

Regular Meeting Agenda

Board of Commissioners

Tuesday, April 18, 2023 3:00 PM

310 Four Corners Rd.

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

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

Recommended Action: Approve a Motion to adopt agenda as presented

3. Review of RUS Requirements funding discussion

Nancy Neraas- Principal

Foster Garvey PC

4. Executive Session

(1).

Per RCW 42.30.110 (1) (a) (i) to discuss with legal counsel representing the agency litigation or potential litigation to which the agency may likely become a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency.

(2).

Per RCW 42.30.110 (1) (a) (i) to discuss with legal counsel representing the agency litigation or potential litigation to which the agency may likely become a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency.

5. **Manager and Staff Reports**

For information only, not requiring a vote.

- 5.1 Financial
- 5.2 Grant Information
- 5.3 Reserves
- 5.4 Priorities Review

6. **Commissioner Reports**




7. **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)

8. **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: Approve a Motion to approve the consent agenda as presented

- | | | |
|-----|---|---------|
| 8.1 | Prior Minutes | 5 - 12 |
| | PUD BOC Regular Meeting Minutes 12-13-2022 Draft.pdf  | |
| | PUD BOC Special Meeting 12-20-2022 Draft.pdf  | |
| 8.2 | Vouchers | 13 - 33 |
| | Voucher Certification with Supporting Warrant Register & Payroll for meeting .pdf  | |

[Voucher Approval Form for the Commissioners.pdf](#) 

8.3 Financial Report 34 - 36

[Agenda Report-Written Off Accounts-4-18-2023.docx](#) 

[Written Off Accounts Motion 4-18-2023.docx](#) 

8.4 Calendar 37

[PUD Calendar April 18, 2023.docx](#) 

8.5 Correspondence Log
None for this meeting

9. Old Business

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

9.1 RUS loan Documents 38 - 89

[Latest Version 2023 04 12 RUS Bond Purchase Contract Jefferson](#)

[PUD_RUS Bond, 2023\(101090082.3\).pdf](#) 

[Latest Version 2023 04 12 Treasury Direct Note Resolution Jefferson](#)

[PUD_RUS 2023\(101061981.4\).pdf](#) 

Recommended Action: Motion to approve RUS loan

9.2 Vegetation Policy Revisions 90 - 104

[Agenda Report Tree Trim Policy Revision.pdf](#) 

[2023 Tree trimming policy revision..pdf](#) 

Recommended Action: Approve Revised Tree Trimming policy.

10. New Business

10.1 4/10 Work Week Schedule Presentation 105 - 125

[4-10 Shift Agenda.docx](#) 

[4-10 Shift 4.18.23 Handout.pdf](#) 

[WPUDA Survey 2023-January-4-10 Work Schedules.pdf](#) 

Recommended Action: Discussion and Motion to approve

pilot program for 4-10 work schedule.

- 10.2 Flags and Banners attached to decorative light poles 126 - 129

[Flag attachment on light poles Agenda Report April 2023.docx](#) 

[image001.jpg](#) 

[Resolution 2015-018.pdf](#) 

Recommended Action: To discuss and follow legal counsel's recommendations.

- 10.3 Fiber Equipment Bids 130 - 146

[Agenda Report 23BB0802.docx](#) 

[ITB_BB.pdf](#) 

[SECTION I NIB_BB_Signed.pdf](#) 

[SECTION II PROPOSAL_BB.pdf](#) 

[SECTION III SPECIFICATIONS.pdf](#) 

[SECTION IV SAMPLE CONTRACT_BB.pdf](#) 

Recommended Action: Motion to authorize the General Manager to solicit formal bids for the purchase of material for feeder, distribution and drop broadband construction.

11. Adjourn



**PUBLIC UTILITY DISTRICT NO. 1
of Jefferson County**

**December 13, 2022
Board of Commissioners
Regular Meeting**

Draft Minutes

Present:

Commissioner Kenneth Collins, President
Commissioner Jeff Randall, Vice President
Commissioner Dan Toepper, Secretary
Kevin Streett, General Manager
Joel Paisner, General Counsel
Will O'Donnell, Communications Director
Mike Bailey, Finance Director
Jean Hall, Customer Service Director
Scott Bancroft, Operations Director
Jameson Hawn, Digital Comm. Specialist
Samantha Harper, Engineering Director
Melissa Blair, Finance Manager
Stephanie Witheridge, HR Coordinator
Annette Johnson, Executive Assistant/Records Officer
Josh Garlock, Lineman Superintendent
Don McDaniel, Consultant
Cammy Brown, Recording Secretary

1. CALL TO ORDER. Commissioner Kenneth Collins called the Regular Meeting of the Jefferson County PUD No. 1 Board of Commissioners for December 13, 2022, to order at 3:00 p.m. Roll call was taken and all three commissioners were present. It was determined there was a quorum.

2. AGENDA REVIEW: General Manager Kevin Streett requested that Agenda Item 9.1 Awarding Contract #17 Shine Plat be removed from the agenda.

Page 1 of 6

Jefferson County PUD
Board of Commissioners
Regular Board Meeting 3:00 p.m.
December 13, 2022
Draft Minutes

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

3. EXECUTIVE SESSION. RCW 42.30.110(1)(g) review the performance of a public employee.
Time needed was 45 minutes. Executive Session convened at 3:01 p.m. Executive Session ended at 3:46 p.m. No action was taken.

The regular meeting of the Jefferson County Public Utility District No. 1 Board of Commissioners meeting of December 13, 2022, reconvened at 3:48 p.m.

4. MANAGER AND STAFF REPORTS. General Manager Kevin Streett gave a report.

Topics:

- Customer Service Director Jean Hall gave a report. Reported on suspended late fees during COVID 19 pandemic.
- General Counsel Joel Paisner reported that the PUD had received a demand letter from a customer regarding removal of trees around his property.
- General Manager Kevin Streett gave an update on Energy Northwest grants. Twenty utilities agreed to share the cost.
- PUD is making some security changes in substations.
- Holiday/Appreciation dinner on 12-15-2022.
- Urgency on Shine project that was bid out yesterday. This will be on the agenda at the next PUD BOC meeting.

6. PUBLIC COMMENTS: (out of sequence).

- Ten years out with PUD. It has been a banner year for the PUD.
- Will and his team were repeatedly successful with grants that they submitted their bids for.
- The PUD purchased the property on Otto Street in Port Townsend for fiber and metering hubs.
- The PUD is installing more electrical vehicle charging stations.
- The PUD was awarded third place safety from Northwest Public Power Association.
- Commissioner Kenneth Collins and his wife Judith were named Marrowstone Island Citizens of the Year.
- The new AMI Meter changeout began in Kala Point.
- In November one of the biggest storms that the county had knocked out power to 97% of its customers on a Friday night.
- Kevin successfully rallied resources and in less than 72 hours only 10% of the customers were without power. That was quite extraordinary.
- Melanie Des Marais identified qualified high-quality candidates resulting in filling positions and growing the PUD staff.
- The PUD staff met the challenges of curbside service and several people I know couldn't say enough about the excellent service that they received those challenges of COVID.

Page 2 of 6

Jefferson County PUD
Board of Commissioners
Regular Board Meeting 3:00 p.m.
December 13, 2022
Draft Minutes

- The IT Department worked with Jessica Dillon about suspicious emails that she would bring to Rita.

5. COMMISSIONERS' REPORTS. (out of sequence).

Commissioner Jeff Randall

11/16 thru

11/18 Travelled to Washington DC for the National Rural Cooperative Broadband Summit. Report.

11/21 Spoke with Tom Endicott of the Bonneville Environmental Foundation. Report.

11/22 Participated in PUD BOC Special meeting.

11/23 Participated in a Tribal Council Meeting of the Jamestown S'Klallam Tribe. Report.

11/29 Participated in a Zoom meeting that PPC put on. Report. Commissioner Dan Toepper will be representative for 2023. This was Commissioner Randall's last meeting.

12/01 Attended EDC Board meeting. Report.

12/01 Attended North Olympic Development Council Board meeting.

12/6 and

12/07 Attended PUD BOC Retreat.

12/8 Listened to presentation on the Commerce Solar Grant Program. Report.

12/9 Listened to PPC presentation on post 2020 contract negotiations.

12/12 Attended Energy NW Executive Board meeting in Richland.

12/16 Will be attended Employee Appreciation Dinner.

12/16 Will be meeting with the City of Port Townsend.

Commissioner Dan Toepper

11/16 to

11/17 Attended WPUDA meeting. Report.

11/17 Attended PPC Annual meeting.

11/17 Virtually attended the ICG meeting.

11/18 Attended WPUDA Board of Directors meeting.

11/22 Attended PUD BOC Special meeting.

11/23 Met with General Manager Kevin Streett.

11/30 to

12/02 Attended WPUDA Annual Conference in Spokane. Report.

12/6 and

12/07 Attended PUD BOC Retreat.

12/09 Met with General Manager Kevin Streett.

12/14 Will attend monthly NoaNet meeting via Zoom.

12/16 Will attend Employee Appreciation Dinner.

12/23 Will meet with General Manager Kevin Streett.

2/22 to

03/02 Will attend rally and WPUDA events in Washington D.C.

Page 3 of 6

Jefferson County PUD
Board of Commissioners
Regular Board Meeting 3:00 p.m.
December 13, 2022
Draft Minutes

Commissioner Kenneth Collins

11/16 to

11/18 Attended WPUDA conference. .

11/17 Attended ICG meeting. (Report)

11/18 Met with General Manager Kevin Streett.

11/22 Attended PUD BOC Special meeting.

11/22 Spoke with the person who will be doing the audit for us.

11/30 to

12/02 Attended WPUDA Annual Conference in Spokane. Report.

12/05 Met with General Manager Kevin Streett.

12/6 and

12/07 Attended PUD BOC Retreat.

12/09 Met with General Manager Kevin Streett.

12/16 Will meet with General Manager Kevin Streett.

12/23 Will meet with General Manager Kevin Streett.

12/30 Will meet with General Manager Kevin Streett.

7. CONSENT AGENDA.

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

7.1 Prior Minutes.

PUD BOC Special Meeting Minutes 6-27-2022

PUD BOC Regular Meeting Minutes 7-5-2022.

PUD BOC Regular Meeting Minutes 7-19-2022.

PUD BOC Special Meeting Minutes 11-22-2022.

7.2 Vouchers

Voucher Approval Form for the Commissioners.

Voucher Certification with Supporting Warrant Register and Payroll.

PAYMENTS TO BE APPROVED

WARRANTS	AMOUNT	DATE
Accounts Payable: #130278 to #130280	\$ 305,520.85	11/08/2022
Accounts Payable: #130281 to #130338	\$ 513,985.33	11/10/2022
Accounts Payable: #130339 to #130381	\$ 574,220.02	11/17/2022
Accounts Payable: #130382 to # 130405	\$ 328,217.93	11/22/2022
Accounts Payable: #130406 to #130503	\$ 140,769.10	11/29/2022
Accounts Payable: #130504 to #130556	\$ 377,206.91	12/01/2022
Payroll Checks: # 71047 to # 71048	\$ 5,016.55	11/10/2022
Payroll Checks: # 71049 to # 71050	\$ 5,136.03	11/25/2022

Page 4 of 6

Jefferson County PUD
Board of Commissioners
Regular Board Meeting 3:00 p.m.
December 13, 2022
Draft Minutes

Payroll Direct Deposit:	\$ 197,991.77	11/10/2022
Payroll Direct Deposit:	\$ 186,753.27	11/25/2022

TOTAL INVOICES PAID:	\$2,634,826.76
-----------------------------	-----------------------

WIRE TRANSFERS PAID	AMOUNT	DATE
Peterson Lake – loan payment for November 2022	\$ 14,328.62	11/01/2022
BPA – purchase power for September 2022	\$1,043,097.00	11/10/2022
BPA – fiber license annual fee for year 2023	\$ 78,327.00	11/16/2022
Peterson Lake, - loan payment for December 2022	\$ 14,328.62	12/01/2022

PAYMENT TOTAL	\$3,784,908.00
----------------------	-----------------------

- 7.3 Financial Report.**
Agenda Report-Written Off Accounts 12-13-2022.
Written Off Accounts Motion 12-13-2022
October 2022 Financials.
- 7.4 Calendar**
PUD Calendar December 13, 2022.
- 7.5 Correspondence Log.**
C LOG.
- 7.6 Beckett Point Wastewater Rates Resolution.**
Resolution Wastewater Rates Beckett Point 221213.
Rate Schedule Wastewater 221213.

END OF CONSENT AGENDA

8. OLD BUSINESS.

- 8.1 Budget Billing.** Customer Service Director Jean Hall gave a report.

MOTION: Commissioner Dan Toepper made a motion to approve a resolution of the Board of Commissioners of Public Utility District No. 1 of Jefferson County (“the PUD”) revising the PUD’s customer budget payment program to provide for a Variable Budget program and eliminating the Fixed Budget program. Commissioner Jeff Randall seconded the motion. Motion carried unanimously.

- 8.2 ICG Resolution Draft.** General Manager Kevin Streett reported on the ICG Resolution draft.

MOTION: Commissioner Jeff Randall made a motion to approve a Joint Resolution of Jefferson County, The City of Port Townsend, The Port of Port Townsend and Jefferson County Public Utility District #1, Establishing a Multi-Governmental Process for Collaborating on Issues of Mutual Importance. Commissioner Dan Toepper seconded the motion. Motion carried unanimously.

Page 5 of 6

Jefferson County PUD
Board of Commissioners
Regular Board Meeting 3:00 p.m.
December 13, 2022
Draft Minutes

8.3 Line of Credit Renewal CFC. Finance Director Mike Bailey gave a report.

MOTION: Commissioner Jeff Randall made a motion to authorize the Secretary of the Board of Commissioners to sign the Certificate of Resolutions and Incumbency provided by the National Rural Utilities Cooperative Finance Corporation confirming that Resolution No. 2019-033 remains in full force and effect and further authorizing that the General Manager to execute the First Amendment to the Revolving Line of Credit in the amount of \$5,000,000. Commissioner Dan Toepper seconded the motion. Motion carried unanimously.

8.4 Union Wages. General Manager Kevin Streett gave a report. This was a discussion only item.

8.5 Broadband Network Equipment Purchase. Communications Director Will O'Donnell gave a report.

MOTION: Commissioner Dan Toepper made a motion to authorize the General Manager to enter into an agreement with CompuNet for the purchase of networking equipment. Commissioner Jeff Randall seconded the motion. Motion carried unanimously.

9. NEW BUSINESS.

9.1 Awarding Contract #17 Shine Plat. This item was removed from the agenda.

10. ADJOURN. Commissioner Kenneth Collins adjourned the December 13, 2022, Regular Meeting of the Jefferson County PUD No. 1 Board of Commissioners at 5:13 p.m.

Minutes prepared by
Cammy Brown, PUD Recording Secretary

Commissioner Dan Toepper, Secretary

Date

Commissioner Kenneth Collins, President

Date

Commissioner Jeff Randall, Vice President

Date

Please note PUD Board of Commissioner meetings are audio recorded and posted to the PUD website at www.jeffpud.org, 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.

Page 6 of 6

Jefferson County PUD
Board of Commissioners
Regular Board Meeting 3:00 p.m.
December 13, 2022
Draft Minutes



**PUBLIC UTILITY DISTRICT NO. 1 of
Jefferson County**

December 20, 2022

**Board of Commissioners
Special Meeting**

Draft Minutes

Present

Commissioner Kenneth Collins, President
Commissioner Jeff Randall, Vice President
Commissioner Dan Toepper, Secretary
Kevin Streett, General Manager
Joel Paisner, General Counsel
Will O'Donnell, Communications Director
Mike Bailey, Finance Director
Jean Hall, Customer Service Director
Stephanie Witheridge, HR Coordinator
Samantha Harper, Engineering Director
Jameson Hawn, Digital Comm. Specialist
Annette Johnson, Executive Assistant/Records Officer
Don McDaniel, PUD Consultant
Cammy Brown, Recording Secretary

-
1. **CALL TO ORDER.** Commissioner Kenneth Collins called the Special Meeting of the Jefferson County PUD No. 1 Board of Commissioners for December 20, 2022, to order at 10:00 a.m. Roll call was taken. All three commissioners were present. It was determined there was a quorum.
 2. **AGENDA REVIEW.** There were no changes to the agenda.

Page 1 of 2

Jefferson County PUD
Board of Commissioners
Special Meeting – Board Retreat
December 20, 2022
Draft Minutes

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

3. Awarding Contract #17 Shine Plat. Engineering Director Samantha Harper gave a report.

MOTION: Commissioner Jeff Randall made a motion to approve a Resolution of the Board of Commissioner of Public Utility District No. 1 of Jefferson County, Washington (“The PUD”), awarding the contract for the construction of the water system for Local Utility District (LUD) No. 17 (Shine Plat) to Seton Construction, Inc. and authorize the General Manager to sign all construction contracts. Commissioner Dan Toepper seconded the motion. Motion carried unanimously.

4. Substation Transformer Failure and Port Ludlow Outage. General Manager Kevin Streett gave a presentation and report. Public comments:

- Comment on planned outage.
- Comment on guardrail system on Beaver Valley Road.
- Planned outage - suggestion to do above freezing.

9. ADJOURN. Commissioner Kenneth Collins declared the December 20, 2022, Special Meeting of the Board of Commissioners of the Jefferson County Public Utility District No. 1 adjourned at 10:58 a.m.

Minutes prepared by Recording
Secretary Cammy Brown

Approved:

Commissioner Dan Toepper, Secretary

Date

Commissioner Kenneth Collins, President

Date

Commissioner Jeff Randall, Vice President

Date

Please note PUD Board of Commissioner special meetings are audio recorded and posted to the PUD website at www.jeffpud.org, 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.

