Net Cash Inflow/(Outflow)	(\$5,267,989)	\$2,223,170	\$7,491,159
Net TIER (Minimum of 1.25)	0.77	1.74	0.97
Net DSC (Minimum of 1.25)	1.23	1.51	0.28

Electric Utility
Actuals to Budget
2022 to 2023

	2022	2023	
	Actuals**	Budget	Change
Operating Revenues	\$40,964,546	\$46,009,532	\$5,044,986
Operating Expenses			
Power Production Cost	\$0	\$0	\$0
Cost of Purchased Power	\$15,124,755	\$17,095,180	\$1,970,425
Transmission Expense	\$1,999,003	\$2,404,654	\$405,651
Distribution Expense--Operation	\$2,115,032	\$3,116,911	\$1,001,879
Distribution Expense--Maintenance	\$3,977,080	\$4,778,863	\$801,783
Customer Accounts Expense	\$1,684,960	\$2,075,683	\$390,723
Customer Service and Informational Expense	\$12,349	\$23,166	\$10,817
Administrative and General Expense	\$4,335,931	\$5,132,534	\$796,603
Depreciation & Amortization Expense	\$5,619,845	\$5,605,637	(\$14,208)
Tax Expense--Other	\$2,341,991	\$2,554,821	\$212,830
Interest on Long-Term Debt	\$2,592,082	\$2,756,315	\$164,233
Interest Expense--Other	\$0	\$0	\$0
Other Deductions	\$0	\$0	\$0
Total Operating Expenses	\$39,803,028	\$45,543,764	\$5,740,736
Net Operating Margins (Loss)	\$1,161,518	\$465,768	(\$695,750)
Non-Operating Margins (Loss)	\$2,209,159	\$1,575,886	(\$633,273)
Net Margins (Loss)	\$3,370,677	\$2,041,654	(\$1,329,023)

2022 Actuals are actual expenses recorded January through July and budgeted numbers for August through December.

**Water Utility
Budget Comparison
2022 to 2023**

	2022	2023	Change
	Approved	Proposed	
Operating Revenues	\$2,757,235	\$4,915,051	\$2,157,816
Operating Expenses			
Power Production Cost	\$0	\$2,027	\$2,027
Cost of Purchased Power	\$135,041	\$151,012	\$15,971
Transmission Expense	\$0	\$0	\$0
Distribution Expense--Operation	\$1,024,330	\$1,412,908	\$388,578
Distribution Expense--Maintenance	\$605,218	\$608,771	\$3,553
Customer Accounts Expense	\$207,322	\$280,113	\$72,791
Customer Service and Informational Expense	\$0	\$0	\$0
Administrative and General Expense	\$1,097,305	\$1,352,069	\$254,764
Depreciation & Amortization Expense	\$428,634	\$388,013	(\$40,621)
Tax Expense--Other	\$133,811	\$181,796	\$47,985
Interest on Long-Term Debt	\$235,079	\$182,692	(\$52,387)
Interest Expense--Other	\$0	\$0	\$0
Other Deductions	\$0	\$0	\$0
Total Operating Expenses	\$3,866,740	\$4,559,401	\$692,661
Net Operating Margins (Loss)	(\$1,109,505)	\$355,650	\$1,465,155
Non-Operating Margins (Loss)	\$247,535	\$719,525	\$471,990
Net Margins (Loss)	(\$861,970)	\$1,075,175	\$1,937,145
Cash Flow Budget			
Construction Projects	\$633,105	\$3,477,419	\$2,844,314
General Plant Purchases	\$55,000	\$110,000	\$55,000
Principal on Long Term Debt	\$633,513	\$662,361	\$28,848
Add Depreciation & Amortization (non-cash)	(\$428,634)	(\$388,013)	\$40,621
Principal & Interest Received on LUDs	(\$442,966)	(\$442,966)	\$0
Grants and Loan Funds	\$0	(\$2,577,016)	(\$2,577,016)
Total Cash Expenditures/Cash Outflow	\$450,018	\$841,785	\$391,767
Net Cash Inflow/(Outflow)	(\$1,311,988)	\$233,390	\$1,545,378