Page 2 of 2

Jefferson County PUD
Board of Commissioners
Special Meeting – Board Retreat
December 20, 2022
Draft Minutes

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

4/12/2023

Date

VOUCHER CLAIM FORMS FOR INVOICES PAID:

	WARRANTS	AMOUNT	DATE
Accounts Payable: # 131246	to # 131289	\$ 1,224,563.33	3/30/2023
Accounts Payable: # 131290	to # 131337	\$ 312,312.67	4/6/2023
Payroll Checks: # 71067	to # 71068	\$ 5,611.06	3/31/2023
Payroll Direct Deposit:		\$ 168,044.07	3/31/2023
TOTAL INVOICES PAID		\$1,710,531.13	

WIRE TRANSFERS PAID

	AMOUNT	DATE
USDA - RUS Loan payment for Q1 2023	\$ 1,519,779.94	3/30/2023
Peterson Lake - loan payment for April 2023	\$ 14,328.62	4/3/2023
BPA - purchase power for February 2023	\$ 1,709,130.00	4/10/2023

GRAND TOTAL

\$4,953,769.69

VOIDED WARRANTS

04/12/2023 6:16:38 AM

Accounts Payable Check Register

Page 1

03/29/2023 To 04/10/2023

Bank Account: 1 - 1ST SECURITY - AP

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
131246 3/30/23	CHK	10016	ASPLUNDH TREE EXPERT CO	STORM WORK W/E 11/05/2022	2,809.40
				STORM WORK W/E 11/12/2022	19,191.70
				TREE TRIMMING W/E 3/4/2023	8,403.57
Total for Check/Tran - 131246:					30,404.67
131247 3/30/23	CHK	10973	BOLINGER, SEGARS, GILBERT & MOSS	PROGRESS BILLING - 2022 AUDIT THRU FEB23	9,000.00
				PROGRESS BILLING - 2022 AUDIT THRU FEB23	1,000.00
Total for Check/Tran - 131247:					10,000.00
131248 3/30/23	CHK	10339	BORDER STATES ELECTRIC	FUSE TYPE T FITALL 20A	48.33
				ANCHOR HELICAL 8"	1,985.79
Total for Check/Tran - 131248:					2,034.12
131249 3/30/23	CHK	10940	CALIX, INC.	CALIX HARDWARE FOR BROADBAND	32,863.92
				CALIX HARDWARE FOR BROADBAND	10,933.73
				CALIX HARDWARE FOR BROADBAND	25,226.60
				CALIX HARDWARE FOR BROADBAND	4,176.75
				CALIX HARDWARE FOR BROADBAND	25,228.49
Total for Check/Tran - 131249:					98,429.49
131250 3/30/23	CHK	10979	CAPCON NETWORKS LLC	DEDICATED INTERENT ACCESS FEB-23&MAR-23	9,744.38
131251 3/30/23	CHK	10044	CENTURY LINK QCC-P	SERVICE FOR PH#360-385-5800 MAR 2023	11.70
				SERVICE FOR PH#360-385-5800 MAR 2023	1.30
Total for Check/Tran - 131251:					13.00
131252 3/30/23	CHK	10045	CENTURY LINK-S	PHONE SERVICE MAR 2023	86.02
				PHONE SERVICE MAR 2023	9.56
				PHONE SERVICE MAR 2023	136.00
				PHONE SERVICE MAR 2023	15.11
				PHONE SERVICE MAR 2023	54.92
				PHONE SERVICE MAR 2023	6.10
Total for Check/Tran - 131252:					307.71
131253 3/30/23	CHK	10046	CENTURYLINK	LOW SPD DATA & 2WIRE MAR-20	81.52

04/12/2023 6:16:38 AM

Accounts Payable Check Register

Page 2

03/29/2023 To 04/10/2023

Bank Account: 1 - 1ST SECURITY - AP

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				LOW SPD DATA & 2WIRE MAR-20	20.38
				LOW SPD DATA & 2WIRE MAR-20	31.17
				LOW SPD DATA & 2WIRE MAR-20	7.79
Total for Check/Tran - 131253:					140.86
131254 3/30/23	CHK	10346	CLALLAM COUNTY PUD	POLE ATTACHMENT FEE QTY9 1ST HALF YR2023	103.18
131255 3/30/23	CHK	10354	KIMBERLY A COTTIER-HOLT	NW USERS GROUP CONF 3/13-3/15/23 TRVL EX	514.22
				NW USERS GROUP CONF 3/13-3/15/23 TRVL EX	57.14
Total for Check/Tran - 131255:					571.36
131256 3/30/23	CHK	10781	EVERGREEN CONSULTING GROUP, LLC	ENERGY CONSERVATION REBATE	3,296.12
				ENERGY CONSERVATION REBATE	800.00
				ENERGY CONSERVATION REBATE	800.00
				ENERGY CONSERVATION REBATE	700.00
				ENERGY CONSERVATION REBATE	800.00
				ENERGY CONSERVATION REBATE	994.00
				ENERGY CONSERVATION REBATE	1,243.52
				ENERGY CONSERVATION REBATE	800.00
				ENERGY CONSERVATION REBATE	800.00
				ENERGY CONSERVATION REBATE	800.00
				ENERGY CONSERVATION REBATE	800.00
				ENERGY CONSERVATION REBATE	800.00
				ENERGY CONSERVATION REBATE	700.00
				ENERGY CONSERVATION REBATE	954.00
				ENERGY CONSERVATION REBATE	800.00
				ENERGY CONSERVATION REBATE	700.00
				ENERGY CONSERVATION REBATE	700.00
				ENERGY CONSERVATION REBATE	800.00
				ENERGY CONSERVATION REBATE	2,300.60
				ENERGY CONSERVATION REBATE	700.00

04/12/2023 6:16:38 AM

Accounts Payable Check Register

Page 3

03/29/2023 To 04/10/2023

Bank Account: 1 - 1ST SECURITY - AP

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				ENERGY CONSERVATION REBATE	700.00
				ENERGY CONSERVATION REBATE	4,400.00
				ENERGY CONSERVATION REBATE	800.00
				ENERGY CONSERVATION REBATE	85.00
				ENERGY CONSERVATION REBATE	800.00
				ENERGY CONSERVATION REBATE	800.00
				ENERGY CONSERVATION REBATE	196.80
				ENERGY CONSERVATION REBATE	20.00
				ENERGY CONSERVATION REBATE	236.86
				ENERGY CONSERVATION REBATE	700.00
				ENERGY CONSERVATION REBATE	865.00
				ENERGY CONSERVATION REBATE	700.00
				ENERGY CONSERVATION REBATE	800.00
				ENERGY CONSERVATION REBATE	700.00
				ENERGY CONSERVATION REBATE	1,000.00
				ENERGY CONSERVATION REBATE	800.00
				ENERGY CONSERVATION REBATE	800.00
				ENERGY CONSERVATION REBATE	8,910.00
				ENERGY CONSERVATION REBATE	700.00
				ENERGY CONSERVATION REBATE	4,629.38
Total for Check/Tran - 131256:					49,731.28
131257 3/30/23	CHK	10090	FREDERICKSON ELECTRIC, INC	INSTALL CAT 6 & REPAIR SWITCH&DUP RECEPT	2,146.65
131258 3/30/23	CHK	10103	H D FOWLER	WATER PIPE & COUPLING	1,847.94
				4" MIDDLE RING 501 ROMAC	521.30
Total for Check/Tran - 131258:					2,369.24
131259 3/30/23	CHK	10104	HADLOCK BUILDING SUPPLY, INC.	WIRE BRUSH - BECKETT POINT	22.90
131260 3/30/23	CHK	10396	JEAN M HALL	NW USERS GROUP CONF 3/13-3/15/23 TRVL EX	458.76
				NW USERS GROUP CONF 3/13-3/15/23 TRVL EX	50.98
Total for Check/Tran - 131260:					509.74

04/12/2023 6:16:38 AM

Accounts Payable Check Register

Page 4

03/29/2023 To 04/10/2023

Bank Account: 1 - 1ST SECURITY - AP

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
131261 3/30/23	CHK	10384	HDR ENGINEERING INC	TASK02 COYLE WTR LINE EXT 1/29-02/25/23	1,084.23
131262 3/30/23	CHK	10839	IRBY ELECTRICAL UTILITES	GUY PREFORM 1/2-BLUE	640.96
131263 3/30/23	CHK	10281	JEFFCO EFTPS	EMPLOYEES' MEDICARE TAX	3,741.70
				EMPLOYER'S MEDICARE TAX	3,741.70
				EMPLOYEES' FICA TAX	15,999.17
				EMPLOYER'S FICA TAX	15,999.17
				EMPLOYEES' FEDERAL WITHHOLDING	13,318.43
				EMPLOYEES' FEDERAL WITHHOLDING TAX	12,371.50
Total for Check/Tran - 131263:					65,171.67
131264 3/30/23	CHK	10532	JEFFERSON COUNTY PUD PAYROLL ACPR DIRECT DEPOSIT 03.31.2023		168,044.07
			PR MANUAL CHECKS 03.31.2023		5,611.06
Total for Check/Tran - 131264:					173,655.13
131265 3/30/23	CHK	10142	MASON COUNTY PUD #1	ELECTRIC-DOSEWALLIPS RD-PUMP FEB 2023	213.68
				ELECTRIC-1012 DUCKABUSH RD - FC FEB 2023	59.94
				ELECTRIC-BPA RD - PUMP FEB 2023	88.16
Total for Check/Tran - 131265:					361.78
131266 3/30/23	CHK	10470	MISSION COMMUNICATIONS, LLC	WATER SCADA SYSTEM 1Y 3/01/23-2/29/24	581.40
				WATER SCADA SYSTEM 1Y 3/01/23-2/29/24	469.48
				WATER SCADA SYSTEM 1Y 3/01/23-2/29/24	469.48
				WATER SCADA SYSTEM 1Y 3/01/23-2/29/24	516.47
				WATER SCADA SYSTEM 1Y 3/01/23-2/29/24	375.62
				WATER SCADA SYSTEM 1Y 3/01/23-2/29/24	516.47
				WATER SCADA SYSTEM 1Y 3/01/23-2/29/24	641.40
				WATER SCADA SYSTEM 1Y 3/01/23-2/29/24	422.55
				WATER SCADA SYSTEM 1Y 3/01/23-2/29/24	581.40
				WATER SCADA SYSTEM 1Y 3/01/23-2/29/24	581.40
				WATER SCADA SYSTEM 1Y 3/01/23-2/29/24	563.40
				WATER SCADA SYSTEM 1Y 3/01/23-2/29/24	623.40
Total for Check/Tran - 131266:					6,342.47

04/12/2023 6:16:38 AM

Accounts Payable Check Register

Page 5

03/29/2023 To 04/10/2023

Bank Account: 1 - 1ST SECURITY - AP

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
131267 3/30/23	CHK	10982	NATIONAL RURAL TELECOMMUNICAT	CROWD FIBER SURVEY SERVICES JAN 2023	500.00
				CROWD FIBER POSTCARD MAILERS JAN 2023	1,811.10
				CROWD FIBER SURVEY SERVICES DEC 2022	500.00
				CROWD FIBER SURVEY SERVICES FEB 2023	500.00
Total for Check/Tran - 131267:					3,311.10
131268 3/30/23	CHK	10958	NORTH STAR CLINIC, LLC	CDL PHYSICAL - METER READER	220.00
131269 3/30/23	CHK	10667	NORTHWEST OPEN ACCESS NETWORK	SERVICE BILLING JAN 23	125.00
				SERVICE BILLING JAN 23	125.00
				SERVICE BILLING JAN 23-6 ADDITIONAL IPS	40.00
				SERVICE BILLING JAN 23	2,098.25
				SERVICE BILLING FEB 2023	125.00
				SERVICE BILLING FEB 2023-6 ADD'L IPS	40.00
				SERVICE BILLING FEB 2023	2,098.25
Total for Check/Tran - 131269:					4,651.50
131270 3/30/23	CHK	10883	NORTHWEST PUMP & EQUIPMENT CO	CYLINDER P11723C	710.00
131271 3/30/23	CHK	10166	NWPPA	UNDERSTANDING WORK ORDER SYSTEM 4/25/23	900.00
				UNDERSTANDING WORK ORDER SYSTEM 4/25/23	100.00
				DEPRECIATION WORKSHOP 04/27/23 REG FEE	567.00
				DEPRECIATION WORKSHOP 04/27/23 REG FEE	63.00
				LEADERSHIP SKILLS 04/18/2023 REG FEE	1,449.00
				LEADERSHIP SKILLS 04/18/2023 REG FEE	161.00
Total for Check/Tran - 131271:					3,240.00
131272 3/30/23	CHK	10631	WILLIAM P O'DONNELL	NWPPA COMM CONF 1/25-1/27 TRVL EXP	442.67
				WPUDA DAY ON THE HILL 2/16 TRVL EXP	112.01
				NWPPA COMM CONF 1/25-1/27 TRVL EXP	49.19
				WPUDA DAY ON THE HILL 2/16 TRVL EXP	12.45
				NOANET MTG 2/07-2/08 TRVL EXP	251.48
				WPUDA APPA LEG RALLY DC 2/25-3/04 TRVL E	670.08

04/12/2023 6:16:38 AM

Accounts Payable Check Register

Page 6

03/29/2023 To 04/10/2023

Bank Account: 1 - 1ST SECURITY - AP

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
Total for Check/Tran - 131272:					1,537.88
131273 3/30/23	CHK	10167	OFFICE DEPOT	OPERATIONS - STOCK (DISINFECTANT WIPES)	16.20
				OPERATIONS - STOCK (DISINFECTANT WIPES)	1.80
				OPERATIONS - STOCK	111.26
				OPERATIONS - STOCK	12.36
Total for Check/Tran - 131273:					141.62
131274 3/30/23	CHK	10170	OLYMPIC EQUIPMENT RENTALS	EXCAVATOR RENTAL - 461 OLD HADLOCK RD	227.46
				ATTWOOD PRIMER & 12 OZ GREAT STUFF	42.20
				FASTENERS	1.81
				SHOP - CRIMPER	9.15
				MINI CAM LASHING	8.39
				STIHL BAR & CHAIN & PREMIX FUEL 5	157.04
				EXCAVATOR RNTL - 620 BECKETT POINT RD	223.66
				VEH#215 - AIR FRESHNER	5.23
Total for Check/Tran - 131274:					674.94
131275 3/30/23	CHK	10171	ON LINE INFORMATION SERVICES	ONLINE UTILITY EXG REPORT - JAN 2023	153.20
				ONLINE UTILITY EXG REPORT - FEB 2023	122.51
Total for Check/Tran - 131275:					275.71
131276 3/30/23	CHK	10907	PALOUSE POWER LLC	DOCK WORK-01/30/23-02/08/23	66,206.20
				DOCK WORK-01/30/23-02/08/23	1,588.50
Total for Check/Tran - 131276:					67,794.70
131277 3/30/23	CHK	10181	PENINSULA PEST CONTROL	PEST SVC QRTLY-LAZY C PUMP HOUSE Q1-2022	60.01
				QRTLY GP SVC 210 FOUR CRNRS FEB 2023	98.19
				C#14746 - RODENT SVC 1ST TIM 191 OTTO ST	270.02
				C#14746 - RODENT SVC 1ST TIM 191 OTTO ST	30.01
				PEST SVC QRTLY-CHIMACUM STORAGE	60.01
				MONTHLY RODENT SVC 310 4 CRN MAR 2023	73.65
				MONTHLY RODENT SVC 310 4 CRN MAR 2023	8.18
				QRTLY GP SVC MATS VIEW TERRACE MAR 2023	60.01

04/12/2023 6:16:38 AM

Accounts Payable Check Register

Page 7

03/29/2023 To 04/10/2023

Bank Account: 1 - 1ST SECURITY - AP

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
Total for Check/Tran - 131277:					660.08
131278 3/30/23	CHK	10185	PITNEY BOWES GLOBAL	MAILSYSTM LEASE Q1 2023	136.21
				MAILSYSTM LEASE Q1 2023	15.13
Total for Check/Tran - 131278:					151.34
131279 3/30/23	CHK	10203	PURMS JOINT SELF INSURANCE FUND	DEDUCTIBLE CLAIM #22-35-L	250.00
131280 3/30/23	CHK	10783	ROGNLIN'S INC.	QUILCENE WTR TANK PROJECT 01/26-02/25/23	622,506.72
131281 3/30/23	CHK	10216	SECURITY SERVICES NW, INC.	SUBSTATION PATROL FEB 2023	6,187.97
				NIGHT PAYMENT PICKUP - FEB 2023	819.18
				NIGHTLY YARD CHECK - FEB 2023	450.45
				NIGHT PAYMENT PICKUP - FEB 2023	91.05
				NIGHTLY YARD CHECK - FEB 2023	50.05
				MAILERS FOR TREE TRIMMING QTY 801	784.98
Total for Check/Tran - 131281:					8,383.68
131282 3/30/23	CHK	10217	SETON CONSTRUCTION INC	FLAGGING - 7780 BEAVER VALLEY RD 12/17/2	3,367.76
				FLAGGING - OAK BAY RD 1/04/2023	1,442.42
				FLAGGING - OAK BAY RD 1/05/2023	1,517.00
				FLAGGING - WEST VALLEY RD 1/09/2023	1,330.70
				FLAGGING - SHINE RD & LINDA VISTA 1/24/2	1,144.40
				FLAGGING - PT LUDLOW SUBSTN MAIN 2/07/23	2,520.70
				FLAGGING - TREE TRIM COOK AVE 1/23-2/03	13,182.96
				FLAGGING - TREE TRIM HWY101 12/19-12/20	1,924.72
				FLAGGING - SHERIDAN & 7TH 2/09/2023	1,468.60
Total for Check/Tran - 131282:					27,899.26
131283 3/30/23	CHK	10219	SHOLD EXCAVATING INC	RPLC PUMP & INSTL PANEL - KALA PT SEAV	3,439.65
131284 3/30/23	CHK	10864	SOUNDEARTH STRATEGIES, INC	PROF SVC: SWPPP PREPARATION JAN 2023	1,015.50
131285 3/30/23	CHK	10249	SPECTRA LABORATORIES-KITSAP LLC	TESTING:TOTAL COLIFORM/E.COLI P/A QUIMPE	253.00
				TESTING:TOTAL COLIFORM/E.COLI P/A	46.00

04/12/2023 6:16:38 AM

Accounts Payable Check Register

Page 8

03/29/2023 To 04/10/2023

Bank Account: 1 - 1ST SECURITY - AP

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				TESTING:TOTAL COLIFORM/E.COLI P/A	23.00
				TESTING:TOTAL COLIFORM/E.COLI P/A	23.00
				TESTING:TOTAL COLIFORM/E.COLI P/A	23.00
				TESTING: TOTAL COLIFORM/ E.COLI P/A	23.00
				TESTING: TOTAL COLIFORM/ E.COLI P/A	23.00
				TESTING: TOTAL COLIFORM/ E.COLI P/A	23.00
				TESTING: TOTAL COLIFORM/ E.COLI P/A	23.00
				TESTING: NITRATE (N)	35.00
				TESTING: TOTAL KJELDAHL NITROGEN (TKN)	45.00
				TESTING: TOTAL SUSPENDED SOLIDS (TSS)	22.00
				TESTING:CARBONACEOUS BIOCHEMICAL OYX DEM	55.00
				TESTING:CHLORIDE & CONDUCTIVITY - LAZY C	43.00
				TESTING: TOTAL COLIFORM/E.COLI P/A - QUI	115.00
				TESTING:TOTAL COLIFORM/E.COLI P/A QUIMPE	138.00
				TESTING:TOTAL COLIFORM/E.COLI P/A	23.00
				TESTING:TOTAL COLIFORM/E.COLI P/A	23.00
				TESTING:TOTAL COLIFORM/E.COLI P/A	23.00
				TESTING:TOTAL COLIFORM/E.COLI P/A	23.00
				TESTING:TOTAL COLIFORM/E.COLI P/A	23.00
				TESTING:TOTAL COLIFORM/E.COLI P/A	23.00
				TESTING:TOTAL COLIFORM/E.COLI P/A	23.00
				TESTING:TOTAL COLIFORM/E.COLI P/A	23.00
				TESTING: NITRATE+NITRATE (N)	35.00
				TESTING:CARBONACEOUS BIOCHEMICAL OXY DEM	55.00
				TESTING:FECAL COLIFORM (MF)	32.00
				TESTING:TOTAL KJELDAHL NITROGEN (TKN)	45.00
				TESTING:TOTAL SUSPENDED SOLIDS (TSS)	22.00
Total for Check/Tran - 131285:					1,309.00
131286 3/30/23	CHK	10234	STATE AUDITORS	ACCOUNTABILITY AUDIT 20-21	274.70

04/12/2023 6:16:38 AM

Accounts Payable Check Register

Page 9

03/29/2023 To 04/10/2023

Bank Account: 1 - 1ST SECURITY - AP

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				ACCOUNTABILITY AUDIT 20-21	30.52
				Total for Check/Tran - 131286:	305.22
131287 3/30/23	CHK	10255	USA BLUEBOOK	LMI PUMPINJECTOR 78896& VITA D CH	388.19
131288 3/30/23	CHK	10260	WA STATE DEFERRED COMPENSATIONPL DEFERRED COMP EE PL DEFERRED COMP ER		15,438.20 6,465.45
				Total for Check/Tran - 131288:	21,903.65
131289 3/30/23	CHK	10274	WESTBAY AUTO PARTS, INC.	VEH# 418 - ADAPTERS	8.77
131290 4/6/23	CHK	10006	AFLAC	AFLAC BILL MAR 2023	298.26
131291 4/6/23	CHK	10012	ALTEC INDUSTRIES, INC	AUGER REPAIRED FOR VEH# 100	3,457.56
131292 4/6/23	CHK	10016	ASPLUNDH TREE EXPERT CO	TREE TRIMMING W/E 03/18/2023 TREE TRIMMING W/E 03/25/2023	7,793.41 9,052.56
				Total for Check/Tran - 131292:	16,845.97
131293 4/6/23	CHK	10838	ZACHARY L BARBIETO	WELLNESS PROGRAM REIMBURSEMENT 2022	140.00
131294 4/6/23	CHK	10339	BORDER STATES ELECTRIC	COLD SHRINK SPLICE KIT-8452,BOLT,EYE NUT COLD SHRINK SPLICE KIT-8452,BOLT,EYE NUT	531.56 3,677.23
				Total for Check/Tran - 131294:	4,208.79
131295 4/6/23	CHK	10940	CALIX, INC.	CALIX HARDWARE FOR BROADBAND	32,862.37
131296 4/6/23	CHK	10920	COOPERATIVE RESPONSE CENTER, INC	ANSWERING SERVICE FOR MAR 2023 ANSWERING SERVICE FOR MAR 2023 ANSWERING SERVICE FOR MAR 2023	2,106.59 2,106.59 468.14
				Total for Check/Tran - 131296:	4,681.32
131297 4/6/23	CHK	10354	KIMBERLY A COTTIER-HOLT	NWPPA LEADERSHIP SKILLS 2/28-3/3/23 TRVL NWPPA LEADERSHIP SKILLS 2/28-3/3/23 TRVL	677.12 75.24
				Total for Check/Tran - 131297:	752.36
131298 4/6/23	CHK	10621	CRAIG LABENZ	WPMU DEV & MONTHLY HOSTING - MAR 2023 WPMU DEV & MONTHLY HOSTING - MAR 2023	167.73 18.64