Water Utility
Actuals to Budget
2022 to 2023

	2022	2023	
	Actuals**	Budget	Change
Operating Revenues	\$3,229,060	\$4,915,051	\$1,685,991
Operating Expenses			
Power Production Cost	\$0	\$2,027	\$2,027
Cost of Purchased Power	\$139,097	\$151,012	\$11,915
Transmission Expense	\$0	\$0	\$0
Distribution Expense--Operation	\$878,491	\$1,412,908	\$534,417
Distribution Expense--Maintenance	\$558,557	\$608,771	\$50,214
Customer Accounts Expense	\$194,918	\$280,113	\$85,195
Customer Service and Informational Expense	\$0	\$0	\$0
Administrative and General Expense	\$926,300	\$1,352,069	\$425,769
Depreciation & Amortization Expense	\$629,860	\$388,013	(\$241,847)
Tax Expense--Other	\$151,150	\$181,796	\$30,646
Interest on Long-Term Debt	\$273,870	\$182,692	(\$91,178)
Interest Expense--Other	\$0	\$0	\$0
Other Deductions	\$0	\$0	\$0
Total Operating Expenses	\$3,752,243	\$4,559,401	\$807,158
Net Operating Margins (Loss)	(\$523,183)	\$355,650	\$878,833
Non-Operating Margins (Loss)	\$260,554	\$719,525	\$458,971
Net Margins (Loss)	(\$262,629)	\$1,075,175	\$1,337,804

2022 Actuals are actual expenses recorded January through July and budgeted numbers for August through December.

**Capital Budget Comparison
2022 to 2023**

Project Name	2022 Budget	2023 Budget	Variance
Electric Work Plan	\$3,595,500	\$6,044,500	\$2,449,000
Water Work Plan	\$633,105	\$3,477,419	\$2,844,314
Broadband	\$2,104,050	\$15,172,062	\$13,068,012
Facilities Improvements	\$310,000	\$268,150	(\$41,850)
Warehouse & Yard Improvements	\$197,500	\$197,500	\$0
Information Technology	\$85,000	\$30,000	(\$55,000)
Electric Fleet	\$242,500	\$188,468	(\$54,032)
Water Fleet	\$55,000	\$110,000	\$55,000
Electric Tools and PPE	\$50,000	\$50,000	\$0
Contracted Engineering Costs	\$122,500	\$55,000	(\$67,500)
	\$7,395,155	\$25,593,099	\$18,197,944

Electric Utility
Actuals to Budget
5 Year Look Back Compared to 2023

	2017	2018	2019	2020	2021	2022	2023
	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals**	Budget
Operating Revenues	\$35,921,744	\$36,934,122	\$38,398,203	\$37,912,318	\$39,287,746	\$40,964,546	\$46,009,532
Operating Expenses							
Power Production Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cost of Purchased Power	\$14,480,267	\$14,933,122	\$15,204,855	\$14,717,058	\$15,242,290	\$15,124,755	\$17,095,180
Transmission Expense	\$1,760,778	\$1,825,877	\$1,883,441	\$1,832,052	\$1,950,421	\$1,999,003	\$2,404,654
Distribution Expense--Operation	\$800,596	\$1,114,352	\$1,471,987	\$1,574,671	\$1,777,535	\$2,115,032	\$3,116,911
Distribution Expense--Maintenance	\$1,895,916	\$2,412,616	\$2,585,373	\$3,114,151	\$2,768,549	\$3,977,080	\$4,778,863
Customer Accounts Expense	\$1,296,389	\$1,320,922	\$1,465,794	\$1,228,908	\$1,305,362	\$1,684,960	\$2,075,683
Customer Service and Informational Expense	\$82,821	\$83,750	\$40,874	\$12,433	\$24,808	\$12,349	\$23,166
Administrative and General Expense	\$2,270,419	\$2,500,497	\$2,540,211	\$2,672,839	\$3,197,515	\$4,335,931	\$5,132,534
Depreciation & Amortization Expense	\$5,083,334	\$5,202,894	\$5,319,171	\$5,497,554	\$5,538,986	\$5,619,845	\$5,605,637
Tax Expense--Other	\$2,078,854	\$2,112,640	\$2,198,268	\$2,174,860	\$2,255,905	\$2,341,991	\$2,554,821
Interest on Long-Term Debt	\$2,950,225	\$2,856,256	\$2,782,558	\$2,701,573	\$2,607,298	\$2,592,082	\$2,756,315
Interest Expense--Other	\$0	\$1,352	\$0	\$0	\$0	\$0	\$0
Other Deductions	\$182,664	\$256	\$2,927	\$39	\$0	\$0	\$0
Total Operating Expenses	\$32,882,263	\$34,364,534	\$35,495,459	\$35,526,138	\$36,668,669	\$39,803,028	\$45,543,764
Net Operating Margins (Loss)	\$3,039,481	\$2,569,588	\$2,902,744	\$2,386,180	\$2,619,077	\$1,161,518	\$465,768
Non-Operating Margins (Loss)	\$1,506,208	\$2,621,555	\$1,660,436	\$2,168,111	\$2,115,150	\$2,209,159	\$1,575,886
Net Margins (Loss)	\$4,545,689	\$5,191,143	\$4,563,180	\$4,554,291	\$4,734,227	\$3,370,677	\$2,041,654