04/12/2023 6:16:38 AM

Accounts Payable Check Register

Page 10

03/29/2023 To 04/10/2023

Bank Account: 1 - 1ST SECURITY - AP

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				WEBSITE DESIGN & UPDATES - 2/09-2/24/202	305.10
				WEBSITE DESIGN & UPDATES - 2/09-2/24/202	33.90
				WEBSITE MAINTENANCE - FEB 2023	1,476.00
				WEBSITE MAINTENANCE - FEB 2023	164.00
				Total for Check/Tran - 131298:	2,165.37
131299 4/6/23	CHK	10060	DELL MARKETING LP	DELL POWEREDGE R650XS TM SERVER+VM WARE	78.65
				DELL POWEREDGE R650XS TM SERVER+VM WARE	8.74
				DELL POWEREDGE R650XS TM SERVER+VM WARE	46,323.10
				DELL POWEREDGE R650XS TM SERVER+VM WARE	157.27
				Total for Check/Tran - 131299:	46,567.76
131300 4/6/23	CHK	10068	DISCOVERY BAY GROUP, LLC	CONSULTING SERVICE MAR 2023	5,500.00
131301 4/6/23	CHK	10094	GENERAL PACIFIC, INC	METER BOOTS	480.04
131302 4/6/23	CHK	10114	IBEW LOCAL UNION NO 77	IBEW MARCH 2023 UNION DUES	2,348.02
131303 4/6/23	CHK	10593	MASCOTT EQUIPMENT	FUEL LANDING REPAIR - 310 FOUR CORNERS 2	737.65
				FUEL LANDING REPAIR - 310 FOUR CORNERS 2	81.96
				Total for Check/Tran - 131303:	819.61
131304 4/6/23	CHK	10142	MASON COUNTY PUD #1	ELECTRIC-DOSEWALLIPS RD-PUMP MAR 2023	226.17
				ELECTRIC-1012 DUCKABUSH RD - FC MAR 2023	63.47
				ELECTRIC - BPA RD - PUMP MAR 2023	102.06
				Total for Check/Tran - 131304:	391.70
131305 4/6/23	CHK	10916	NATIONAL PELRA	WASHINGTON MEMBERSHIP 1Y 2023	202.50
				WASHINGTON MEMBERSHIP 1Y 2023	22.50
				Total for Check/Tran - 131305:	225.00
131306 4/6/23	CHK	10309	NISC	MISC FEB 2023	621.75
				MISC FEB 2023	180.00
				MISC FEB 2023	69.08
				MISC FEB 2023	20.00
				RECURRING INVOICE FEB 2023	828.30

04/12/2023 6:16:38 AM

Accounts Payable Check Register

Page 11

03/29/2023 To 04/10/2023

Bank Account: 1 - 1ST SECURITY - AP

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				RECURRING INVOICE FEB 2023	200.60
				RECURRING INVOICE FEB 2023	1,418.60
				RECURRING INVOICE FEB 2023	545.50
				RECURRING INVOICE FEB 2023	-272.75
				RECURRING INVOICE FEB 2023	-272.75
				RECURRING INVOICE FEB 2023	11,335.45
				RECURRING INVOICE FEB 2023	1,306.90
				RECURRING INVOICE FEB 2023	90.27
				RECURRING INVOICE FEB 2023	1,824.39
				RECURRING INVOICE FEB 2023	408.64
				RECURRING INVOICE FEB 2023	20.06
				PRINT SVCS INVOICE FEB 2023	2,442.09
				PRINT SVCS INVOICE FEB 2023	7,839.46
				PRINT SVCS INVOICE FEB 2023	1,542.98
				PRINT SVCS INVOICE FEB 2023	271.35
				PRINT SVCS INVOICE FEB 2023	871.05
				PRINT SVCS INVOICE FEB 2023	171.44
Total for Check/Tran - 131306:					31,462.41
131307 4/6/23	CHK	10164	NW LABORERS 252 (DUES)	UNION DUES - LABORERS MARCH 2023	820.00
131308 4/6/23	CHK	10165	NW LABORERS-EMPLOYERS TRUST FU MEDICAL PREMIUM LABORERS APR 2023		18,050.00
131309 4/6/23	CHK	10169	OLYCAP	PWRBST/OLYCAP MARCH 2023	1,130.94
131310 4/6/23	CHK	10549	PENINSULA LEGAL SECRETARIAL SER	TRANSCRIPTION SVC 3/21-4/01/2023	384.00
				TRANSCRIPTION SVC 3/21-4/01/2023	96.00
Total for Check/Tran - 131310:					480.00
131311 4/6/23	CHK	10188	PLATT ELECTRIC SUPPLY	AMI MATERIAL-3/4" ENTRANCE CAP & ETC	598.00
131312 4/6/23	CHK	10197	PRINTERY COMMUNICATIONS	ENERGY SAVERS BOOKLET QTY 24	407.30
				ENERGY SAVERS BOOKLET QTY 24	45.25
				POSTCARD MAILING IRONDALE - NEW AMI PROJ	580.01

04/12/2023 6:16:38 AM

Accounts Payable Check Register

Page 12

03/29/2023 To 04/10/2023

Bank Account: 1 - 1ST SECURITY - AP

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
Total for Check/Tran - 131312:					1,032.56
131313 4/6/23	CHK	10203	PURMS JOINT SELF INSURANCE FUND	HEALTH & WELFARE MAR 2023	91,995.37
131314 4/6/23	CHK	10708	RCE TRAFFIC CONTROL, INC	FLAGGING - COYLE&HAZEL RD 2/02/2023	1,602.75
				FLAGGING - COYLE&HAZEL RD 2/06/2023	751.20
Total for Check/Tran - 131314:					2,353.95
131315 4/6/23	CHK	10210	RICOH USA, INC	OTTO ST (3983)&(3982) IMAGES FEB 2023	63.69
				OTTO ST (3983)&(3982) IMAGES FEB 2023	7.08
				310 FOUR CRNRS (7427) IMAGES FEB 2022	9.53
				310 FOUR CRNRS (7427) IMAGES FEB 2022	1.06
				310 4CRNRS (0626) IMAGES FEB 2022	640.37
				310 4CRNRS (0626) IMAGES FEB 2022	71.15
				WORKROOM (0109) IMAGES FEB 2022	17.90
				WORKROOM (0109) IMAGES FEB 2022	1.99
Total for Check/Tran - 131315:					812.77
131316 4/6/23	CHK	10212	ROHLINGER ENTERPRISES INC	GLOVE & BLANKET TESTING QUARTERLY	746.85
				GLOVE & BLANKET TESTING QUARTERLY	83.24
Total for Check/Tran - 131316:					830.09
131317 4/6/23	CHK	10706	SBA STRUCTURES, LLC	TOWER SITE RNTL MAYNARD HILL - APR 2023	1,707.97
131318 4/6/23	CHK	10217	SETON CONSTRUCTION INC	FLAGGING - OAK BAY, DABOB & CENTER RD 1/	1,468.53
131319 4/6/23	CHK	10219	SHOLD EXCAVATING INC	STOCKPILE - GRAVEL	166.65
				COYLE RD - GRAVEL PICKUP	32.73
				SOLINOID VALVE BOX REPAIR - N BECKETT PT	601.21
Total for Check/Tran - 131319:					800.59
131320 4/6/23	CHK	10227	SOUND PUBLISHING INC	AD: HOME AND GARDEN SPRING 2023	634.50
				AD: HOME AND GARDEN SPRING 2023	70.50
Total for Check/Tran - 131320:					705.00
131321 4/6/23	CHK	10864	SOUNDEARTH STRATEGIES, INC	PROF SVC: SWPPP PREPARATION FEB 2023	6,579.00

04/12/2023 6:16:38 AM

Accounts Payable Check Register

Page 14

03/29/2023 To 04/10/2023

Bank Account: 1 - 1ST SECURITY - AP

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
131326 4/6/23	CHK	10221	THE STATION SIGNS & SCREEN PRINTI	SIGNAGE FOR PUD CONTRACTOR QTY5	711.88
				SIGNAGE FOR PUD CONTRACTOR QTY5	79.10
Total for Check/Tran - 131326:					790.98
131327 4/6/23	CHK	10247	TOYOTA LIFT NORTHWEST	OIL CHANGE FOR VEH# 110	206.33
				OIL CHANGE FOR VEH# 127	249.06
Total for Check/Tran - 131327:					455.39
131328 4/6/23	CHK	10620	UPS	SHIPPING FEES - 02/26-03/25/2023	19.93
131329 4/6/23	CHK	10615	US BANK	ALYSON DEAN	2,653.12
				CUSTOMER SERVICE DEPARTMENT	600.93
				DAN TOEPPER	2,020.35
				ERIC STOREY	54.54
				EXECUTIVE DEPARTMENT	31.65
				HR DEPARTMENT	211.67
				IT DEPARTMENT	426.11
				JOSH GARLOCK	242.73
				KRISTOFFER LOTT	1,832.89
				MELANIE R DES MARAIS	161.34
				MELISSA BLAIR	1,728.65
				MIKE BAILEY	141.22
				WILL O'DONNELL	2,415.59
Total for Check/Tran - 131329:					12,520.79
131330 4/6/23	CHK	10255	USA BLUEBOOK	SUBMERSIBLE LEVEL TRANSMITTER #70814	921.77
131331 4/6/23	CHK	10256	UTILITIES UNDERGROUND LOCATION	LOCATES - FEB 2023	70.95
				LOCATES - FEB 2023	49.02
				LOCATES - MAR 2023	67.08
				LOCATES - MAR 2023	82.56
Total for Check/Tran - 131331:					269.61
131332 4/6/23	CHK	10328	VERIZON CONNECT NWF INC.	VEH GPS ELEC - FEB 2023	476.76

04/12/2023 6:16:38 AM

Accounts Payable Check Register

Page 15

03/29/2023 To 04/10/2023

Bank Account: 1 - 1ST SECURITY - AP

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				VEH GPS ELEC - FEB 2023	207.30
				VEH GPS ELEC - MAR 2023	476.76
				VEH GPS ELEC - MAR 2023	207.30
Total for Check/Tran - 131332:					1,368.12
131333 4/6/23	CHK	10258	VERIZON WIRELESS, BELLEVUE	SCADA CRADLEPNT DEVICES QB 02/20-03/19/2	909.70
				WIFI IN TRUCKS QB02/20-03/19/2023	450.74
				WIFI IN SRVR ROOM QB02/20-03/19/2023	80.01
				WIFI QB02/20-03/19/2023	80.01
				WIFI QB02/20-03/19/2023	160.02
				WIFI QB02/20-03/19/2023	192.02
				WIFI IN TRUCKS QB02/20-03/19/2023	291.86
				WIFI IN SRVR ROOM QB02/20-03/19/2023	20.00
				WIFI QB02/20-03/19/2023	20.00
				WIFI QB02/20-03/19/2023	40.00
				WIFI QB02/20-03/19/2023	48.01
				SCADA CRADLEPNT DEVICE QB 02/23-03/22/23	74.86
Total for Check/Tran - 131333:					2,367.23
131334 4/6/23	CHK	10496	WELLS FARGO VENDOR FIN SERV	4CRNRS WKRM COPYRNT APR 2023	255.29
				4CRNRS WKRM COPYRNT APR 2023	28.37
				4CRNRS COPYRNT APR 2023	33.20
				4CRNRS COPYRNT APR 2023	354.47
				4CRNRS COPYRNT APR 2023	3.69
				4CRNRS COPYRNT APR 2023	39.39
Total for Check/Tran - 131334:					714.41
131335 4/6/23	CHK	10274	WESTBAY AUTO PARTS, INC.	ALL VEHICLES - ANTIFREEZE COOLANT	54.51
				BATTERY FOR VEH# 105	136.51
				GLOVES & WINSHIELD WASH	60.01
				WIPERBLADES VEH# 104	11.51
				WIPERBLADES VEH# 209	35.63
Total for Check/Tran - 131335:					298.17

04/12/2023 6:16:38 AM

Accounts Payable Check Register

Page 16

03/29/2023 To 04/10/2023

Bank Account: 1 - 1ST SECURITY - AP

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
131336 4/6/23	CHK	10278	WPUDA	2022 WPUDA ANNUAL CONF REG FEE - COLLINS	427.50
				2022 WPUDA ANNUAL CONF REG FEE - COLLINS	47.50
				TELECOM WORKSHOP REGISTRATION	135.00
				TELECOM WORKSHOP REGISTRATION	15.00
				MANAGERS COMMITTEE MEETING 2023	67.50
				MANAGERS COMMITTEE MEETING 2023	7.50
				MONTHLY DUES - MAR 2023	5,365.80
				MONTHLY DUES - MAR 2023	596.20
Total for Check/Tran - 131336:					6,662.00
131337 4/6/23	CHK	10829	KENNETH W YINGLING JR	BOOT AND TOOL ALLOWANCE 2023	87.03

Total Payments for Bank Account - 1 : (92) 1,536,876.00

Total Voids for Bank Account - 1 : (0) 0.00

Total for Bank Account - 1 : (92) 1,536,876.00

Grand Total for Payments : (92) 1,536,876.00

Grand Total for Voids : (0) 0.00

Grand Total : (92) 1,536,876.00

04/12/2023 6:02:03 AM

Accounts Payable Check Register

Page 1

03/29/2023 To 04/10/2023

Bank Account: 1 - 1ST SECURITY - AP

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
207 3/30/23	WIRE	10280	USDA-WIRE TRANSFER	H0010 PRINCIPAL	932,247.77
				H0015 PRINCIPAL	5,966.10
				INTEREST Q1 2022	554,964.53
				NOTE SECT 9 INTEREST Q1 2022	26,601.54
Total for Check/Tran - 207:					1,519,779.94
208 4/3/23	WIRE	10809	PETERSON LAKE - WIRE PAYMENT	PETERSON LAKE WIRE PMT APR 2023	11,973.64
				PETERSON LAKE WIRE PMT APR 2023	2,354.98
Total for Check/Tran - 208:					14,328.62
209 4/10/23	WIRE	10279	BPA-WIRE TRANSFER	PURCHASED POWER FEB 2023	1,509,160.00
				TRANSMISSION FEB 2023	196,578.00
				REGIONAL COMP ENFOR FEB 2023	1,696.00
				REGIONAL COORD SVC FEB 2023	1,696.00
Total for Check/Tran - 209:					1,709,130.00

Total Payments for Bank Account - 1 : (3) 3,243,238.56

Total Voids for Bank Account - 1 : (0) 0.00

Total for Bank Account - 1 : (3) 3,243,238.56

Grand Total for Payments : (3) 3,243,238.56

Grand Total for Voids : (0) 0.00

Grand Total : (3) 3,243,238.56

JEFFERSON COUNTY PUD NO 1

ISSUED PAYROLL CHECKS
PAY DATE: 3/31/2023

Empl	Position	Check #	Check Date	Amount
2003	WATER TREATMENT PLANT OPERATOR III	71067	3/31/2023	2,547.49
2004	WATER TREATMENT PLANT OPERATOR III - LEAD	71068	3/31/2023	3,063.57
				<u>\$ 5,611.06</u>

JEFFERSON COUNTY PUD NO 1

DIRECT DEPOSIT PAYROLL PAY DATE: 3/31/2023

Empl	Position	Pay Date	Net Pay
3046	ACCOUNTING ASSOCIATE	3/31/2023	2,007.30
3062	ACCOUNTING ASSOCIATE	3/31/2023	1,989.25
3039	ACCOUNTING SPECIALIST	3/31/2023	2,356.95
3052	ADMINISTRATIVE ASSISTANT	3/31/2023	864.95
3065	ADMINISTRATIVE ASSISTANT	3/31/2023	2,500.58
4006	COMMISSIONER DIST 1	3/31/2023	957.86
4004	COMMISSIONER DIST 2	3/31/2023	1,021.98
4008	COMMISSIONER DIST 3	3/31/2023	907.48
3034	COMMUNICATIONS DIRECTOR	3/31/2023	3,757.34
3002	CUSTOMER SERVICE COORDINATOR	3/31/2023	1,642.07
3022	CUSTOMER SERVICE REP	3/31/2023	1,733.91
3032	CUSTOMER SERVICE REP	3/31/2023	1,687.68
3048	CUSTOMER SERVICE REP	3/31/2023	1,786.86
3056	CUSTOMER SERVICE REP	3/31/2023	1,572.78
3066	CUSTOMER SERVICE REP	3/31/2023	1,419.23
3068	CUSTOMER SERVICE REP	3/31/2023	1,404.50
3069	CUSTOMER SERVICE REP	3/31/2023	1,342.32
3060	DIGITAL COMMUNICATIONS SPECIALIST	3/31/2023	2,450.30
1027	ELECTRICAL ENGINEERING MANAGER	3/31/2023	3,468.72
1041	ELECTRICAL SUPERINTENDENT	3/31/2023	4,743.59
2007	ENGINEERING DIRECTOR	3/31/2023	3,870.64
3005	EXECUTIVE ASSISTANT/PUBLIC RECORDS OFFICER	3/31/2023	2,385.06
3033	FINANCE DIRECTOR	3/31/2023	5,017.49
3029	FINANCE SERVICES MANAGER	3/31/2023	2,911.73
1046	FLEET/WAREHOUSE HELPER	3/31/2023	2,756.39
1012	FOREMAN LINEMAN	3/31/2023	4,369.70
1011	GENERAL MANAGER	3/31/2023	5,292.74
1042	GIS SPECIALIST	3/31/2023	2,686.10
1017	HEAD STOREKEEPER	3/31/2023	2,579.27
3063	HUMAN RESOURCES COORDINATOR	3/31/2023	2,977.09
3047	HUMAN RESOURCES DIRECTOR	3/31/2023	4,054.20
3008	INFORMATION TECHNOLOGY MANAGER	3/31/2023	3,606.55
3028	IT SUPPORT TECHNICIAN	3/31/2023	1,939.11
2001	JOINT UTILITY SPECIALIST	3/31/2023	3,313.86
1000	LINEMAN	3/31/2023	4,279.79
1034	LINEMAN	3/31/2023	5,130.66
1055	LINEMAN	3/31/2023	2,885.94
1060	LINEMAN	3/31/2023	3,607.78
1059	LINEMAN APPRENTICE	3/31/2023	2,765.11
1043	METER READER	3/31/2023	1,724.96
1047	METER READER	3/31/2023	1,976.64
1056	METER READER	3/31/2023	1,730.67
1057	METER READER	3/31/2023	1,695.96
3067	NETWORK/BROADBAND ENGINEER	3/31/2023	3,650.89
1037	OPERATIONS DIRECTOR	3/31/2023	3,717.59
1050	PRE-APPRENTICE	3/31/2023	2,572.51
3004	RESOURCE MANAGER	3/31/2023	2,865.02
1010	SCADA ENGINEER II	3/31/2023	2,712.31
1003	SCADA TECH APPRENTICE	3/31/2023	3,391.69
3020	SERVICES DIRECTOR	3/31/2023	3,502.33
1026	STAKING ENGINEER	3/31/2023	2,428.54
1031	STAKING ENGINEER	3/31/2023	2,865.58
1014	STOREKEEPER	3/31/2023	2,035.52
1015	SUBSTATION/METER FOREMAN	3/31/2023	5,162.89
1033	SUBSTATION/METERING TECH	3/31/2023	4,604.93
3003	UTILITY BILLING CLERK	3/31/2023	1,690.80
3027	UTILITY BILLING CLERK	3/31/2023	1,759.75
3000	UTILITY BILLING COORDINATOR	3/31/2023	2,084.08
2008	WATER DISTRIBUTION MANAGER I	3/31/2023	1,657.15
2000	WATER DISTRIBUTION MANAGER II	3/31/2023	2,815.39
2002	WATER DISTRIBUTION MANAGER II	3/31/2023	2,449.47
2005	WATER DISTRIBUTION MANAGER II	3/31/2023	2,904.54
			168,044.07

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 **\$4,953,769.69** on this **18TH** day of **APRIL** **2023** ;

Kenneth Collins
President

Jeff Randall
Vice President

Dan Toepper
Secretary

PAYMENTS TO BE APPROVED:

	WARRANTS	AMOUNT	DATE
Accounts Payable:	# 131246 to # 131289	\$ 1,224,563.33	3/30/2023
Accounts Payable:	# 131290 to # 131337	\$ 312,312.67	4/6/2023
Payroll Checks:	# 71067 to # 71068	\$ 5,611.06	3/31/2023
Payroll Direct Deposit:		\$ 168,044.07	3/31/2023

TOTAL INVOICES PAID **\$1,710,531.13**

WIRE TRANSFERS PAID	AMOUNT	DATE
USDA - RUS Loan payment for Q1 2023	\$ 1,519,779.94	3/30/2023
Peterson Lake - loan payment for April 2023	\$ 14,328.62	4/3/2023
BPA - purchase power for February 2023	\$ 1,709,130.00	4/10/2023

PAYMENT TOTAL **\$4,953,769.69**

VOIDED WARRANTS



AGENDA REPORT

DATE: April 18, 2023
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 \$1,705.64 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 \$1,705.64 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 April 18, 2023, 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	0	\$0.00
\$51 - \$100	1	\$74.94
\$101 - \$200	5	\$828.31
\$201 - \$300	2	\$475.21
Over \$300	1	\$327.18
TOTAL	9	\$1,705.64

Approval, Board of Commissioners

Dan Toepper
Secretary

PUD Calendar

April 18, 2023

April 18, 2023, BOC Regular Meeting, 3:00 PM, 310 Four Corners Rd and per ZOOM

April 25, 2023, Special Meeting, 10:00-12:00, Broadband Update/Financial Update

May 2, 2023, BOC Regular Meeting, 3:00 PM, 310 Four Corners Rd and per ZOOM

May 8, 2023, Special Meeting, 10:00-12:00 TBD

RUS Project Designation:

Washington 60 “D45” Jefferson

BOND PURCHASE CONTRACT

An Agreement Made By and Between

PUBLIC UTILITY DISTRICT NO. 1 OF JEFFERSON COUNTY,

as Borrower

and

UNITED STATES OF AMERICA,

as Lender

Dated as of _____, 2023

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

BOND PURCHASE CONTRACT

AGREEMENT, dated as of _____, 2023, between PUBLIC UTILITY DISTRICT NO. 1 OF JEFFERSON COUNTY (the “Borrower”), a corporation organized and existing under the laws of the State of Washington (the “State”), and the UNITED STATES OF AMERICA, acting by and through the Administrator of the Rural Utilities Service (“RUS”).

RECITALS

The Borrower has applied to RUS for financial assistance for the purpose(s) set forth in Schedule 1 hereto.

RUS is willing to extend financial assistance to the Borrower pursuant to the Rural Electrification Act of 1936, as amended, on the terms and conditions stated herein.

THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, and other good and valuable consideration, the parties hereto agree and bind themselves as follows:

ARTICLE I DEFINITIONS

The terms defined herein include the plural as well as the singular and the singular as well as the plural.

Act shall mean the Rural Electrification Act of 1936, as amended.

Advance or **Advances** shall mean advances of Bond funds to the Borrower which have been made or approved by RUS pursuant to the terms and conditions of this Agreement.

Agreement shall mean this Bond Purchase Contract together with all schedules and exhibits and also any subsequent supplements or amendments.

Bond shall mean the Bond described in Article III which is being made or guaranteed pursuant to the RUS Commitment in furtherance of the objectives of the Act.

Bond Documents shall mean, collectively, this Agreement, the Resolution and the Bond.

Business Day shall mean any day that RUS is open for business.

Coverage Ratios shall mean, collectively, the following financial ratios: (i) TIER of 1.25; (ii) Operating TIER of 1.1; (iii) DSC of 1.25; and (iv) Operating DSC of 1.1.

Debt Service Coverage Ratio (“DSC”) shall mean the ratio determined as follows: for each calendar year add

- (i) Patronage Capital or Margins of the Borrower,

(ii) Interest Expense on Total Long-Term Debt of the Borrower (as computed in accordance with the principles set forth in the definition of TIER) and

(iii) Depreciation and Amortization expense of the Borrower, and divide the total so obtained by an amount equal to the sum of all payments of principal and interest required to be made on account of Total Long-Term Debt during such calendar year increasing said sum by an addition to Interest Expense on account of Restricted Rentals as computed with respect to the Times Interest Earned Ratio herein.

Depreciation and Amortization Expenses shall mean an amount constituting the depreciation and amortization of the Borrower as computed pursuant to RUS Accounting Requirements.

Distributions shall mean for the Borrower to, in any calendar year, declare or pay any dividends, or pay or determine to pay any patronage refunds, or retire any patronage capital or make any other Cash Distributions, to its members, stockholders or consumers; provided, however, that for the purposes of this Agreement a “Cash Distribution” shall be deemed to include any general cancellation or abatement of charges for electric energy or services furnished by the Borrower, but not the repayment of a membership fee upon termination of a membership or the rebate of an abatement of wholesale power costs previously incurred pursuant to an order of a state regulatory authority or a wholesale power cost adjustment clause or similar power pricing agreement between the Borrower and a power supplier.

Electric System shall mean all electric utility properties and assets real and personal, tangible and intangible, of the Borrower used or useful in the transmission, distribution and sale of electric energy and the business incidental thereto, including all property and assets hereafter constructed or acquired as additions or betterments to and improvements and extensions of all such properties, including telecommunication facilities unless such facilities are separated from the Electric System. The “System” shall not include the Borrower’s water system, the sewer system, or such generating, transmission and distribution facilities as may be hereafter acquired by the Borrower as, and specifically declared to be, a separate utility system, the revenues of which may be pledged to the payment of bonds issued to purchase, construct, or otherwise acquire such separate utility system.

Equity shall mean the Borrower’s total margins and equities computed pursuant to RUS Accounting Requirements but excluding any Regulatory Created Assets.

Event of Default shall have the meaning as defined in Section 7.1.

Future Parity Bonds shall mean any additional revenue bonds or notes issued by the Borrower pursuant to the Resolution, including any refunding, renewal or substitute revenue bonds or notes which may from time to time be issued by the Borrower pursuant to the Resolution on a parity of lien with the Bond and the Borrower’s outstanding Electric System Revenue Bond, 2013.

Independent when used with respect to any specified person or entity means such a person or entity who (1) is in fact independent, (2) does not have any direct financial interest or any material indirect financial interest in the Borrower or in any affiliate of the Borrower and (3) is not

connected with the Borrower as an officer, employee, promoter, underwriter, trustee, partner, director or person performing similar functions.

Interest Expense shall mean the interest expense of the Borrower computed pursuant to RUS Accounting Requirements.

Long-Term Debt shall mean the total of all amounts included in the long-term debt of the Borrower pursuant to RUS Accounting Requirements.

Margins shall mean the amounts recorded as operating margins and non-operating margins as computed in accordance with RUS Accounting Requirements.

Maturity Date shall have the meaning as defined in the Bond.

Monthly Payment Date shall have the meaning as defined in the Bond.

Net Utility Plant shall mean the amount constituting the Total Utility Plant of the Borrower, less depreciation, computed in accordance with RUS Accounting Requirements.

Note shall mean a revenue bond or bonds or a revenue note or notes executed by the Borrower in the form of Exhibit A hereto, and any revenue bond or note executed and delivered to RUS to refund, or in substitution for such revenue bond or note.

Operating DSC or **ODSC** shall mean Operating Debt Service Coverage calculated as:

$$\text{ODSC} = \frac{A+B+C}{D}$$

where:

All amounts are for the same calendar year and are computed pursuant to RUS Accounting Requirements and RUS Form 7;

A = Depreciation and Amortization Expense of the Electric System;

B = Interest Expense on Total Long-Term Debt of the Electric System, except that such Interest Expense shall be increased by 1/3 of the amount, if any, by which the Restricted Rentals of the Electric System exceed 2% of the Borrower's Equity;

C = Patronage capital and operating margins of the Electric System, (which equals operating revenue and patronage capital of Electric System operations, less total cost of electric service, including Interest Expense on Total Long-Term Debt of the Electric System) plus cash received from the retirement of patronage capital by suppliers of electric power and by lenders for credit extended for the Electric System; and

D = Debt service billed which equals the sum of all payments of principal and interest required to be made on account of Total Long-Term Debt of the Electric System during the calendar year, plus 1/3 of the amount, if any, by which Restricted Rentals of the Electric System exceed 2% of the Borrower's Equity.

Operating TIER or **OTIER** shall mean Operating Times Interest Earned Ratio calculated as:

$$\text{OTIER} = \frac{A+B}{A}$$

where:

All amounts are for the same calendar year and are computed pursuant to RUS Accounting Requirements and RUS Form 7;

A = Interest Expense on Total Long-Term Debt of the Electric System, except that such Interest Expense shall be increased by 1/3 of the amount, if any, by which Restricted Rentals of the Electric System exceed 2% of the Borrower's Equity; and

B = Patronage capital and operating margins of the Electric System, (which equals operating revenue and patronage capital of Electric System operations, less total cost of electric service, including Interest Expense on Total Long-Term Debt of the Electric System) plus cash received from the retirement of patronage capital by suppliers of electric power and by lenders for credit extended for the Electric System.

Permitted Debt shall have the meaning as defined in Section 6.13.

Prior Loan Contracts shall mean all loan and loan guarantee agreements, if any, previously entered into by and between RUS and the Borrower, including RUS Bond Purchase Contract dated as of January 2, 2013.

Regulatory Created Assets shall mean the sum of any amounts properly recordable as unrecovered plant and regulatory study costs or as other regulatory assets, computed pursuant to RUS Accounting Requirements.

Resolution shall have the meaning as described in Schedule 1 hereto.

Restricted Rentals shall mean all rentals required to be paid under finance leases and charged to income, exclusive of any amounts paid under any such lease (whether or not designated therein as rental or additional rental) for maintenance or repairs, insurance, taxes, assessments, water rates or similar charges. For the purpose of this definition the term "finance lease" shall mean any lease having a rental term (including the term for which such lease may be renewed or extended at the option of the lessee) in excess of three years and covering property having an initial cost in excess of \$250,000 other than aircraft, ships, barges, automobiles, trucks, trailers, rolling stock and vehicles; office, garage and warehouse space; office equipment and computers.

RUS Accounting Requirements shall mean any system of accounts prescribed by RUS Regulations as such RUS Accounting Requirements exist at the date of applicability thereof.

RUS Commitment shall have the meaning as defined in Schedule 1 hereto.

RUS Regulations shall mean regulations of general applicability published by RUS from time to time as they exist at the date of applicability thereof, and shall also include any regulations of other federal entities which RUS is required by law to implement.

Special Construction Account shall have the meaning as defined in Section 5.20.

Subsidiary shall mean a corporation that is a subsidiary of the Borrower and subject to the Borrower's control, as defined by RUS Accounting Requirements.

Termination Date shall mean the date specified in the Bond after which no further Advances shall be made under the terms of the RUS Commitment.

Times Interest Earned Ratio ("TIER") shall mean the ratio determined as follows: for each calendar year: add (i) patronage capital or margins of the Borrower and (ii) Interest Expense on Total Long-Term Debt of the Borrower and divide the total so obtained by Interest Expense on Total Long-Term Debt of the Borrower provided, however that in computing Interest Expense on Total Long-Term Debt, there shall be added, to the extent not otherwise included, an amount equal to 33-1/3% of the excess of Restricted Rentals paid by the Borrower over 2% of the Borrower's Equity.

Total Assets shall mean an amount constituting the total assets of the Borrower as computed pursuant to RUS Accounting Requirements, but excluding any Regulatory Created Assets.

Total Long-Term Debt shall mean the total outstanding long-term debt of the Borrower as computed pursuant to RUS Accounting Requirements.

Total Utility Plant shall mean the amount constituting the total utility plant of the Borrower computed in accordance with RUS Accounting Requirements.

ARTICLE II REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations and Warranties.

To induce RUS to make the loan as provided for in Article III, and recognizing that RUS is relying hereon, the Borrower represents and warrants as follows:

(a) **Organization; Power, Etc.** The Borrower: (i) is duly organized, validly existing, and in good standing under the laws of its state of incorporation; (ii) is duly qualified to do business and is in good standing in each jurisdiction in which the transaction of its business makes such qualification necessary; (iii) has all requisite corporate and legal power to own and operate its assets and to carry on its business and to enter into and perform the Bond Documents; (iv) has duly and lawfully obtained and maintained all licenses, certificates, permits, authorizations, approvals, and the like which are material to the conduct of its business or which may be otherwise required by law; and (v) is eligible to obtain the financial assistance from RUS contemplated by this Agreement.

(b) Authority. The execution, delivery and performance by the Borrower of this Agreement and the other Bond Documents and the performance of the transactions contemplated thereby have been duly authorized by all necessary corporate action and shall not violate any provision of law or the Articles of Incorporation or By-Laws of the Borrower or result in a breach of, or constitute a default under, any agreement, indenture or other instrument to which the Borrower is a party or by which it may be bound.

(c) Consents. No consent, permission, authorization, order, or license of any governmental authority is necessary in connection with the execution, delivery, performance, or enforcement of the Bond Documents, except (i) such as have been obtained and are in full force and effect and (ii) such as have been disclosed on Schedule 1 hereto.

(d) Binding Agreement. Each of the Bond Documents is, or when executed and delivered shall be, the legal, valid, and binding obligation of the Borrower, enforceable in accordance with its terms, subject only to limitations on enforceability imposed by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting creditors' rights generally.

(e) Compliance with Laws. The Borrower is in compliance in all material respects with all applicable federal, state, and local laws, rules, regulations, ordinances, codes, and orders (collectively, "Laws"), the failure to comply with which could have a material adverse effect on the condition, financial or otherwise, operations, properties, or business of the Borrower, or on the ability of the Borrower to perform its obligations under the Bond Documents, except as the Borrower has disclosed to RUS in writing.

(f) Litigation. There are no pending legal, arbitration, or governmental actions or proceedings to which the Borrower is a party or to which any of its property is subject which, if adversely determined, could have a material adverse effect on the condition, financial or otherwise, operations, properties, profits or business of the Borrower, or on the ability of the Borrower to perform its obligations under the Bond Documents, and to the best of the Borrower's knowledge, no such actions or proceedings are threatened or contemplated, except as the Borrower has disclosed to RUS in writing.

(g) Title to Property. For such property being financed with proceeds of RUS, the Borrower holds good and marketable title to all of its real property and owns all of its personal property free and clear of any liens except such liens as may be permitted by the Resolution.

(h) Financial Statements; No Material Adverse Change; Etc. All financial statements submitted to RUS in connection with the application for the Bond or in connection with this Agreement fairly and fully present the financial condition of the Borrower and the results of the Borrower's operations for the periods covered thereby and are prepared in accordance with RUS Accounting Requirements consistently applied. Since the dates thereof, there has been no material adverse change in the financial condition or operations of the Borrower. All budgets, projections, feasibility studies, and other documentation submitted by the Borrower to RUS are based upon assumptions that are reasonable and realistic, and as of the date hereof, no fact has come to light,

and no event or transaction has occurred, which would cause any assumption made therein not to be reasonable or realistic.

(i) Principal Place of Business; Records. The principal place of business and chief executive office of the Borrower is at the address of the Borrower shown on Schedule 1 attached hereto.

(j) Location of Properties. All property owned by the Borrower is located in the counties identified in Schedule 1 hereto.

(k) Subsidiaries. The Borrower has no subsidiary, except as the Borrower has disclosed to RUS in writing.

(l) Defaults Under Other Agreements. The Borrower is not in default under any agreement or instrument to which it is a party or under which any of its properties are subject that is material to its financial condition, operations, properties, profits, or business.

(m) Survival. All representations and warranties made by the Borrower herein or made in any certificate delivered pursuant hereto shall survive the making of the Advances and the execution and delivery to RUS of the Bond.

ARTICLE III BOND PURCHASE

Section 3.1. Advances.

RUS agrees to make, and the Borrower agrees to request, on the terms and conditions of this Agreement, Advances from time to time in an aggregate principal amount not to exceed the RUS Commitment. On the Termination Date, RUS may stop advancing funds and limit the RUS Commitment to the amount advanced prior to such date. The obligation of the Borrower to repay the Advances shall be evidenced by the Bond in the principal amount of the unpaid principal amount of the Advances from time to time outstanding. The Borrower shall give RUS written notice of the date on which each Advance is to be made.

Section 3.2. Interest Rate and Payment.

Each Bond shall be payable and bear interest as follows:

(a) Payments and Amortization. Principal shall be amortized in accordance with one or more methods stated in Schedule 1 hereto and more fully described in the form of the Bond attached hereto as Exhibit A.

(b) Application of Payments. All payments which the Borrower sends to RUS on any outstanding obligation owed to or guaranteed by RUS shall be applied in the manner provided in the Borrower's Bond Documents to which such payments relate and in a manner consistent with RUS policies, practices, and procedures for obligations that have been similarly classified by RUS.

(c) Electronic Funds Transfer. Except as otherwise prescribed by RUS, the Borrower shall make all payments on the Bond utilizing electronic funds transfer procedures as specified by RUS.

(d) Fixed or Variable Rate. Each Bond shall bear interest at either a fixed or variable rate in accordance with one or more methods stated in Schedule 1 hereto and as more particularly described in the form of the Bond attached hereto as Exhibit A.

Section 3.3. Prepayment.

The Borrower has no right to prepay the Bond in whole or in part except such rights, if any, as are expressly provided for in the Bond or applicable federal statutes.

Section 3.4. Last Date for Advance.

Funds will only be advanced pursuant to this Agreement and the Bond on or before the Last Date for an Advance, as specified in the Bond. No funds will be advanced subsequent to the Last Date for an Advance unless prior to such date the Administrator has extended this date by written agreement. However, under no circumstances shall RUS ever make or approve an advance, regardless of the Last Date for an Advance or any extension by the Administrator, later than September 30 of the fifth year after the Fiscal Year of Obligation as identified in Schedule 1 if such date would result in RUS obligating or permitting advances of funds contrary to the Antideficiency Act (31 USC §1341).

ARTICLE IV CONDITIONS OF LENDING

Section 4.1. General Conditions.

The obligation of RUS to purchase or approve to be made any Advance hereunder is subject to satisfaction of each of the following conditions precedent on or before the date of such Advance:

(a) Legal Matters. All legal matters incident to the consummation of the transactions hereby contemplated shall be satisfactory to counsel for RUS.

(b) Bond Documents. That RUS receive duly executed originals of this Agreement and the other Bond Documents.

(c) Authorization. That RUS receive evidence satisfactory to it that all corporate documents and proceedings of the Borrower necessary for duly authorizing the execution, delivery and performance of the Bond Documents have been obtained and are in full force and effect.

(d) Approvals. That RUS receive evidence satisfactory to it that all consents and approvals (including without limitation the consents referred to in Section 2.1(c) of this Agreement) which are necessary for, or required as a condition of, the validity and enforceability of each of the Bond Documents have been obtained and are in full force and effect.

(e) Event of Default. That no Event of Default specified in Article VII and no event which, with the lapse of time or the notice and lapse of time specified in Article VII would become such an Event of Default, shall have occurred and be continuing, or shall have occurred after giving effect to the Advance on the books of the Borrower.

(f) Continuing Representations and Warranties. That the representations and warranties of the Borrower contained in this Agreement be true and correct on and as of the date of such Advance as though made on and as of such date.

(g) Opinion of Counsel. That RUS receive an opinion of counsel for the Borrower (who shall be acceptable to RUS) in form and content acceptable to RUS.

(h) Adoption of Resolution. The Resolution has been duly adopted by the Borrower to create a lien on the Borrower's revenues to secure the repayment of the Bond, in accordance with applicable law, and the Borrower shall have caused satisfactory evidence thereof to be furnished to RUS.

(i) Wholesale Power Contract. That the Borrower shall not be in default under the terms of, or contesting the validity of, any contract for sales for resale that has been pledged by any entity to RUS as security for the repayment of any loan made or guaranteed by RUS under the Act.

(j) Material Adverse Change. That there has occurred no material adverse change in the business or condition, financial or otherwise, of the Borrower and nothing has occurred which in the opinion of RUS materially and adversely affects the Borrower's ability to meet its obligations hereunder.

(k) Requisitions. That the Borrower shall requisition all Advances by submitting its requisition to RUS in form and substance satisfactory to RUS. Requisitions shall be made only for the purpose(s) set forth herein. The Borrower agrees to apply the proceeds of the Advances in accordance with its loan application with such modifications as may be mutually agreed.

(l) Flood Insurance. That for any Advance used in whole or in part to finance the construction or acquisition of any building in any area identified by the Secretary of Housing and Urban Development pursuant to the Flood Disaster Protection Act of 1973 (the "Flood Insurance Act") or any rules, regulations or orders issued to implement the Flood Insurance Act ("Rules") as any area having special flood hazards, or to finance any facilities or materials to be located in any such building, or in any building owned or occupied by the Borrower and located in such a flood hazard area, the Borrower has submitted evidence, in form and substance satisfactory to RUS, or RUS has otherwise determined, that (i) the community in which such area is located is then participating in the national flood insurance program, as required by the Flood Insurance Act and any Rules, and (ii) the Borrower has obtained flood insurance coverage with respect to such building and contents as may then be required pursuant to the Flood Insurance Act and any Rules.