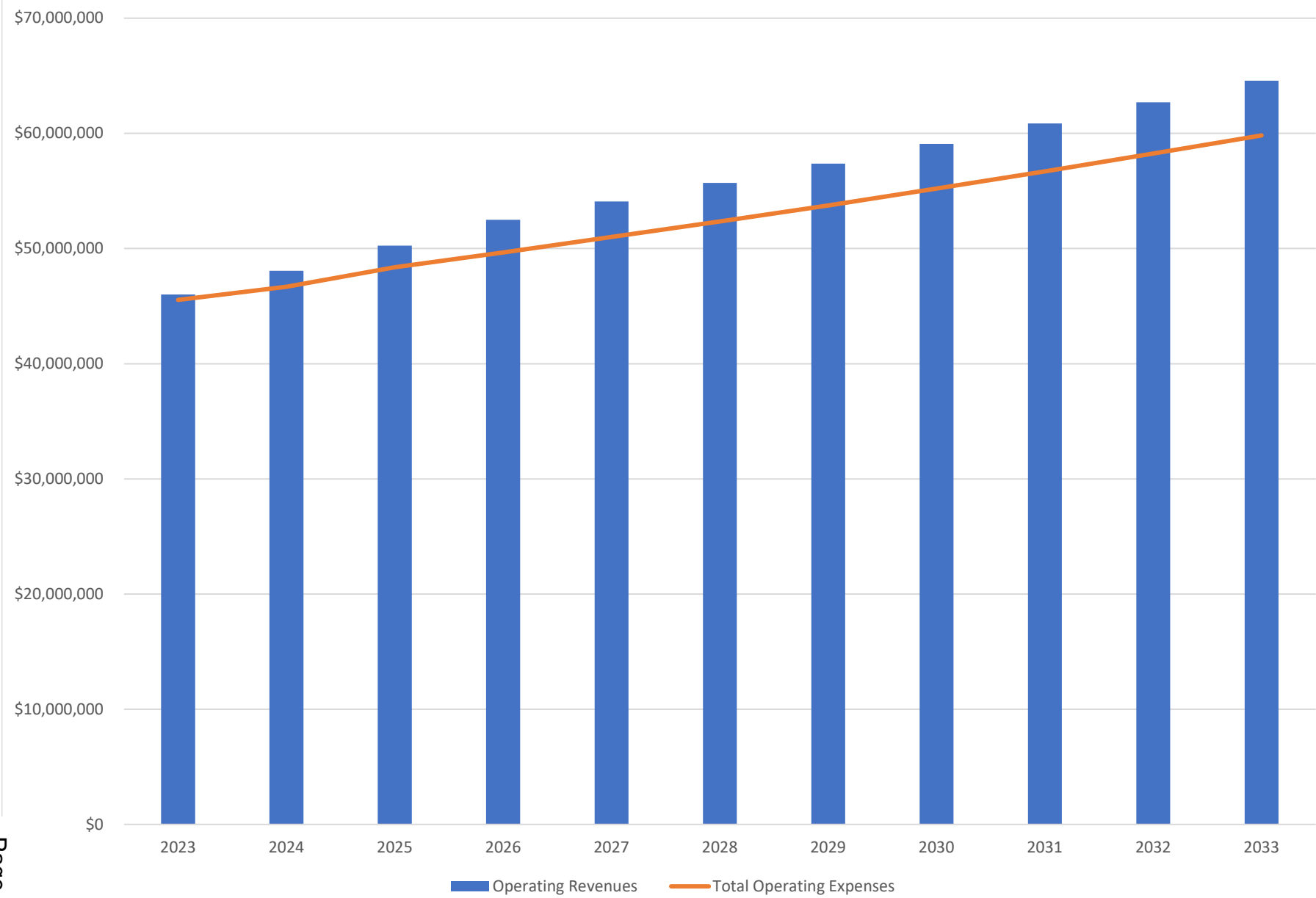
20 Actuals are actual expenses recorded January through July and budgeted numbers for August through December.