(m) Compliance with Bond Purchase Contract and Resolution. That the Borrower is in material compliance with all provisions of this Agreement and the Resolution.

Section 4.1. Special Conditions.

The obligation of RUS to make or approve to be made any Advance hereunder is also subject to satisfaction, on or before the date of such Advance, of each of the special conditions, if any, listed in Schedule 1 hereto.

ARTICLE V AFFIRMATIVE COVENANTS

Section 5.1. Generally.

Unless otherwise agreed to in writing by RUS, while this Agreement is in effect, whether or not any Advance is outstanding, the Borrower agrees to duly observe each of the affirmative covenants contained in this Article.

Section 5.2. Annual Certificates.

(a) Performance under Bond Documents. The Borrower shall duly observe and perform all of its obligations under each of the Bond Documents.

(b) Annual Certification. Within 90 days after the close of each calendar year, commencing with the year following the year in which the initial Advance hereunder shall have been made, the Borrower shall deliver to RUS a written statement signed by its General Manager, stating that during such year the Borrower has fulfilled all of its obligations under the Bond Documents throughout such year in all material respects or, if there has been a default in the fulfillment of any such obligations, specifying each such default known to said person and the nature and status thereof.

Section 5.3. Rates to Provide Revenue Sufficient to Meet Coverage Ratios Requirements.

(a) Prospective Requirement. The Borrower shall design and implement rates for utility service furnished by it to provide sufficient revenue (along with other revenue available to the Borrower in the case of TIER and DSC) (i) to pay all fixed and variable expenses when and as due, (ii) to provide and maintain reasonable working capital, and (iii) to maintain, on an annual basis, the Coverage Ratios. In designing and implementing rates under this paragraph, such rates should be capable of producing at least enough revenue to meet the requirements of this paragraph under the assumption that average weather conditions in the Borrower's service territory shall prevail in the future, including average Electric System damage and outages due to weather and the related costs.

(b) Retrospective Requirement. The average Coverage Ratios achieved by the Borrower in the two best years out of the three most recent calendar years must be not less than any of the following:

TIER = 1.25

DSC = 1.25

OTIER= 1.1

ODSC = 1.1

(c) Prospective Notice of Change in Rates. The Borrower shall give 30 days prior written notice of any proposed change in its general rate structure to RUS, if RUS has requested in writing that it be notified in advance of such changes.

(d) Routine Reporting of Coverage Ratios. Promptly following the end of each calendar year, the Borrower shall report, in writing, to RUS the TIER, Operating TIER, DSC and Operating DSC levels which were achieved during that calendar year.

(e) Reporting Non-achievement of Retrospective Requirement. If the Borrower fails to achieve the average levels required by paragraph (b) of this section, it must promptly notify RUS in writing to that effect.

(f) Corrective Plans. Within 30 days of sending a notice to RUS under paragraph (e) of this section, or of being notified by RUS, whichever is earlier, the Borrower in consultation with RUS, shall provide a written plan satisfactory to RUS setting forth the actions that shall be taken to achieve the required Coverage Ratios on a timely basis.

(g) Noncompliance. Failure to design and implement rates pursuant to paragraph (a) of this section and failure to develop and implement the plan called for in paragraph (f) of this section shall constitute an Event of Default under this Agreement in the event that RUS so notifies the Borrower to that effect under section 7.1(d) of this Agreement.

Section 5.4. Depreciation Rates.

The Borrower shall adopt as its depreciation rates only those which have been previously approved for the Borrower by RUS.

Section 5.5. Property Maintenance.

The Borrower shall maintain and preserve its Electric System in compliance in all material respects with the provisions of the Resolution, RUS Regulations and all applicable laws.

Section 5.6. Financial Books.

The Borrower shall at all times keep, and safely preserve, proper books, records and accounts in which full and true entries shall be made of all of the dealings, business and affairs of the Borrower and its Subsidiaries, in accordance with any applicable RUS Accounting Requirements.

Section 5.7. Rights of Inspection.

The Borrower shall afford RUS, through its representatives, reasonable opportunity, at all times during business hours and upon prior notice, to have access to and the right to inspect the Electric System, and any or all books, records, accounts, invoices, contracts, leases, payrolls, canceled checks, statements and other documents and papers of every kind belonging to or in the

possession of the Borrower or in any way pertaining to its property or business, including its Subsidiaries, if any, and to make copies or extracts therefrom.

Section 5.8. Area Coverage.

(a) The Borrower shall make diligent effort to extend electric service to all unserved persons within the service area of the Borrower who (i) desire such service and (ii) meet all reasonable requirements established by the Borrower as a condition of such service.

(b) If economically feasible and reasonable considering the cost of providing such service and/or the effects on consumers' rates, such service shall be provided, to the maximum extent practicable, at the rates and minimum charges established in the Borrower's rate schedules, without the payment of such persons, other than seasonal or temporary consumers, of a contribution in aid of construction. A seasonal consumer is one that demands electric service only during certain seasons of the year. A temporary consumer is a seasonal or year-round consumer that demands electric service over a period of less than five years.

(c) The Borrower may assess contributions in aid of construction provided such assessments are consistent with this section.

Section 5.9. Real Property Acquisition.

In acquiring real property, the Borrower shall comply in all material respects with the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (the "Uniform Act"), as amended by the Uniform Relocation Act Amendments of 1987, and 49 CFR part 24, referenced by 7 CFR part 21, to the extent the Uniform Act is applicable to such acquisition.

Section 5.10. "Buy American" Requirements.

The Borrower shall use or cause to be used in connection with the expenditures of funds advanced on account of the Bond only such unmanufactured articles, materials, and supplies as have been mined or produced in the United States or any eligible country, and only such manufactured articles, materials, and supplies as have been manufactured in the United States or any eligible country substantially all from articles, materials, and supplies mined, produced or manufactured, as the case may be, in the United States or any eligible country, except to the extent RUS shall determine that such use shall be impracticable or that the cost thereof shall be unreasonable. For purposes of this section, an "eligible country" is any country that applies with respect to the United States an agreement ensuring reciprocal access for United States products and services and United States suppliers to the markets of that country, as determined by the United States Trade Representative.

Section 5.11. Power Requirements Studies.

The Borrower shall prepare and use power requirements studies of its electric loads and future energy and capacity requirements in conformance with RUS Regulations.

Section 5.12. Long Range Engineering Plans and Construction Work Plans.

The Borrower shall develop, maintain and use up-to-date long-range engineering plans and construction work plans in conformance with RUS Regulations.

Section 5.13. Design Standards, Construction Standards, and List of Materials.

The Borrower shall use design standards, construction standards, and lists of acceptable materials in conformance with RUS Regulations.

Section 5.14. Plans and Specifications.

The Borrower shall submit plans and specifications for construction to RUS for review and approval, in conformance with RUS Regulations, if the construction will be financed in whole or in part by a loan made or guaranteed by RUS.

Section 5.15. Standard Forms of Construction Contracts, and Engineering and Architectural Services Contracts.

The Borrower shall use the standard forms of contracts promulgated by RUS for construction, procurement, engineering services and architectural services in conformance with RUS Regulations, if the construction, procurement, or services are being financed in whole or in part by a loan being made or guaranteed by RUS.

Section 5.16. Contract Bidding Requirements.

The Borrower shall follow RUS contract bidding procedures in conformance with RUS Regulations when contracting for construction or procurement financed in whole or in part by a loan made or guaranteed by RUS.

Section 5.17. Nondiscrimination.

(a) Equal Opportunity Provisions in Construction Contracts. The Borrower shall incorporate or cause to be incorporated into any construction contract, as defined in Executive Order 11246 of September 24, 1965 and implementing regulations, which is paid for in whole or in part with funds obtained from RUS or borrowed on the credit of the United States pursuant to a grant, contract, loan, insurance or guarantee, or undertaken pursuant to any RUS program involving such grant, contract, loan, insurance or guarantee, the equal opportunity provisions set forth in the Equal Opportunity Agreement form attached hereto as Exhibit B.

(b) Equal Opportunity Contract Provisions Also Bind the Borrower. The Borrower further agrees that it shall be bound by such equal opportunity clause in any federally assisted construction work which it performs itself other than through the permanent work force directly employed by an agency of government.

(c) Sanctions and Penalties. The Borrower agrees that it shall cooperate actively with RUS and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations and relevant orders of the Secretary of Labor, that it shall furnish RUS and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it shall otherwise assist the administering agency in the discharge of RUS's primary responsibility for securing compliance. The Borrower further

agrees that it shall refrain from entering into any contract or contract modification subject to Executive Order 11246 with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to Part II, Subpart D of Executive Order 11246 and shall carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by RUS or the Secretary of Labor pursuant to Part II, Subpart D of Executive Order 11246. In addition, the Borrower agrees that if it fails or refuses to comply with these undertakings RUS may cancel, terminate or suspend in whole or in part this contract, may refrain from extending any further assistance under any of its programs subject to Executive Order 11246 until satisfactory assurance of future compliance has been received from such Borrower, or may refer the case to the Department of Justice for appropriate legal proceedings.

Section 5.18. Financial Reports.

The Borrower shall cause to be prepared and furnished to RUS a full and complete annual report of its financial condition and of its operations in form and substance satisfactory to RUS, audited and certified by Independent certified public accountants satisfactory to RUS and accompanied by a report of such audit in form and substance satisfactory to RUS. The Borrower shall also furnish to RUS from time to time such other reports concerning the financial condition or operations of the Borrower, including its Subsidiaries, as RUS may reasonably request or RUS Regulations require.

Section 5.19. Miscellaneous Reports and Notices.

The Borrower shall furnish to RUS:

(a) Notice of Default. Promptly after becoming aware thereof, notice of: (i) the occurrence of any default; and (ii) the receipt of any notice given pursuant to the Resolution with respect to the occurrence of any event which with the giving of notice or the passage of time, or both, could become an "Event of Default" under the Resolution.

(b) Notice of Non-Environmental Litigation. Promptly after the commencement thereof, notice of the commencement of all actions, suits or proceedings before any court, arbitrator, or governmental department, commission, board, bureau, agency, or instrumentality affecting the Borrower which, if adversely determined, could have a material adverse effect on the condition, financial or otherwise, operations, properties or business of the Borrower, or on the ability of the Borrower to perform its obligations under the Bond Documents.

(c) Notice of Environmental Litigation. Without limiting the provisions of Section 5.19(b) above, promptly after receipt thereof, notice of the receipt of all pleadings, orders, complaints, indictments, or other communications alleging a condition that may require the Borrower to undertake or to contribute to a cleanup or other response under laws relating to environmental protection, or which seek penalties, damages, injunctive relief, or criminal sanctions related to alleged violations of such laws, or which claim personal injury or property damage to any person as a result of environmental factors or conditions for which the Borrower is not fully covered by insurance, or which, if adversely determined, could have a material adverse effect on

the condition, financial or otherwise, operations, properties or business of the Borrower, or on the ability of the Borrower to perform its obligations under the Bond Documents.

(d) Notice of Change of Place of Business. Promptly in writing, notice of any change in location of its principal place of business or the office where its records concerning accounts and contract rights are kept.

(e) Regulatory and Other Notices. Promptly after receipt thereof, copies of any notices or other communications received from any governmental authority with respect to any matter or proceeding which could have a material adverse effect on the condition, financial or otherwise, operations, properties, or business of the Borrower, or on the ability of the Borrower to perform its obligations under the Bond Documents.

(f) Material Adverse Change. Promptly, notice of any matter which has resulted or may result in a material adverse change in the condition, financial or otherwise, operations, properties, or business of the Borrower, or the ability of the Borrower to perform its obligations under the Bond Documents.

(g) Other Information. Such other information regarding the condition, financial or otherwise, or operations of the Borrower as RUS may, from time to time, reasonably request.

Section 5.20. Special Construction Account.

The Borrower shall hold all moneys advanced to it by RUS hereunder in trust for RUS and shall deposit such moneys promptly after the receipt thereof in a bank or banks which meet the requirements of Section 6.7 of this Agreement. Any account (hereinafter called “Special Construction Account”) in which any such moneys shall be deposited shall be insured by the Federal Deposit Insurance Corporation or other federal agency acceptable to RUS and shall be designated by the corporate name of the Borrower followed by the words “Trustee, Special Construction Account.” Money in any Special Construction Account shall be used solely for the construction and operation of the Electric System and may be withdrawn only upon checks, drafts, or orders signed on behalf of the Borrower and countersigned by an executive officer thereof.

Section 5.21. Additional Affirmative Covenants.

The Borrower also agrees to comply with any additional affirmative covenant(s) identified in Schedule 1 hereto.

ARTICLE VI NEGATIVE COVENANTS

Section 6.1. General.

Unless otherwise agreed to in writing by RUS, while this Agreement is in effect, whether or not any Advance is outstanding hereunder, the Borrower shall duly observe each of the negative covenants set forth in this Article.

Section 6.2. Limitations on System Extensions and Additions.

(a) The Borrower shall not extend or add to its Electric System either by construction or acquisition without the prior written approval of RUS if the construction or acquisition is financed or will be financed, in whole or in part, by a RUS loan or loan guarantee.

(b) The Borrower shall not extend or add to its Electric System with funds from other sources without prior written approval of RUS in the case of:

(1) Generating facilities if the combined capacity of the facilities to be built, procured, or leased, including any future facilities included in the planned project, will exceed the lesser of five megawatts or 30% of the Borrower's Equity;

(2) Existing electric facilities or systems in service whose purchase price, or capitalized value in the case of a lease, exceeds 10% of the Borrower's Net Utility Plant; and

(3) Any project to serve a customer whose annual kWh purchases or maximum annual kW demand is projected to exceed 25% of the Borrower's total kWh sales or maximum kW demand in the year immediately preceding the acquisition or start of construction of facilities.

Section 6.3. Limitations on Changing Principal Place of Business.

The Borrower shall not change its principal place of business or keep property outside of its service area or take any action with respect to the Electric System, if such change or action would impair the lien in favor of RUS on the Borrower's revenues as provided for in the Resolution, without the written consent of RUS.

Section 6.4. Limitations on Employment and Retention of Manager.

At any time any Event of Default, or any occurrence which with the passage of time or giving of notice would be an Event of Default, occurs and is continuing the Borrower shall not employ the general manager of the Electric System or any person exercising comparable authority to such a manager unless such employment shall first have been approved by RUS. If any Event of Default, or any occurrence which with the passage of time or giving of notice would be an Event of Default, occurs and is continuing and RUS requests the Borrower to terminate the employment of any such manager or person exercising comparable authority, or RUS requests the Borrower to terminate any contract for operating the Electric System, the Borrower shall do so within 30 days after the date of such notice. All contracts in respect of the employment of any such manager or person exercising comparable authority, or for the operation of the Electric System, shall contain provisions to permit compliance with the foregoing covenants.

Section 6.5. Limitations on Certain Types of Contracts.

Without the prior approval of RUS in writing, the Borrower shall not enter into any of the following contracts:

(a) Construction contracts. Any contract for construction or procurement or for architectural and engineering services in connection with its Electric System if the project is financed or will be financed, in whole or in part, by a RUS loan or loan guarantee;

(b) Large retail power contracts. Any contract to sell electric power and energy for periods exceeding two years if the kWh sales or kW demand for any year covered by such contract shall exceed 25% of the Borrower's total kWh sales or maximum kW demand for the year immediately preceding the execution of such contract;

(c) Wholesale power contracts. Any contract to sell electric power or energy for resale and any contract to purchase electric power or energy that, in either case, has a term exceeding two years;

(d) Power supply arrangements. Any interconnection agreement, interchange agreement, wheeling agreement, pooling agreement or similar power supply arrangement that has a term exceeding two years;

(e) System management and maintenance contracts. Any contract for the management and operation of all or substantially all of its Electric System; or

(f) Other contracts. Any contracts of the type described on Schedule 1.

Section 6.6. Limitations on Mergers and Sale, Lease or Transfer of Capital Assets.

(a) The Borrower shall not consolidate with, or merge, or sell all or substantially all of its business or assets, to another entity or person except to the extent it is permitted to do so under the Resolution. The exception contained in this paragraph (a) is subject to the additional limitation set forth in paragraph (b) of this section.

(b) The Borrower shall not, without the written approval of RUS, voluntarily or involuntarily sell, convey or dispose of any portion of its business or assets (including, without limitation, any portion of its franchise or service territory) to another entity or person if such sale, conveyance or disposition could reasonably be expected to reduce the Borrower's existing or future requirements for energy or capacity being furnished to the Borrower under any wholesale power contract which has been pledged as security to RUS.

Section 6.7. Limitations on Using non-FDIC Insured Depositories.

Without the prior written approval of RUS, the Borrower shall not place the proceeds of the Bond or any loan which has been made or guaranteed by RUS in the custody of any bank or other depository that is not insured by the Federal Deposit Insurance Corporation or other federal agency acceptable to RUS.

Section 6.8. Limitations on Distributions.

Without the prior written approval of RUS, the Borrower shall not in any calendar year make any Distributions (exclusive of any Distributions to the estates of deceased natural patrons) to its members, stockholders or consumers except as follows:

(a) Equity above 30%. If, after giving effect to any such Distribution, the Equity of the Borrower shall be greater than or equal to 30% of its Total Assets; or

(b) Equity above 20%. If, after giving effect to any such Distribution, the Equity of the Borrower shall be greater than or equal to 20% of its Total Assets and the aggregate of all Distributions made during the calendar year when added to such Distribution shall be less than or equal to 25% of the prior year's margins.

Provided however, that in no event shall the Borrower make any Distributions if there is unpaid when due any installment of principal of (premium, if any) or interest on any of its payment obligations secured by the pledge of revenues provided for in the Resolution, if the Borrower is otherwise in default hereunder or if, after giving effect to any such Distribution, the Borrower's current and accrued assets would be less than its current and accrued liabilities.

Section 6.9. Limitations on Loans, Investments and Other Obligations.

The Borrower shall not make any loan or advance to, or make any investment in, or purchase or make any commitment to purchase any stock, bonds, notes or other securities of, or guaranty, assume or otherwise become obligated or liable with respect to the obligations of, any other person, firm or corporation, except as permitted by Washington State law, the Act and RUS Regulations.

Section 6.10. Depreciation Rates.

The Borrower shall not file with or submit for approval of regulatory bodies any proposed depreciation rates which are inconsistent with RUS Regulations.

Section 6.11. Historic Preservation.

The Borrower shall not, without approval in writing by RUS, use any Advance to construct any facilities which shall involve any district, site, building, structure or object which is included in, or eligible for inclusion in, the National Register of Historic Places maintained by the Secretary of the Interior pursuant to the Historic Sites Act of 1935 and the National Historic Preservation Act of 1966.

Section 6.12. Rate Reductions.

Without the prior written approval of RUS, the Borrower shall not decrease its rates if it has failed to achieve all of the Coverage Ratios for the calendar year prior to such reduction.

Section 6.13. Limitations on Additional Indebtedness.

Except as expressly permitted by the Resolution and subject to the further limitations expressed in the next section, the Borrower shall not incur, assume, guarantee or otherwise become liable in respect of any debt for borrowed money and Restricted Rentals other than the following ("Permitted Debt"):

- (a) Additional Notes issued in compliance with the Resolution;

(b) Purchase money indebtedness in non-Electric System property, in an amount not exceeding 10% of Net Utility Plant;

(c) Restricted Rentals in an amount not to exceed 5% of Equity during any 12 consecutive calendar month period;

(d) Unsecured lease obligations incurred in the ordinary course of business except Restricted Rentals;

(e) Indebtedness secured solely by Electric System Revenue, except when the aggregate amount of such indebtedness exceeds 15% (including junior liens on the Borrower's revenues) of Net Utility Plant and after giving effect to such unsecured indebtedness the Borrower's Equity is less than 30% of its Total Assets;

(f) debt of a system other than the Electric System so long as Electric System Revenues, properly or assets are not pledged to such debt.

PROVIDED, However, that the Borrower may incur Permitted Debt without the consent of RUS only so long as there exists no Event of Default hereunder and there has been no continuing occurrence which with the passage of time and giving of notice could become an Event of Default hereunder.