Water Utility
Actuals to Budget
5 Year Look Back Compared to 2023

	2017	2018	2019	2020	2021	2022	2023
	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals**	Budget
Operating Revenues	\$2,253,721	\$2,472,823	\$2,713,505	\$2,608,999	\$3,020,841	\$3,229,060	\$4,915,051
Operating Expenses							
Power Production Cost	\$101	\$757	\$209	\$268	\$1,877	\$0	\$2,027
Cost of Purchased Power	\$118,175	\$126,840	\$3,885	\$82,473	\$135,288	\$139,097	\$151,012
Transmission Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Distribution Expense--Operation	\$473,524	\$583,854	\$654,726	\$681,484	\$668,170	\$878,491	\$1,412,908
Distribution Expense--Maintenance	\$269,219	\$351,711	\$364,276	\$376,709	\$394,764	\$558,557	\$608,771
Customer Accounts Expense	\$151,067	\$146,842	\$134,888	\$226,078	\$255,519	\$194,918	\$280,113
Customer Service and Informational Expense	\$60	\$2,684	\$330	\$110	\$0	\$0	\$0
Administrative and General Expense	\$432,278	\$511,852	\$699,871	\$893,190	\$1,031,638	\$926,300	\$1,352,069
Depreciation & Amortization Expense	\$714,066	\$710,798	\$701,661	\$696,061	\$774,737	\$629,860	\$388,013
Tax Expense--Other	\$109,548	\$119,954	\$125,901	\$127,246	\$154,504	\$151,150	\$181,796
Interest on Long-Term Debt	\$234,929	\$289,115	\$261,833	\$236,595	\$225,120	\$273,870	\$182,692
Interest Expense--Other	\$0	\$2,500	\$0	\$0	\$0	\$0	\$0
Other Deductions	\$0	\$0	\$247	\$0	\$0	\$0	\$0
Total Operating Expenses	\$2,502,967	\$2,846,907	\$2,947,827	\$3,320,214	\$3,641,617	\$3,752,243	\$4,559,401
Net Operating Margins (Loss)	(\$249,246)	(\$374,084)	(\$234,322)	(\$711,215)	(\$620,776)	(\$523,183)	\$355,650
Non-Operating Margins (Loss)	\$284,911	\$372,474	\$915,474	\$418,689	\$637,966	\$260,554	\$719,525
Net Margins (Loss)	\$35,665	(\$1,610)	\$681,152	(\$292,526)	\$17,190	(\$262,629)	\$1,075,175