PROVIDED, FURTHER, by executing this Agreement any consent of RUS that the Borrower would otherwise be required to obtain under this section is hereby deemed to be given or waived by RUS by operation of law to the extent, but only to the extent, that to impose such a requirement of RUS consent would clearly violate federal laws or RUS Regulations.

Section 6.14. Limitations on Issuing Additional Indebtedness Secured Under the Resolution.

(a) The Borrower shall not issue any Future Parity Bonds under the Resolution to finance additions, betterments, extensions and improvements to the Electric System without the prior written consent of RUS unless the following additional requirements are met in addition to the requirements set forth in the Resolution for issuing Future Parity Bonds:

(1) The weighted average life of the loan evidenced by such Bonds does not exceed the weighted average of the expected remaining useful lives of the assets being financed;

(2) The principal of the loan evidenced by such Bonds is amortized at a rate that shall yield a weighted average life that is not greater than the weighted average life that would result from level payments of principal and interest; and

(3) The principal of the loan being evidenced by such Bonds has a maturity of not less than five years.

(b) The Borrower shall not issue any Future Parity Bonds under the Resolution to refund or refinance revenue bonds or notes without the prior written consent of RUS unless, in addition to the requirements set forth in the Resolution for issuing refunding or refinancing Future

Parity Bonds, the weighted average life of any such refunding or refinancing Future Parity Bonds is not greater than the weighted average remaining life of the revenue bonds or notes being refunded or refinanced.

(c) Any request for consent under this section, shall be accompanied by a certificate of the Borrower's manager substantially in the form attached to this Agreement as Exhibit C-1 in the case of Future Parity Bonds referred to in (a) above and C-2 in the case of Future Parity Bonds referred to in (b) above.

Section 6.15. Impairment of Contracts Pledged to RUS.

The Borrower shall not materially breach any obligation to be paid or performed by the Borrower on any contract, or take any action which is likely to materially impair the value of any contract, which has been pledged as security to RUS by the Borrower or any other entity.

Section 6.16. Notice of Organizational Change.

The Borrower covenants and agrees with RUS that the Borrower will not, directly or indirectly, without giving written notice to RUS 30 days prior to the effective date:

- (a) Change the name of the Borrower,
- (b) Change the mailing address of the Borrower, or
- (c) Change the Borrower's organizational identification number if it has one.

The Borrower also agrees to comply with any additional negative covenant(s) identified in Schedule 1 hereto.

Section 6.17. Additional Negative Covenants.

The Borrower also agrees to comply with any additional negative covenant(s) identified in Schedule 1 hereto.

ARTICLE VII EVENTS OF DEFAULT

Section 7.1. Events of Default.

The following shall be Events of Default under this Agreement:

(a) Representations and Warranties. Any representation or warranty made by the Borrower in Article II hereof or any certificate furnished to RUS hereunder or under the Resolution shall prove to have been incorrect in any material respect at the time made and shall at the time in question be untrue or incorrect in any material respect and remain uncured;

(b) Payment. Default shall be made in the payment of or on account of interest on or principal of the Note or any other revenue bond or notes of the Borrower that have been previously delivered to RUS under prior Bond Purchase Contracts when and as the same shall be due and

payable, whether by acceleration or otherwise, which shall remain unsatisfied for five Business Days;

(c) Borrowing Under the Resolution in Violation of the Bond Purchase Contract. Default by the Borrower in the observance or performance of any covenant or agreement contained in Section 6.14 of this Agreement;

(d) Other Covenants. Default by the Borrower in the observance or performance of any other covenant or agreement contained in any of the Bond Documents, which shall remain unremedied for 30 calendar days after written notice thereof shall have been given to the Borrower by RUS;

(e) Corporate Existence. The Borrower shall forfeit or otherwise be deprived of its corporate charter, franchises, permits, easements, consents or licenses required to carry on any material portion of its business;

(f) Other Obligations. Default by the Borrower in the payment of any obligation, whether direct or contingent, for borrowed money or in the performance or observance of the terms of any instrument pursuant to which such obligation was created or securing such obligation;

(g) Bankruptcy. A court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Borrower in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official, or ordering the winding up or liquidation of its affairs, and such decree or order shall remain unstayed and in effect for a period of 90 consecutive days or the Borrower shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee, custodian or trustee, of a substantial part of its property, or make any general assignment for the benefit of creditors; and

(h) Dissolution or Liquidation. Other than as provided in the immediately preceding subsection, the dissolution or liquidation of the Borrower, or failure by the Borrower promptly to forestall or remove any execution, garnishment or attachment of such consequence as shall impair its ability to continue its business or fulfill its obligations and such execution, garnishment or attachment shall not be vacated within 30 days. The term "dissolution or liquidation of the Borrower", as used in this subsection, shall not be construed to include the cessation of the corporate existence of the Borrower resulting either from a merger or consolidation of the Borrower into or with another corporation following a transfer of all or substantially all its assets as an entirety, under the conditions permitting such actions.

ARTICLE VIII REMEDIES

Section 8.1. Generally.

Upon the occurrence of an Event of Default, then RUS may pursue all rights and remedies available to RUS that are contemplated by this Agreement or the Resolution and as permitted by Washington law in the manner, upon the conditions, and with the effect provided in this Agreement or the Resolution, including, but not limited to, a suit for specific performance, injunctive relief or damages. Nothing herein shall limit the right of RUS to pursue all rights and remedies available to a creditor following the occurrence of an Event of Default listed in Article VII hereof. Each right, power and remedy of RUS shall be cumulative and concurrent, and recourse to one or more rights or remedies shall not constitute a waiver of any other right, power or remedy.

Section 8.2. Suspension of Advances.

In addition to the rights, powers and remedies referred to in the immediately preceding section, RUS may, in its absolute discretion, suspend making or approving Advances hereunder if (i) any Event of Default, or any occurrence which with the passage of time or giving of notice would be an Event of Default, occurs and is continuing; (ii) there has occurred a change in the business or condition, financial or otherwise, of the Borrower which in the opinion of RUS materially and adversely affects the Borrower's ability to meet its obligations under the Bond Documents, or (iii) RUS is authorized to do so under RUS Regulations.

ARTICLE IX MISCELLANEOUS

Section 9.1. Notices.

All notices, requests and other communications provided for herein including, without limitation, any modifications of, or waivers, requests or consents under, this Agreement shall be given or made in writing (including, without limitation, by telecopy) and delivered to the intended recipient at the "Address for Notices" specified below; or, as to any party, at such other address as shall be designated by such party in a notice to each other party. Except as otherwise provided in this Agreement, all such communications shall be deemed to have been duly given when transmitted by telecopier or personally delivered or, in the case of a mailed notice, upon receipt, in each case given or addressed as provided for herein. The Addresses for Notices of the respective parties are set forth in Schedule 1 hereto.

Section 9.2. Expenses.

To the extent allowed by law, the Borrower shall pay all costs and expenses of RUS, including reasonable fees of counsel, incurred in connection with the enforcement of the Bond Documents or with the preparation for such enforcement if RUS has reasonable grounds to believe that such enforcement may be necessary.

Section 9.3. Late Payments.

If payment of any amount due hereunder is not received at the United States Treasury in Washington, DC, or such other location as RUS may designate to the Borrower within five Business Days after the due date thereof or such other time period as RUS may prescribe from time to time in its policies of general application in connection with any late payment charge (such unpaid amount being herein called the “delinquent amount,” and the period beginning after such due date until payment of the delinquent amount being herein called the “late-payment period”), the Borrower shall pay to RUS, in addition to all other amounts due under the terms of the Bond, the Resolution and this Agreement, any late-payment charge as may be fixed by RUS Regulations from time to time on the delinquent amount for the late-payment period.

Section 9.4. Filing Fees.

To the extent permitted by law, the Borrower agrees to pay all expenses of RUS (including the fees and expenses of its counsel) upon request or receipt of an invoice in connection with the filing or recordation of all financing statements and instruments as may be required by RUS in connection with this Agreement, including, without limitation, all documentary stamps, recordation and transfer taxes and other costs and taxes incident to recordation of any document or instrument in connection herewith. Borrower agrees to save harmless and indemnify RUS from and against any liability resulting from the failure to pay any required documentary stamps, recordation and transfer taxes, recording costs, or any other expenses incurred by RUS in connection with this Agreement. The provisions of this subsection shall survive the execution and delivery of this Agreement and the payment of all other amounts due hereunder or due on the Bond.

Section 9.5. No Waiver.

No failure on the part of RUS to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise by RUS of any right hereunder preclude any other or further exercise thereof or the exercise of any other right.

Section 9.6. Governing Law.

EXCEPT TO THE EXTENT GOVERNED BY APPLICABLE FEDERAL LAW, THE BOND DOCUMENTS SHALL BE DEEMED TO BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE IN WHICH THE BORROWER IS INCORPORATED.

Section 9.7. Holiday Payments.

If any payment to be made by the Borrower hereunder shall become due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing any interest in respect of such payment.

Section 9.8. Rescission.

The Borrower may elect not to borrow the RUS Commitment in which event RUS shall release the Borrower from its obligations hereunder, provided the Borrower complies with such terms and conditions as RUS may impose for such release and provided also that if the Borrower has any remaining obligations to RUS for loans made or guaranteed by RUS under any prior Bond Purchase Contracts, RUS may, under Section 9.15 of this Bond Purchase Contract, withhold such release until all such obligations have been satisfied and discharged.

Section 9.9. Successors and Assigns.

This Agreement shall be binding upon and inure to the benefit of the Borrower and RUS and their respective successors and assigns, except that neither party may assign or transfer its rights or obligations hereunder without the prior written consent of the other party.

Section 9.10. Complete Agreement; Waivers and Amendments.

Subject to RUS Regulations, this Agreement and the other Bond Documents are intended by the parties to be a complete and final expression of their agreement. However, RUS reserves the right to waive its rights to compliance with any provision of this Agreement and the other Bond Documents. No amendment, modification, or waiver of any provision hereof or thereof, and no consent to any departure of the Borrower herefrom or therefrom, shall be effective unless approved in writing by RUS in the form of either a RUS Regulation or other writing signed by or on behalf of RUS, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 9.11. Headings.

The headings and sub-headings contained in the titling of this Agreement are intended to be used for convenience only and do not constitute part of this Agreement.

Section 9.12. Severability.

If any term, provision or condition, or any part thereof, of this Agreement or the Resolution shall for any reason be found or held invalid or unenforceable by any governmental agency or court of competent jurisdiction, such invalidity or unenforceability shall not affect the remainder of such term, provision or condition nor any other term, provision or condition, and this Agreement, the Bond, and the Resolution shall survive and be construed as if such invalid or unenforceable term, provision or condition had not been contained therein.

Section 9.13. Right of Setoff.

In connection with the Electric System, upon the occurrence and during the continuance of any Event of Default, RUS is hereby authorized at any time and from time to time, without prior notice to the Borrower, to exercise rights of setoff or recoupment and apply any and all amounts held or hereafter held, by RUS or owed to the Borrower or for the credit or account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing hereunder or under the Bond. RUS agrees to notify the Borrower promptly after any such setoff or recoupment and

the application thereof, provided that the failure to give such notice shall not affect the validity of such setoff, recoupment or application. The rights of RUS under this section are in addition to any other rights and remedies (including other rights of setoff or recoupment) which RUS may have against the Electric System. Borrower waives all rights of setoff, deduction, recoupment or counterclaim relating to the Electric System.

Section 9.14. Schedules and Exhibits.

Each Schedule and Exhibit attached hereto and referred to herein is each an integral part of this Agreement.

Section 9.15. Prior Loan Contracts.

With respect to all Prior Loan Contracts, the Borrower shall, commencing on the delivery date hereof, prospectively meet the affirmative and negative covenants as set forth in this Agreement rather than those set forth in the Prior Loan Contracts. In addition, any remaining obligation of RUS to make or approve additional Advances on promissory notes of the Borrower that have been previously delivered to RUS under Prior Loan Contracts shall, after the date hereof, be subject to the conditions set forth in this Agreement. In the event of any conflict between any provision set forth in a Prior Loan Contract and any provision in this Agreement, the requirements as set forth in this Agreement shall apply. Nothing in this section shall, however, eliminate or modify (i) any special condition, special affirmative covenant or special negative covenant, if any, set forth in any Prior Loan Contract or (ii) alter the repayment terms of any revenue bonds or notes which the Borrower has delivered under any Prior Loan Contract, except, in either case, as RUS may have specifically agreed to in writing.

Section 9.16. Authority of Representatives or RUS.

In the case of any consent, approval or waiver from RUS that is required under this Agreement or any other Bond Document, such consent, approval or waiver must be in writing and signed by an authorized RUS representative to be effective. As used in this section, “authorized RUS representative” means the Administrator of RUS, and also means a person to whom the Administrator has officially delegated specific or general authority to take the action in question.

Section 9.17. Term.

This Agreement shall remain in effect until one of the following two events has occurred:

- (a) The Borrower and RUS replace this Agreement with another written agreement; or
- (b) All of the Borrower’s obligations under the prior Bond Purchase Contracts and this Agreement have been discharged and paid.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement be duly executed as of the day and year first written above.

PUBLIC UTILITY DISTRICT NO. 1 OF
JEFFERSON COUNTY

By President of the Board

(Seal)

Attest:

By Secretary of the Board

UNITED STATES OF AMERICA

Administrator of the Rural Utilities Service

SCHEDULE 1
RUS BOND PURCHASE CONTRACT

1. The purpose of this bond is to finance a building purchased by the Borrower, the cost of the advance metering infrastructure project and such other purposes that RUS may agree to in writing in order to carry out the purposes of the Act.

2. Resolution shall mean the electric system revenue bond resolution adopted by the Borrower authorizing the issuance of the Bond.

3. The governmental authority referred to in Section 2.1(c) is:

Not Applicable

4. The date of the Borrower's financial information referred to in Section 2.1(h) is:

March 20, 2022.

5. The principal place of business of the Borrower referred to in Section 2.1(i) is:

310 Four Corners Road, Port Townsend, Washington 98368.

6. All of the property of the Borrower is located in the County of Jefferson in the State of Washington.

7. There are no subsidiaries as referred to in Section 2.1(k).

8. The organizational identification number of the Borrower referred to in Section 2.1

91-6001044

9. The RUS Commitment referred to in the definitions means a bond in the principal amount of \$5,430,000.00, which is being made by RUS to Public Utility District No. 1 of Jefferson County pursuant to the Rural Electrification Act and RUS Regulations.

10. Amortization of Advances shall be based upon the method for the repayment of principal for an Advance selected for such Advance, in accordance with that certain Bond dated as of even date herewith, evidencing the Treasury Direct Note.

11. The SPECIAL condition referred to in Section 4.2 is as follows:

The Borrower has delivered to the Administrator of RUS, in form and substance satisfactory to him, evidence that the Borrower has duly authorized, executed and adopted, a resolution providing for the issuance to the Government of revenue bonds evidencing the bond and providing security for such revenue bonds.

The Borrower has duly authorized, executed and has delivered to the Administrator of RUS, the Bond, dated _____, 2023, evidencing the loan made by RUS to the Borrower.

12. The additional AFFIRMATIVE covenants referred to in Section 5.21 are as follows:

None.

13. The additional NEGATIVE covenants referred to in Section 6.16 are as follows:

None.

14. The addresses of the parties referred to in Section 9.1. are as follows:

<u>RUS</u>	<u>BORROWER</u>
U.S. Department of Agriculture	Public Utility District No. 1 of Jefferson County
Room No. 4121 South	310 Four Corners Road
1400 Independence Ave., S.W.	Port Townsend, Washington 98368
Washington, DC 20250-1500	Fax: (360) 385-5800
Attention: Administrator	
Fax: (202) 690-0717	

Or via electronic mail to:

RUSElectric@usda.gov

15. The additional types of contracts referred to in Section 6.5(f) are described as follows:

None.

EXHIBIT A
FORM OF ELECTRIC SYSTEM REVENUE BOND

EXHIBIT B
FORM OF EQUAL OPPORTUNITY AGREEMENT

EXHIBIT C-1

FORM OF CERTIFICATE OF BORROWER PURSUANT TO SECTION 6.14(a)

EXHIBIT C-2

FORM OF CERTIFICATE OF BORROWER PURSUANT TO SECTION 6.14(b)

PUBLIC UTILITY DISTRICT NO. 1
JEFFERSON COUNTY, WASHINGTON
RESOLUTION NO. _____

A RESOLUTION of Public Utility District No. 1 of Jefferson County, Washington, authorizing the issuance of an Electric System Revenue Bond in the principal amount of not to exceed \$5,430,000 to provide funds to finance a building purchased by the District and the cost of the advance metering infrastructure project and other capital projects; authorizing the sale of the Bond to the United States Department of Agriculture, Rural Utilities System; fixing and approving the terms and covenants of the Bond; and providing for other matters properly related thereto.

Adopted _____, 2023

This document prepared by:
Foster Garvey P.C.
1111 Third Avenue, Suite 3000
Seattle, Washington 98101
(206) 447-4400

TABLE OF CONTENTS

Section 1.	Definitions.....	1
Section 2.	Authorization of Project and System	3
Section 3.	Finding as to Sufficiency of Revenues	4
Section 4.	Authorization and Description of Bond.....	4
Section 5.	Form of Bond.....	4
Section 6.	Disposition of Bond Proceeds; Project Account.....	4
Section 7.	Execution, Issuance and Delivery of the Bond and Related Documents.....	5
Section 8.	Defeasance of Parity Bonds	5
Section 9.	Revenue Fund	5
Section 10.	Bond Fund; Payments into the Parity Bond Fund	5
Section 11.	Flow of Funds	6
Section 12.	Pledge and Lien Position	6
Section 13.	Covenants.....	7
Section 14.	Events of Default; Remedies	10
Section 15.	Sale of Bond.....	10
Section 16.	General Authorization.....	10
Section 17.	Additional Contracts	11
Section 18.	Severability	11
Section 19.	Effective Date	11

RESOLUTION NO. _____

A RESOLUTION of Public Utility District No. 1 of Jefferson County, Washington, authorizing the issuance of an Electric System Revenue Bond in the principal amount of not to exceed \$5,430,000 to provide funds to finance a building purchased by the District and the cost of the advance metering infrastructure project and other capital projects; authorizing the sale of the Bond to the United States Department of Agriculture, Rural Utilities System; fixing and approving the terms and covenants of the Bond; and providing for other matters properly related thereto.

WHEREAS, Public Utility District No. 1 of Jefferson County, Washington (the “District”), is in need of funds to pay the cost of financing a building purchased by the District and the cost of the advance metering infrastructure project and other capital projects (collectively, the “Project”); and

WHEREAS, in order to finance the Project, it is hereby found necessary and advisable that the District issue its Electric System Revenue Bond, 2023 (the “Bond”); and

WHEREAS, the United States of America, acting through the Administrator of Rural Utilities Services (“RUS”) has agreed to purchase the revenue Bond authorized herein under the terms and conditions set forth in this resolution; and

WHEREAS, based on the foregoing, it is in the District’s best interest to (a) authorize the issuance of the Bond, (b) authorize the sale and delivery of the Bond to the RUS upon the terms set forth in this resolution, and (c) to execute a Bond Purchase Contract and such documents as are required in connection with the Bond;

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF PUBLIC UTILITY DISTRICT NO. 1 OF JEFFERSON COUNTY, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. Definitions. As used in this resolution the following words and phrases shall have the meanings set forth below unless the context clearly indicates that another meaning is intended.

“2013 Bond” means the District’s Electric System Revenue Bond, 2013 issued pursuant to Resolution No. 2012-024.

“2023 Bond Account” means the special account to be known as the “Revenue Bond Account, 2023,” created pursuant to Section 10 within the Parity Bond Fund for the payment of debt service on the Bond.

“Advance” means an incremental draw on the Bond.

“Annual Debt Service” means the amount required in each calendar year hereafter for deposit into the Parity Bond Fund (including any amounts required to be deposited into a sinking fund for the mandatory redemption of term bonds) for the payment of the principal of and interest on all Parity Bonds outstanding.

“Bond” means the not to exceed \$5,430,000 principal amount Public Utility District No. 1 of Jefferson County, Washington, Electric System Revenue Bond, 2023, issued pursuant to this resolution, in the form of the “Treasury Direct Bond” provided by United States Department of Agriculture, Rural Utilities Service attached as Exhibit B to this resolution.

“Bond Purchase Contract” means the RUS Bond Purchase Contract between the District, as Borrower, and the United States of America, as lender, acting by and through the Administrator of the Rural Utilities Service (RUS Project Designation: Washington 60 “D45” Jefferson), a draft form, subject to additional changes, of which is attached as Exhibit A to this resolution.