20 Actuals are actual expenses recorded January through July and budgeted numbers for August through December.

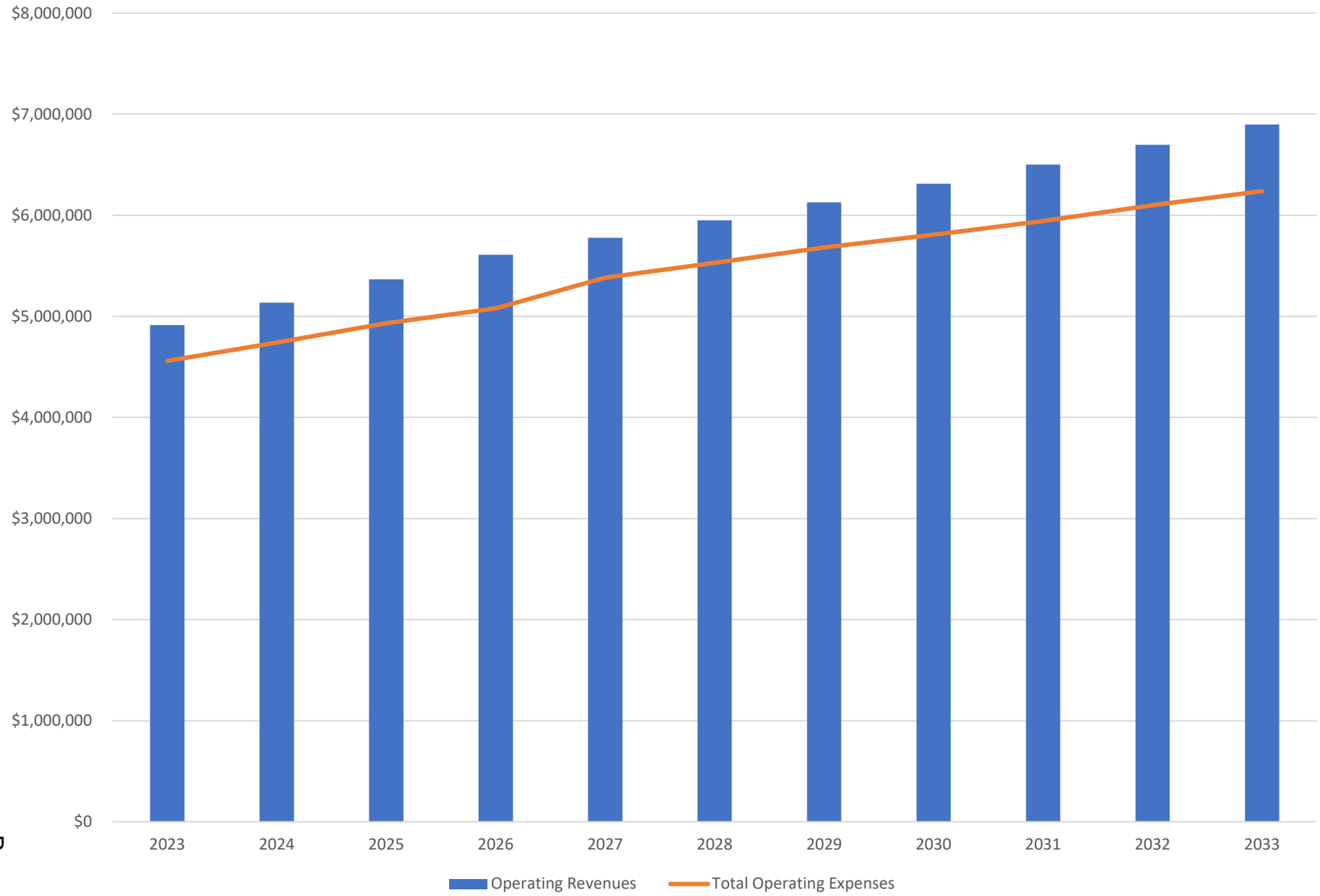
Electric Utility Budget Forecast



**Electric Utility
10-Year Forecast
2023 - 2033**

	2023 Proposed	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast	2032 Forecast	2033 Forecast
Operating Revenues	\$46,009,532	\$48,079,961	\$50,243,559	\$52,504,519	\$54,079,655	\$55,702,045	\$57,373,106	\$59,094,299	\$60,867,128	\$62,693,142	\$64,573,936
Operating Expenses											
Power Production Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cost of Purchased Power	\$17,095,180	\$17,778,987	\$18,490,147	\$19,044,851	\$19,616,197	\$20,204,683	\$20,810,823	\$21,435,148	\$22,078,202	\$22,740,548	\$23,422,765
Transmission Expense	\$2,404,654	\$2,500,840	\$2,600,874	\$2,678,900	\$2,759,267	\$2,842,045	\$2,927,306	\$3,015,126	\$3,105,579	\$3,198,747	\$3,294,709
Distribution Expense--Operation	\$3,116,911	\$3,241,587	\$3,371,251	\$3,472,388	\$3,576,560	\$3,683,857	\$3,794,373	\$3,908,204	\$4,025,450	\$4,146,213	\$4,270,600
Distribution Expense--Maintenance	\$4,778,863	\$4,970,018	\$5,168,818	\$5,323,883	\$5,483,599	\$5,648,107	\$5,817,550	\$5,992,077	\$6,171,839	\$6,356,994	\$6,547,704
Customer Accounts Expense	\$2,075,683	\$2,158,710	\$2,245,059	\$2,312,410	\$2,381,783	\$2,453,236	\$2,526,833	\$2,602,638	\$2,680,718	\$2,761,139	\$2,843,973
Customer Service and Informational Expense	\$23,166	\$24,093	\$25,056	\$25,808	\$26,582	\$27,380	\$28,201	\$29,047	\$29,919	\$30,816	\$31,741
Administrative and General Expense	\$5,132,534	\$5,337,835	\$5,551,349	\$5,717,889	\$5,889,426	\$6,066,109	\$6,248,092	\$6,435,535	\$6,628,601	\$6,827,459	\$7,032,283
Depreciation & Amortization Expense	\$5,605,637	\$5,829,862	\$6,063,057	\$6,244,949	\$6,432,297	\$6,625,266	\$6,824,024	\$7,028,745	\$7,239,607	\$7,456,795	\$7,680,499
Tax Expense--Other	\$2,554,821	\$2,657,014	\$2,763,294	\$2,846,193	\$2,931,579	\$3,019,526	\$3,110,112	\$3,203,416	\$3,299,518	\$3,398,504	\$3,500,459
Interest on Long-Term Debt	\$2,756,315	\$2,182,977	\$2,095,249	\$1,993,151	\$1,903,516	\$1,775,891	\$1,661,668	\$1,557,395	\$1,440,911	\$1,332,228	\$1,198,403
Interest Expense--Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Deductions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Expenses	\$45,543,764	\$46,681,924	\$48,374,154	\$49,660,422	\$51,000,806	\$52,346,100	\$53,748,983	\$55,207,330	\$56,700,344	\$58,249,443	\$59,823,135
Net Operating Margins (Loss)	\$465,768	\$1,398,037	\$1,869,405	\$2,844,097	\$3,078,849	\$3,355,945	\$3,624,122	\$3,886,969	\$4,166,784	\$4,443,699	\$4,750,801
Non-Operating Margins (Loss)	\$1,575,886	\$1,607,404	\$1,639,552	\$1,672,343	\$1,705,790	\$1,739,905	\$1,774,704	\$1,810,198	\$1,846,402	\$1,883,330	\$1,920,996
Net Margins (Loss)	\$2,041,654	\$3,005,441	\$3,508,957	\$4,516,440	\$4,784,639	\$5,095,850	\$5,398,826	\$5,697,167	\$6,013,186	\$6,327,028	\$6,671,797
Cash Flow Budget											
Construction Projects	\$6,044,500	\$5,147,769	\$5,353,679	\$5,514,290	\$5,679,718	\$5,850,110	\$6,025,613	\$6,206,382	\$6,392,573	\$6,584,350	\$6,781,881
General Plant Purchases	\$789,118	\$682,094	\$709,378	\$730,659	\$752,579	\$775,156	\$798,411	\$822,363	\$847,034	\$872,445	\$898,618
Principal on Long Term Debt	\$4,121,058	\$3,789,737	\$3,877,464	\$3,979,563	\$4,069,198	\$4,196,823	\$4,311,045	\$4,415,318	\$4,531,803	\$4,640,486	\$4,774,311
Add Depreciation & Amortization (non-cash)	(\$5,605,637)	(\$5,829,862)	(\$6,063,057)	(\$6,244,949)	(\$6,432,297)	(\$6,625,266)	(\$6,824,024)	(\$7,028,745)	(\$7,239,607)	(\$7,456,795)	(\$7,680,499)
Principal & Interest Received on LUDs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grants and Loan Funds	(\$5,530,555)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cash Expenditures/Cash Outflow	(\$181,516)	\$3,789,737	\$3,877,464	\$3,979,563	\$4,069,198	\$4,196,823	\$4,311,045	\$4,415,318	\$4,531,803	\$4,640,486	\$4,774,311
Net Cash Inflow/(Outflow)	\$2,223,170	(\$784,296)	(\$368,507)	\$536,877	\$715,441	\$899,028	\$1,087,781	\$1,281,849	\$1,481,383	\$1,686,542	\$1,897,487
Net TIR (minimum of 1.25)	1.74	2.38	2.67	3.27	3.51	3.87	4.25	4.66	5.17	5.75	6.57
Net DSR (minimum of 1.25)	1.51	1.84	1.95	2.14	2.20	2.26	2.32	2.39	2.46	2.53	2.60