“Commission” means the Board of Commissioners, which is the governing body of the District as the same shall be duly and regularly constituted from time to time.

“Coverage Requirement” means, in any calendar year, an amount of Net Revenue equal to at least 1.25 times Annual Debt Service.

“District” means Public Utility District No. 1 of Jefferson County, Washington, a municipal corporation duly organized and existing under the laws of the State.

“Finance Director” means the Finance Director, Treasurer or other chief financial officer of the District.

“Future Parity Bonds” means all revenue bonds of the District issued after the date of issuance of the Bond, the payment of the principal of and interest on which constitutes a lien and charge upon the Revenue Fund of the District and upon the Revenue of the System (after payment of all Operating Expenses), that is equal in rank with the lien and charge granted in connection with the Bond, the 2013 Bond and any Future Parity Bonds.

“Government Obligations” means those obligations defined as such in Revised Code of Washington, ch. 39.53, as now or hereafter amended.

“Net Revenue” means Revenue of the System, less Operating Expenses, but prior to depreciation.

“Operating Expenses” means all necessary expenses incurred by the District in causing the System to be operated and maintained in good repair, working order and condition, excluding nonrecurring expenditures. “Operating Expenses” shall include, without limitation: purchased power expenses; administrative and general expenses; insurance premiums; required payments to pensions and other employee benefits; expenses incurred in preparing annual financial statements; and all taxes and assessments required by law to be paid by the District. Operating Expenses do not include costs of new construction, extraordinary, non-reoccurring expenses, amortization or any allowance for depreciation.

“Parity Bonds” means the 2013 Bond, the Bond, and any Future Parity Bonds.

“Parity Bond Fund” includes the Bond Accounts created by the Parity Bond Resolutions for the payment of debt service on any outstanding Parity Bonds, together with the 2023 Bond Account.

“Parity Bond Resolutions” means, collectively, Resolution No. 2012-024 authorizing the issuance of the 2013 Bond, this resolution, and any resolution authorizing the issuance of Future Parity Bonds.

“Parity Conditions” means the conditions which must be met prior to the issuance of any Future Parity Bonds, which are set forth in Section 13B.

“Permitted Investments” means any investments or investment agreements permitted for the District under the laws of the State as amended from time to time.

“Project” means the financing or refinancing of a building purchased by the District and the cost of the advance metering infrastructure project and other capital acquisitions and improvements of such facilities, and implementation costs, as set forth in the District’s application for the loan from RUS.

“Project Account” means a separate account maintained within the District’s Special Construction Account (as referred to in the Bond Purchase Contract), to be designated the “Jefferson County PUD #1 Project Fund, Trustee, RUS Special Project Account.”

“Purchaser” means the United States Department of Agriculture, Rural Utilities Service.

“Revenue Fund” means the Electric System Revenue Fund.

“Revenue of the System” means all income and revenues received by the District from the sale of electric energy through the ownership or operation of the Electric System and all other commodities, services and facilities sold, furnished or supplied by the District through the ownership or operation of the Electric System, together with the investment income earned on money held in any fund or account of the District, including any bond redemption funds and the accounts therein, in connection with the ownership and operation of the Electric System. “Revenue of the System” excludes: income derived from investments irrevocably pledged to the payment of any specific revenue bonds of the District, such as bonds that have been refunded or defeased pursuant to Section 8; investment income earned on money in any arbitrage rebate account; grants for capital purposes; assessments in any local utility district; and any *ad valorem* tax revenues.

“RUS” means the United States of America acting by and through the Administrator of the Rural Utilities Services.

“System” or “Electric System” means all electric utility properties and assets real and personal, tangible and intangible, of the District used or useful in the transmission, distribution and sale of electric energy and the business incidental thereto, including all property and assets hereafter constructed or acquired as additions or betterments to and improvements and extensions of all such properties, including telecommunication facilities unless such facilities are separated from the Electric System. The “System” shall not include the Water System, the Sewer System, or such generating, transmission and distribution facilities as may be hereafter acquired by the District as, and specifically declared to be, a separate utility system, the revenues of which may be pledged to the payment of bonds issued to purchase, construct, or otherwise acquire such separate utility system.

“TIER” or “Times Interest Earned Ratio” has the meaning given in the Bond Purchase Contract and established RUS procedures in effect at the time.

“TIER Requirement” means a Times Interest Earned Ratio of at least 1.25, computed in accordance with the Bond Purchase Contract and RUS procedures in effect at the time.

“Treasurer” means the Jefferson County Treasurer, as *ex officio* treasurer of the District, or such other person or office as may hereafter be designated by law to perform the duties of treasurer of the District.

Section 2. Authorization of Project and System. The Commission hereby specifies and adopts the Project as a plan for the acquisition by construction, purchase or condemnation of additions, improvements and betterments to and extensions of the System. The Commission may modify details of the Project as necessary or advisable in the judgment of the Commission. The total estimated cost of the Project is more than \$5,430,000, which will be paid or reimbursed from proceeds of the Bond and other available funds of the District. The Commission hereby finds that it is in the best interests of the District and the users of the Electric System that the District issue the Bond for the purpose of providing funds to finance a portion of the costs of the Project.

Section 3. Finding as to Sufficiency of Revenues The Commission finds and determines that the Revenue of the System and benefits to be derived from the operation and maintenance of the Electric System at the rates to be charged for electricity furnished thereby will be sufficient to meet all Operating Expenses and to permit the setting aside into the Parity Bond Funds out of the Revenue of the System of amounts sufficient to pay the principal of and interest on the Bond when due. The Commission declares that in fixing the amounts to be paid into the Parity Bond Fund under this resolution it has exercised due regard for Operating Expenses (including, without limitation, the cost of operation and maintenance under RCW 54.24.040) and has not obligated the District to set aside and pay into the Parity Bond Fund a greater amount of Revenue of the System than in its judgment will be available over and above such Operating Expenses.

Section 4. Authorization and Description of Bond. For the purpose of financing the Project and paying costs of issuing the Bond, the District shall issue its electric revenue bond, designated as the “Public Utility District No. 1 of Jefferson County, Washington, Electric System Revenue Bond, 2023,” in the form of the Treasury Direct Note in the principal amount of not to exceed \$5,430,000. The Bond shall be dated as of its date of delivery and shall bear interest on the unpaid balance at the rate(s) and calculated on the basis all as set forth in the Bond, which is incorporated by this reference. The outstanding principal balance of the Bond on any particular date, and the interest due on any particular Advance, shall be determined as set forth in the Bond. The Bond shall mature and shall be amortized as to principal and interest as set forth in the Bond. Both principal of and interest on the Bond shall be payable in lawful money of the United States of America in the manner set forth in the Bond. The late payment fees set forth in the Bond shall apply. The Bond shall be an obligation only of the 2023 Bond Account and shall be payable and secured solely as provided herein.

A. Officer Authorized to Request Advances. The General Manager and Finance Director (if permitted by RUS Regulations) are authorized to make requests for Advances in accordance with the terms set forth in the Bond.

B. Prepayments and Refinancing. The District may elect to prepay or to refinance all or any portion of the outstanding principal amount of any Advance made under the Bond, or to prepay the Bond in its entirety, in the manner, at the price, and subject to the limitations, charges and penalties specified in the Bond.

C. Loan Fees. The District shall pay an annual loan servicing fee as set forth in the Bond; there is no origination fee.

Section 5. Form of Bond. The Bond shall be in substantially the form set forth in Exhibit B to this resolution.

Section 6. Disposition of Bond Proceeds; Project Account. The proceeds of each Advance shall be used to pay the costs of the Project, to reimburse the District for prior expenditures to pay the cost of the Project, and pay costs of issuing the Bond. If not disbursed directly to pay the foregoing, the proceeds of any Advance shall be deposited, until needed, into the Project Account. All proceeds deposited in the Project Account and not immediately needed to pay the costs of the Project and costs incidental thereto may be temporarily invested in Permitted Investments that will mature prior to the date on which the money so invested shall be needed. All proceeds and all interest earned and income or profits derived by virtue of such investments shall remain in the Project Account and be used for the acquisition, installation and construction of the Project or other improvements to the Electric System. Any Bond proceeds and investment earnings thereon not required for such purposes shall be deposited in the 2023 Bond Account and used to redeem outstanding Advances at the earliest date on which such Advances shall mature or be callable.

Section 7. Execution, Issuance and Delivery of the Bond and Related Documents. The Bond shall be signed by the President of the Board of Commissioners of the District and attested by the General Manager or Secretary of the Commission. In case either or both of the officers who have signed or attested the Bond cease to be such officer before such Bond have been actually issued and delivered, such Bond shall be valid nevertheless and may be issued by the District with the same effect as though the persons who had signed or attested such Bond had not ceased to be such officers, and the Bond may be signed or attested on behalf of the District by officers who at the date of actual execution of such Bond are the proper officers, although at the nominal date of execution of such Bond such officer was not an officer of the District. The Bond shall be certified and registered in accordance with the certificate of authentication and registration requirements set forth therein, if any. The proper District officials are hereby authorized to effect delivery of the Bond as set forth herein.

Section 8. Defeasance of Parity Bonds. In the event that the District, in order to effect the payment, retirement or redemption of any Parity Bonds, sets aside in the Parity Bond Funds or in another special account, held in trust by a trustee, cash and/or noncallable Government Obligations, in amounts and maturities which, together with the known earned income therefrom, are sufficient to redeem or pay and retire such Parity Bond in accordance with its terms and to pay when due the interest and redemption premium, if any, thereon, and such cash and/or noncallable Government Obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Parity Bond Funds for the payment of the principal of and interest on such Parity Bond. The owner of a Parity Bond so provided for shall cease to be entitled to any lien, benefit or security of the resolution authorizing its issuance except the right to receive payment of principal, premium, if any, and interest from such special account, and such Parity Bond shall be deemed to be not outstanding under the resolution authorizing its issuance.

Section 9. Revenue Fund. There has previously been established in the office of the Treasurer a special fund of the District designated the "Electric System Revenue Fund." The District covenants and agrees that, so long as any Parity Bonds are outstanding and unpaid, it will continue to pay into the Revenue Fund all Revenue of the Electric System, together with the proceeds received by the District directly or indirectly from the sale, lease or other disposition of any of the properties or facilities of the Electric System.

Section 10. Bond Fund; Payments into the Parity Bond Fund. The District hereby creates the 2023 Bond Account within the Parity Bond Fund for the payment of the Bond. The Parity Bond Fund shall be drawn upon for the sole purpose of paying the principal and interest on the Parity Bonds. Amounts set aside, from time to time, in the Parity Bond Fund for the Parity Bonds and the interest thereon shall be held in trust for the holders of the Parity Bonds.

A. The 2023 Bond Account. The 2023 Bond Account shall be created in the Parity Bond Fund and used solely for the purpose of paying the principal of and interest on the Bond, and of retiring such Bond prior to maturity in the manner provided in this resolution and the Bond Purchase Contract. The District hereby obligates and binds itself irrevocably to set aside and pay into the Bond Account out of the Revenue of the System paid into the Revenue Fund monthly deposits as required by the Bond Purchase Contract, without regard to any fixed proportion of Revenue of the System, sufficient to pay the principal of and interest on the Bond on the next upcoming interest or principal payment date, as the same shall come due and become payable.

To meet the required payments to be made into the Bond Fund, the District may transfer any money from any funds or accounts of the District legally available therefor, except bond redemption funds, refunding escrow funds or defeasance funds. Whenever and so long as the assets of the 2023 Bond Account are sufficient to provide money to pay all Advances then outstanding against the Bond, including such interest and loan servicing fees as may thereafter become due thereon, no further payments need be made into the 2023 Bond Account.

B. Reserve Account. A Reserve Account may be created in the Parity Bond Fund to secure one or more series of Parity Bonds. In the resolution authorizing such Parity Bonds, the reserve account requirement shall be established. There is no reserve account securing the Bond.

Section 11. Flow of Funds. The Revenue of the System shall be used for the following purposes only and shall be applied in the following order of priority:

- (1) To pay the Operating Expenses;
- (2) To make all required deposits into (in the following order of priority): the Parity Bond Fund, to pay interest first and then principal, and then any reserve account created within the Parity Bond Fund for the purpose of paying and securing the principal of and interest on the Parity Bonds as such payments are required to be made, including making all payments required to be made into any mandatory redemption or sinking fund account created to provide for the payment of the principal of term bonds, except that if there is not sufficient money to make all payments under all Parity Bonds then outstanding, the payments will be made on a pro rata basis;
- (3) To make all payments required to be made into any revenue bond, note, warrant or other revenue obligation redemption fund, debt service fund or reserve fund created to pay or secure the payment of the principal of and interest on any revenue bonds, notes, warrants or other obligations of the District having a lien upon the Net Revenue junior and inferior to the lien thereon for the payment of the principal of and interest on the Parity Bonds; and
- (4) Without regard to priority and at the option of the Commission, to retire by redemption or purchase in the open market any outstanding revenue bonds or other revenue obligations of the System, to make necessary additions, betterments,

improvements and repairs to or extensions and replacements of the System, or for any other lawful System purpose.

Section 12. Pledge and Lien Position. The principal of and interest on the Future Parity Bonds, the Bond and the 2013 Bond, shall hereafter be payable from, and such payment shall be secured by a single and common lien and charge on the Net Revenue and amounts in the Revenue Fund superior to all other liens or charges of any kind or nature and equal in rank to the lien and charge thereon for the payment of the principal of and interest on any Parity Bonds. The lien and charge shall be a lien and charge on Revenue of the System and amounts in the Revenue Fund after payment only of Operating Expenses. The Parity Bonds and the interest thereon shall be a valid claim of the holder thereof only against the Parity Bond Funds and the amount of the revenues of the District pledged to the Parity Bond Funds, and shall constitute a prior charge over all other charges or claims whatsoever against the Parity Bond Funds.

Section 13. Covenants.

A. Parity Bond Covenants. The District covenants with the owner and holder of the Bond and of any Parity Bonds that, for as long as the same remain outstanding:

- (1) The District will duly and punctually pay or cause to be paid the principal of the Parity Bonds and the interest thereon on the dates and at the places and in the manner provided in this resolution and the resolutions authorizing Parity Bonds.
- (2) The District will duly and punctually pay all taxes and assessments required by law to be paid.
- (3) The District will establish, maintain and collect rates and charges for electric energy and other commodities and facilities sold, furnished or supplied by it in connection with the operation of the System which shall be fair and nondiscriminatory and will be sufficient to meet the Coverage Requirement.
- (4) The District will at all times maintain, preserve and keep the System and all additions, betterments and improvements thereto and extensions and every part and parcel thereof in good repair, working order and condition, and will from time to time make all necessary and proper repairs, replacements, renewals, additions, betterments and improvements thereto and extensions thereof so that at all times the business carried on in connection therewith will be managed in an efficient manner and at a reasonable cost.
- (5) The District will not sell or otherwise dispose of the properties of the System, except as provided in the applicable RUS Bulletin, unless simultaneously with such sale or other disposition of such property provision is made for the payment of cash into the Parity Bond Fund sufficient to pay the principal of, premium if any, and interest on all Parity Bonds then outstanding in full. However, the District may sell or otherwise dispose of any of the works, plants, properties and facilities of the District and all real and personal property comprising a part of the same which shall have become unserviceable, inadequate, obsolete, or unfit to be used in the operation of the System, or no longer necessary, material to or useful in such operation. The proceeds of any such sale or disposition of a portion of the properties of the System shall be paid into the Revenue Fund and shall, at the option of the District, be used for repairs, renewals, replacements, additions, betterments

or improvements to or extensions of the System, or used to repay, or to call and redeem or purchase on the open market, any Parity Bonds then outstanding in accordance with their terms, in the time, manner and to the extent that such redemption or purchase is permitted by the resolution authorizing the issuance and sale of such bonds.

Upon the approval of the Purchaser, or once the 2013 Bond is no longer outstanding, the District shall only be required to comply with the requirements of this subsection if the proceeds of such sale or other disposition shall be in excess of 5% of the value of the net utility plant of the Electric System.

- (6) The District will keep the works, plants, properties and facilities comprising the System insured and will carry such other insurance with responsible insurers, or maintain self insurance with policies payable to the District, against risks, accidents or casualties at least to the extent that insurance is usually carried by public and private corporations operating like properties. In the event of any loss or damage the District will promptly repair or replace the damaged portion of the insured property and apply the proceeds of any insurance policy or policies for that purpose; or in the event the District should determine not to repair, replace or reconstruct such damaged portion of the properties of the System, the proceeds of such insurance shall be paid into the Revenue Fund and shall, at the option of the District, be used for repairs, renewals, replacements, additions, betterments or improvements to or extensions of the System or such other use as the Commission shall determine.
- (7) The District will keep proper books and records of the operation of the System in accordance with the rules and regulations prescribed by the State Auditor's Office of the State of Washington or any other state department or agency succeeding to such duties of the State Auditor's Office. The District will cause to be prepared an annual financial and operating statement showing the revenues and expenditures of the System for each fiscal year and a balance sheet of the System as of the end of each fiscal year.
- (8) The District will not furnish or supply or permit the furnishing or supplying of electric energy or any other commodity, service or facility furnished by or in connection with the operation of the System free of charge to any person, firm or corporation, public or private, except to the poor or infirm in accordance with the State Constitution, and that it will promptly enforce the payment of any and all accounts owing to the District and delinquent by discontinuing service or by legal actions, suits and proceedings, or both.

B. Additional Bonds. The District covenants and agrees with the owner and holder of each of the Parity Bonds for as long as any of the same remain outstanding that it will not issue any Future Parity Bonds except as follows:

- (1) The District reserves the right to issue additional bonds for the purpose of (i) acquiring, constructing and installing additions, betterments and improvements to or extensions of, acquiring necessary equipment for, or making necessary renewals, replacements and capital improvements to the system, or (ii) refunding or purchasing and retiring prior to their maturity any outstanding electric revenue

bonds or warrants of the District. Upon compliance with the Parity Conditions, the District may pledge that payments shall be made out of the Revenue Fund to the credit of the Future Parity Bond Funds to be created (and the interest, principal and reserve accounts therein) to pay and secure the payment of the principal of and interest on such Parity Bonds on a parity with the payments required to be made out of the Revenue Fund into the Parity Bond Funds to pay and secure the payment of the principal of and interest on the Parity Bonds.

Future Parity Future Parity Bonds may be issued only upon compliance with the following conditions:

- (a) At the time of the issuance of such Future Parity Bonds there may be no deficiency in any accounting in the Parity Bond Fund.
- (b) The resolution providing for the issuance of such Future Parity Bonds must provide for the creation of a bond account in the Parity Bond Fund, and may provide for a reserve account to be created therein for the purpose of paying and securing the payment of the principal of and interest on such Future Parity Bonds as the same become due.
- (c) The resolution providing for the issuance of such Future Parity Bonds must contain substantively the same covenants as set forth in Section 13.
- (d) The amount of Net Revenue, for any 12 consecutive months out of the 24 months next preceding the month of the issuance of the Future Parity Bonds, must equal at least 1.25 times the maximum Annual Debt Service of all then-outstanding Parity Bonds and the proposed Future Parity Bonds. For purposes of this calculation, Net Revenue may be adjusted as follows:
 - (i) By adding the Net Revenue to be derived from additions, betterments and improvements to and extensions of the Electric System to be constructed, acquired or added to prior to the issuance of such Parity Bonds and not reflected in the report of the 12-month base period;
 - (ii) By adding the Net Revenue to be derived from the additions, betterments and improvements to and extensions of the Electric System to be acquired, constructed and installed out of the proceeds of sale of such Future Parity Bonds;
 - (iii) By adding (or subtracting) the effect of any increase or decrease in rates and charges for electric energy supplied, which occurred after such 12-month base period, if such changes in rates or charges are made effective prior to the date of delivery of such Future Parity Bonds; and
 - (iv) By adding the net revenue to be derived from new customers added to the System prior to the date of the certificate (described in item

(v), below) but subsequent to the commencement of such 12-month base period, which net revenue is not reflected or fully reflected in the report of the 12-month base period.