Water Utility Budget Forecast



**Water Utility
10-Year Forecast
2023 - 2033**

	2023 Proposed	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast	2032 Forecast	2033 Forecast
Operating Revenues	\$4,915,051	\$5,136,228	\$5,367,359	\$5,608,890	\$5,777,156	\$5,950,471	\$6,128,985	\$6,312,855	\$6,502,240	\$6,697,308	\$6,898,227
Operating Expenses											
Power Production Cost	\$2,027	\$2,108	\$2,192	\$2,258	\$2,326	\$2,396	\$2,468	\$2,542	\$2,618	\$2,696	\$2,777
Cost of Purchased Power	\$151,012	\$157,052	\$163,335	\$168,235	\$173,282	\$178,480	\$183,835	\$189,350	\$195,030	\$200,881	\$206,907
Transmission Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Distribution Expense--Operation	\$1,412,908	\$1,469,424	\$1,528,201	\$1,574,047	\$1,621,269	\$1,669,907	\$1,720,004	\$1,771,604	\$1,824,752	\$1,879,495	\$1,935,880
Distribution Expense--Maintenance	\$608,771	\$633,122	\$658,447	\$678,200	\$698,546	\$719,503	\$741,088	\$763,320	\$786,220	\$809,806	\$834,101
Customer Accounts Expense	\$280,113	\$291,318	\$302,970	\$312,059	\$321,421	\$331,064	\$340,996	\$351,226	\$361,762	\$372,615	\$383,794
Customer Service and Informational Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Administrative and General Expense	\$1,352,069	\$1,406,152	\$1,462,398	\$1,506,270	\$1,551,458	\$1,598,002	\$1,645,942	\$1,695,320	\$1,746,179	\$1,798,565	\$1,852,522
Depreciation & Amortization Expense	\$388,013	\$403,534	\$419,675	\$432,265	\$445,233	\$458,590	\$472,348	\$486,518	\$501,114	\$516,147	\$531,632
Tax Expense--Other	\$181,796	\$189,068	\$196,631	\$202,529	\$208,605	\$214,864	\$221,309	\$227,949	\$234,787	\$241,831	\$249,086
Interest on Long-Term Debt	\$182,692	\$190,000	\$197,600	\$203,528	\$360,651	\$358,587	\$353,402	\$320,423	\$290,503	\$276,668	\$242,898
Interest Expense--Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Deductions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Expenses	\$4,559,401	\$4,741,777	\$4,931,448	\$5,079,392	\$5,382,791	\$5,531,391	\$5,681,390	\$5,808,251	\$5,942,966	\$6,098,705	\$6,239,596
Net Operating Margins (Loss)	\$355,650	\$394,451	\$435,910	\$529,498	\$394,365	\$419,080	\$447,595	\$504,604	\$559,275	\$598,603	\$658,631
Non-Operating Margins (Loss)	\$719,525	\$733,916	\$748,594	\$763,566	\$778,837	\$794,414	\$810,302	\$826,508	\$843,038	\$859,899	\$877,097
Net Margins (Loss)	\$1,075,175	\$1,128,367	\$1,184,504	\$1,293,064	\$1,173,202	\$1,213,494	\$1,257,897	\$1,331,112	\$1,402,313	\$1,458,502	\$1,535,728
Cash Flow Budget											
Construction Projects	\$3,477,419	\$343,811	\$357,563	\$368,290	\$379,339	\$390,719	\$402,440	\$414,513	\$426,949	\$439,757	\$452,950
General Plant Purchases	\$110,000	\$59,723	\$62,112	\$63,975	\$65,894	\$67,871	\$69,907	\$72,005	\$74,165	\$76,390	\$78,681
Principal on Long Term Debt	\$662,361	\$689,112	\$765,027	\$692,324	\$743,580	\$614,689	\$2,181,862	\$783,096	\$718,102	\$959,162	\$616,346
Add Depreciation & Amortization (non-cash)	(\$388,013)	(\$403,534)	(\$419,675)	(\$432,265)	(\$445,233)	(\$458,590)	(\$472,348)	(\$486,518)	(\$501,114)	(\$516,147)	(\$531,632)
Principal & Interest Received on LUDs	(\$442,966)	(\$442,966)	(\$221,483)	(\$221,483)	(\$221,483)	(\$221,483)	(\$110,742)	(\$110,742)	(\$110,742)	(\$110,742)	(\$55,371)
Grants and Loan Funds	(\$2,577,016)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cash Expenditures/Cash Outflow	\$841,785	\$246,146	\$543,544	\$470,841	\$522,097	\$393,206	\$2,071,121	\$672,354	\$607,360	\$848,420	\$560,976
Net Cash Inflow/(Outflow)	\$233,390	\$882,221	\$640,960	\$822,223	\$651,106	\$820,288	(\$813,224)	\$658,758	\$794,953	\$610,082	\$974,753

Jefferson County PUD
Long Range Capital Projects
5 - 10 Year Timeframe

Will be Reviewed every 2 Years--Next Review 2024

Project/Capital Purchase	Amount
Substation Transformer	\$750,000
Substation Transformer	\$750,000
Quilcene Substation Upgrade	\$5,000,000
Chimacum Substation Circuit	\$5,000,000
Port Ludlow Substation Upgrades	\$5,000,000
Resilency & Reliability Improvements	\$5,000,000
Water Distribution Pipe Replacements	\$750,000
Glen Cove Water Storage Tank	\$6,500,000
Sparling Well Treatment Plant	\$2,500,000
Total	\$31,250,000

PUBLIC UTILITY DISTRICT NO. 1

OF

JEFFERSON COUNTY

RESOLUTION NO. 2022-xxx

A RESOLUTION of the Board of Commissioners of Public Utility District No. 1 of Jefferson County, Washington (“the PUD”), adopting a Budget for the Calendar Year 2023.

WHEREAS, a proposed budget was submitted to the Board of Commissioners of Public Utility District No. 1 of Jefferson County, Washington in accordance with applicable law; and

WHEREAS, the Board of Commissioners of Public Utility District No. 1 of Jefferson County, Washington has reviewed a proposed budget for the projected financial transactions of the PUD for the calendar year 2023; and

WHEREAS, the Commissioners of PUD No. 1 of Jefferson County has given prior notice in accordance with applicable law, and on Monday, October 3, 2022 held a Public Hearing on the proposed budget starting at 5:00 p.m. and accepted public comment and testimony; and

WHEREAS, the Commissioners of PUD No. 1 of Jefferson County considered staff’s estimate of expenditures, capital construction requirements, and projected use of reserve funds, and having considered the public testimony of those customers submitting and offering testimony, the Commission concludes that the 2023 budget summarized in Exhibit “A” hereto fairly meets the needs of the PUD and its customers; and

NOW, THEREFORE BE IT RESOLVED, the Commissioners of the PUD No. 1 of Jefferson County incorporates the foregoing recitals and after receiving public testimony and consideration of all the evidence and information provided by the staff, hereby adopts the budget identified on attached Exhibit “A”.

ADOPTED by the Commission of Public Utility District No. 1 of Jefferson County, Washington, at a regular open meeting held this 18th day of October.

Kenneth Collins, President

Jeff Randall, Vice President

ATTEST:

Dan Toepper, Secretary