- (e) Prior to issuing such Future Parity Bonds, the District shall obtain and have on file a certificate from an independent licensed professional engineer or engineering firm experienced in the design and operation of electric utilities which shall certify full compliance with the provisions of items (a) and (d), above, and such certificate shall be conclusive of compliance with the conditions required therein. However, if the requirements of item (d) can be met without making any adjustment pursuant to subparagraphs (i) through (iv) of item (d), such certificate may, at the District's option, be provided by the District's Finance Director or General Manager.
 - (f) At or prior to the time of issuance of such Future Parity Bonds, the District must have on file the consent of the Administrator to the issuance thereof if required by the Bond Purchase Contract.
- (2) The District further reserves the right, without necessity of complying with the Parity Conditions, to issue Future Parity Bonds for the purpose of refunding by exchange, purchase or redemption and retirement at or prior to their maturity any part or all of the Parity Bonds then outstanding, if the issuance of such refunding Parity Bonds does not require a greater amount to be paid out of the Revenue Fund for principal of and interest on such refunding Parity Bonds over their life than the amount required to be paid out of the Revenue Fund for the payment of the principal of and interest on the bonds being refunded over their life.
 - (3) Nothing herein contained shall prevent the District from issuing revenue bonds or warrants which are a charge upon the Revenue Fund junior or inferior to the payments required to be made into the Parity Bond Funds or from issuing revenue bonds to refund maturing bonds or warrants for the payment of which moneys are not otherwise available.

C. Additional Covenants with Respect to the Bond. With respect to the Bond evidenced by the Bond Purchase Contract, the District makes and agrees to be bound by the additional covenants, representations and warranties as are set forth in the Bond Purchase Contract. If any provision of this resolution is inconsistent with the Bond Purchase Contract, this resolution shall control. The additional covenants made to the holder of the Bond include, without limitation, the following:

- (1) In addition to the covenant in subsection A(3), above, the District will establish, maintain and collect rates and charges for electric energy and other commodities and facilities sold, furnished or supplied by it in connection with the operation of the System which will be sufficient to meet the TIER Requirement of at least 1.25 TIER (which shall be computed in accordance with established RUS procedures then in effect).
- (2) The District will obtain the classes and amounts of insurance coverage all as set forth in the Bond Purchase Contract.

- (3) The District shall purchase all materials, equipment and replacements to be incorporated in or used in connection with any of its properties embraced in the System outright, and not subject to any conditional sales agreement, chattel mortgage, bailment lease, or other agreement reserving to the seller any right, title or lien. The District will not, without the approval in writing of the holder or holders of the Bond, become or be obligated under Long-Term Leases for the rental from others of Restricted Property if the aggregate amount of rentals thereunder accrued or which may accrue during any period of 12 calendar months shall exceed 2% of the Equity of the District at the time any determination of such rental obligations is made hereunder. For purposes of this paragraph (3), the following capitalized terms shall have the following meanings:
- (i) “Equity” means the aggregate of Equities and Margins as such terms are defined in the Uniform System of Accounts and Subordinated Indebtedness.
 - (ii) “Long-Term Leases” means leases having unexpired terms of more than 12 months, taking into account terms of renewal at the option of the lessor, whether or not such leases have theretofore been renewed.
 - (iii) “Restricted Property” means all properties other than automobiles, trucks, trailers, tractors, other vehicles (including without limitation aircraft and ships), office, garage and warehouse space and office equipment.
- (4) The District shall not, without the approval in writing of the Administrator: construct, make, lease, purchase, or otherwise acquire any extensions or additions to the System, or enter into any contract in respect thereof; enter into any contract or contracts for the operation or maintenance of all or any part of its property embraced in the System, or for the use by others of any of its property embraced in the System; or incur any expenses for legal, engineering, supervisory, accounting, construction or other similar services in connection with the operation of the System except such reasonable expenses as are incurred in the routine course of business.
- (5) The District shall duly and punctually perform all obligations to be performed by it hereunder and under the Bond Purchase Contract.

Section 14. Events of Default; Remedies. The Events of Default shall be specified in the Bond Purchase Contract executed in connection therewith. Notwithstanding the foregoing, if any principal or interest payment with respect to any Parity Bond is not paid when due, or is not paid after being properly presented at its maturity or call date, the District shall be obligated to pay interest on that bond at the same rate provided in that Parity Bond from and after its maturity or call date until that Parity Bond, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Parity Bond Fund with respect to such Parity Bond and notice of call for payment has been given to the owner thereof.

Section 15. Sale of Bond. The Bond shall be sold to the Purchaser at a price of par on the terms and conditions set forth in this resolution, the Bond Purchase Contract and the Bond.

The proper officials of the District are hereby authorized and directed to do all things necessary for the prompt execution and delivery of the Bond and the items required to be delivered to the Purchaser under the terms of this resolution and for proper use and application of the proceeds of Advances on the Bond.

Section 16. General Authorization. The General Manager, Finance Director and the President and Secretary of the Board of Commissioners, and each of the other appropriate officers, agents and representatives of the District are each independently authorized and directed to take such steps, to do such other acts and things, and to execute the Bond Purchase Contract (in as many counterparts as shall be deemed advisable) in the final form negotiated and approved by the General Manager, and pursuant to the direction of the Commission, to execute and deliver from time to time Advance requests, notices, and other documents to be delivered in connection with the Bond, and such other documents as in their judgment may be necessary, appropriate or desirable in order to carry out the terms and provisions of, and complete the transactions contemplated by, this resolution. All acts taken pursuant to the authority of this resolution but prior to its effective date are hereby ratified and confirmed.

Section 17. Additional Contracts. All of the provisions of this resolution shall constitute a contract between the District and the holder or holders of the Bond, and from and after the delivery of the Bond no amendment, alteration or modification of this resolution shall, without the prior written consent of the holder or holders of the Bond, be made which shall in any manner impair, impede or lessen the rights of the holder or holders of the Bond.

Section 18. Severability. If any provision in this resolution is declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provision of this resolution and shall in no way affect the validity of the other provisions of this resolution or of the District.

Section 19. Effective Date and Security Document. This resolution shall take effect immediately after its adoption and shall constitute a binding contract between the parties signed below under the heading “Execution as a Security Document.”

ADOPTED AND APPROVED by the Board of Commissioners of Public Utility District No. 1 of Jefferson County, Washington, at a meeting this ____ day of _____, 2023.

PUBLIC UTILITY DISTRICT NO. 1 OF
JEFFERSON COUNTY, WASHINGTON

President, Kenneth Collins

Vice President, Jeff Randall

Secretary, Dan Toepper

EXECUTION AS A SECURITY AGREEMENT

IN WITNESS WHEREOF, the District has caused this Security Agreement to be signed in its name and its seal to be hereunto affixed and attested by its officers thereunto duly authorized, and the Government has caused this agreement to be duly executed, all as of the day and year of adoption by the District.

PUBLIC UTILITY DISTRICT NO. 1 OF
JEFFERSON COUNTY, WASHINGTON,
Borrower

(District Seal)

By: _____
Kenneth Collins, President

Attest: _____
Dan Toepper, Secretary

STATE OF WASHINGTON

County of Jefferson

ss

On this ____ day of _____, 2023, before me, _____, the undersigned officer, personally appeared Kenneth Collins and Dan Toepper who acknowledged themselves to be the President and Secretary, respectively, of Public Utility District No. 1 of Jefferson County, Washington, a corporation, and that they, as such President and Secretary, being authorized so to do, executed the foregoing instrument, for the purposes therein contained, by signing the name of the District by themselves as President and Secretary.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

(S E A L)

Notary Public
My commission expires: _____

Exhibit A – Form of Bond Purchase Contract

[Form of Bond Purchase Contract]

Exhibit B – Form of Treasury Direct Note

[Form of Treasury Direct Note]

CERTIFICATE

I, the undersigned, Secretary of the Board of Commissioners (the “Board”) of Public Utility District No. 1 of Jefferson County, Washington (the “District”), hereby certify as follows:

1. The attached copy of Resolution No. _____ (the “Resolution”) is a full, true and correct copy of a resolution duly passed at a regular meeting of the Board of the District held at the regular meeting place thereof on _____, 2023, as that resolution appears on the minute book of the District; and the Resolution is now in full force and effect.

2. That said meeting was duly convened, held and included an opportunity for public comment, in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given.

3. That a quorum was present throughout the meeting in person or through telephonic, electronic, internet, or other means of remote access, and a majority of the members of the Board of the District so present at the meeting voted in the proper manner for the adoption of the Resolution.

4. That all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 2023.

Secretary



AGENDA REPORT

DATE: April 18, 2023
TO: Board of Commissioners
FROM: Scott Bancroft, Operations Director
RE: Tree Trim Policy Revision
RECOMMENDATION: Approve revised tree trim policy.

SUMMARY: WAC 296-45-045 states: “All electric utilities and entities operating transmission and distribution facilities within the State of Washington must design, construct, operate, and maintain their lines and equipment according to the requirements of the 2017 National Electrical Safety Code (NESC) (ANSI-C2), parts (1), (2), and (3). NESC Rule 218 states: “Vegetation that may damage ungrounded supply conductors should be pruned or removed; Vegetation management should be performed as experience has shown to be necessary.” The suggested revisions add clarity to the tree trim policy and visuals for customers to understand the trimming PUD is committed to perform. New areas added to the policy are Purpose, Responsibilities, General Line Clearance, Site Clean-up, Customers Tree Trimming Responsibility, added definitions and appendices.

BACKGROUND: The Jefferson County PUD Board of Commissioners approved a tree trim policy revision in 2020. Since the tree trimming policy is a living document it should be reviewed and revised as needed to reflect any changes in State/Federal regulations, advances in technology and changes to operational circumstances.

FISCAL IMPACT: One of the leading causes of power outages in our service territory is trees. Properly trimming and removing trees on or near PUD overhead conductor will save the district money from costly outages and provide a more reliable service to our customers.

RECOMMENDATION: Approve revised tree trim policy.

Thank you.



Board of Commissioners:

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

Kevin Streett, General Manager

SUBJECT: Right-of-Way Utility Vegetation Management (UVM)

OBJECTIVE: To state the policy regarding vegetation management

PURPOSE:

This procedure has been developed to implement the guidelines for Rights of Way with regards to trees and vegetation. Trees in both rural and urban settings are a vital element of the quality of life. However, when tree limbs come in contact with power lines, it is dangerous and electric service can be impaired. As part of Jefferson County PUD (JPUD) obligation to provide safe, reliable electrical service to customers, this procedure is designed to keep tree limbs and shrubs safely away from power lines.

RESPONSIBILITIES:

JPUD is authorized by RCW 64.12.035 to trim or remove any tree or vegetation that poses an imminent hazard to the general public or is a potential threat that could damage electric facilities. PUD is responsible for trimming trees and vegetation around its energized power lines, utility poles and pad-mount transformers to obtain clearance.

Washington Administrative Code (WAC) 296-45-045 states: All electric utilities and entities operating transmission and distribution facilities within the state of Washington must design, construct, operate, and maintain their lines and equipment according to the requirements of the 2017 National Electrical Safety Code (NESC). The employer must ensure that climbing spaces is provided on all poles and structures. The climbing space must meet the requirements of the 2017 National Electrical Safety Code.

GENERAL LINE CLEARANCE:

Trees are a major contributor of electric service interruptions nationwide. A power outage occurs when there is direct contact between two conducting lines (phase to phase) or by providing a path for electricity to travel to the ground. There are several ways that vegetation and trees can cause power outages.

- First, left to grow without intervention, many tree species naturally grow or sway into power lines and provide direct paths for electricity to travel to the ground from energized lines.

- Second, a power line can sag and sway under certain conditions, causing direct contact or a flashover that occurs when electricity arcs from an energized line to a near-by tree.
- Third, snow and windstorms can break limbs or topple entire trees onto lines, poles, or other equipment.

Regardless of the causes, power outages occur when the flow of electrical power is impeded by vegetation conflicts with energized wires.

The National Electric Safety Code (NESC) Rule 218 is the most widely adopted and referenced set of guidelines for Utility Vegetation Management (UVM). The rule states: Trees that may damage ungrounded supply conductors should be pruned or removed. Note: Normal tree growth, the combined movement of trees and conductors under adverse weather conditions, voltage and sagging of conductors at elevated temperatures are among the factors to be considered in determining the extent of trimming required. Where trimming or removal is not practical, the conductor should be separated from the tree with suitable materials or devices to avoid conductor damage by abrasion and grounding of the circuit through the tree. At line crossings, railroad crossings, and limited-access highway crossings the crossing span and the adjoining span on each side of the crossing should be kept free from over-hanging or decayed trees or limbs that otherwise might fall into the line.

JPUD follows the American National Standard Institutes A-300 performance standards for the care and maintenance of trees, shrubs and other woody plants. Tree pruning is done to provide adequate clearance from JPUD primary electric facilities. If practical, trimming methods will be based on procedures and examples set forth by ANSI A-300. As a general rule, trees should be pruned or removed to improve or re-establish the clearance provided from previously performed right of way maintenance.

JPUD attempts to maintain a seven-year trim cycle at the expense of the District. The exact amount of clearance needed in a given area depends on the voltage of the line and type of line construction. Line sag during temperature extremes, as well as wind movement of power lines and tree species also must be taken into consideration. The following guides have been established for Transmission and Distribution line right of way clearing per PUD specifications following NESC rule 218,

Generally, any limb within ten (10) feet of distribution electrical line conductor or fifteen (15) feet from transmission lines will be cut back. Because proper pruning techniques require cutting at certain points, branches will be cut at a main branching point, or at the trunk, leaving no stub. This may mean the branch is cut more than stated in our standards from the line conductor, but it helps preserve the health of the tree.

Generally, any limb within fifteen (15) feet above the line will be removed. Certain main branches on older trees may remain inside the minimum clearance, but this depends on

the health of the tree, direction of growth and likelihood of its limbs reaching the lines.
Please review Appendix A Illustrations.

Rural Utility Service Bulletin 1728F-803 states: The right-of-way shall be prepared by removing trees, clearing underbrush, and trimming trees so that the right-of-way is cleared close to the ground and to the width specified. However, low growing shrubs, which will not interfere with the operation or maintenance of the line, may be left undisturbed if so directed by the owner. Slash may be chipped and blown on the right-of-way if so specified. The landowner's written permission shall be received prior to cutting trees outside of the right-of-way. Trees fronting each side of the right-of-way shall be trimmed symmetrically unless otherwise specified. Dead trees beyond the right-of-way which would strike the line in falling shall be removed. Leaning trees beyond the right-of-way which would strike the line in falling and which would require topping if not removed, shall either be removed or topped, except that shade, fruit, or ornamental trees shall be trimmed and not removed, unless otherwise authorized. Jefferson County PUD right-of-way easements for distribution is ten (10) feet wide. Jefferson County PUD transmission right-of-way is varied from forty (40) feet wide to one hundred eighty (180) feet wide.

NESC 236 Climbing Space. Climbing space is an unobstructed, vertical space along the side or corner of the pole. In general, it consists of an imaginary box, 30-inches square, extending at least 40 inches above the highest communications cable or other facility and 40 inches below the lowest communication cable or other facility, but may be shifted from any side or corner to any other side or corner. Support arms are not considered to obstruct the climbing space.

To provide a safe workplace for PUD personnel PUD requires a minimum of five (5) foot open space around each PUD owned utility pole. WAC 296-45-045 states: *The employer must ensure that climbing space is provided on all poles and structures. The climbing space must meet the requirements of the 2017 National Electrical Safety Code (NESC)* **Please review Appendix B Illustrations.**

PLANTING TREES OR MOVING TREES:

- A. Customers should consider the mature canopy size of trees to be planted on their property. No tree shall be planted that will interfere with distribution or transmission lines when fully grown. Trees that will grow taller than fifteen (15) feet shall be planted at least ten (20) feet away from pole center for single phase distribution lines and twenty (20) feet away from pole center for multiphase distribution lines. If a customer's tree is in violation of the required distance, the customer will receive a Tree Transplanting Notice- see **Appendix C**, from the PUD informing them of the violation allowing them to address the issue timely.
- B. Trees shall not be planted within forty (40) feet of pole center for transmission lines. Trees planted closer than this distance may be removed by the PUD.

- C. Customers and contractors should contact 811 to locate underground utilities to avoid personal harm and damage to the lines and interruption of electrical service when planting or moving trees. Customers and contractors will be responsible for paying repair costs for lines that are damaged due to digging.
- D. Customers shall not plant trees within ten (10) feet of underground cable. Necessary repair of underground lines could cause damage to trees planted near the cable. When planting around pad mount transformers or junction boxes, all vegetation shall be planted at least three (3) feet away from all sides and ten (10) feet away from the access panel. **Please review Appendix D Illustration.**
- E. Trees less than ten (10) feet in height growing near the overhead distribution or transmission may be moved or cut down by the customer to reduce potential safety and service hazards. A customer shall not risk his/her safety by cutting or moving trees taller than ten (10) feet located near primary power lines.

II. TREE REMOVAL AND PRUNING

- A. The PUD is responsible for maintaining tree clearance only on primary power lines. Responsibility for tree clearance on customer secondary lines belongs to the customer. When the line belongs to the customer, hiring of a professional tree service is recommended to ensure customer safety and prevent damage to electric lines.
- B. Trees endangering PUD owned lines may be cut down or pruned by the PUD to eliminate any immediate hazard. Generally, trees less than 8" inches in diameter in rural, forested, and agricultural road right of way corridors will be removed with or without the consent of the property owner.
- C. The PUD will provide vegetation maintenance along primary lines (those between the substation and the service transformer) and PUD owned transmission lines. The appropriate vegetation management practices will be utilized at the discretion of the PUD's Operations Director to achieve required line clearances until the next maintenance cycle. Trees and brush growing within the easement or right-of-way corridor outside of the home landscape will be removed by the PUD. Right-of-way corridors will be managed to the width of the Right of Way easement.

Trees outside the right-of-way or easement corridor, which are dead, dying, structurally defective or otherwise pose a danger of falling on the lines (hazard trees) will also be removed.

Landscape trees located within an established lawn area or are ornamental species growing within the home landscape on private property. Generally, the main trunk of landscape trees should be ten (10) feet or more from the vertical plane of the wires for distribution lines. Landscape trees will be pruned to provide clearance until the next scheduled maintenance cycle. The

pruning distance will depend upon the species, cycle length and location of the tree. Landscape trees requiring repetitive pruning or those which are disfigured while achieving necessary clearance may be selected for removal with the property owner's consent.

To protect the public from electric injury, a minimum safety clearance from uninsulated conductors shall be obtained on all trees, regardless of location. A Safety Clearance Action Threshold has been established and is outlined in **Appendix E**. Safety clearance will be obtained with or without the property owner's consent.

Trees and brush growing in the right-of-way corridor will be cleared to width of the right-of-way. If there are mature trees growing within the landscape right-of-way corridor, they may be trimmed, at the PUD discretion, to prevent possible contact between the trees and conductor in the event of falling trees or line blowout created by wind.

D. Stump removal will not be performed by the PUD.

SITE CLEANUP

During maintenance cycle work all trimmings that can be reached will be chipped and removed by Jefferson County PUD. Trees larger than six (6) inches in diameter will be cut into eighteen (18) inch long logs and will remain on site. When tree trimming or removals are conducted because trees have caused a power outage or because trees have died and present a hazard, all debris will be left for disposal by the property owner.

CUSTOMERS TREE TRIMMING RESPONSIBILITY

Customers are responsible for trimming trees around low voltage secondary service wires on the customers property. Customers must maintain a clear path to the electric meter so PUD employees may regularly access it as part of the customers service agreement. **Please review Appendix F Illustrations.**

III. CHEMICAL APPLICATIONS

A. Jefferson County PUD uses no chemical applications to manage trees and brush within the right-of-way corridor.

IV. NOTIFICATION

- A. Typically, door-to-door contacts, letter mailed USPS, brochures, door hangars, phone messages, and/or electronic communications explaining policies and practices may be used to notify property owners of vegetation management work.
- B. No advance notice will be given prior to off-schedule work, including the removal of hazard or storm-damaged trees or power restoration activities.

V. DEFINITIONS

- A. Hazard Trees- trees outside the right-of-way corridor, which are dead, dying, structurally defective or otherwise pose a danger of falling on the lines.
- B. Distribution Lines- a distribution line is as generic term for a distribution voltage (2,400 volts to 35,000 volts) line that carries power from a substation to a residence or business. These lines may be overhead or underground.
- C. Line Blowout- the distance a power line can be expected to swing during high wind.
- D. Primary Line – a power line that carries medium voltage power to distribution transformers located near the customers premises.
- E. Secondary Line- lower voltage lines from the distribution service transformer to the customer's service (s). The lines may be overhead or underground and may include equipment such as pole-mount utility secondary connectors.
- F. Transmission Line- a bare, uninsulated, high voltage 69,000 volts to 345,000 volts overhead power line, usually strung from steel towers or tall wood, or metal poles, that carries power for power generation plants to substations.
- G. Right-of Way- Specific and particularly described strip of land, property, or interest therein devoted to and subject to the lawful use, typically for general transportation purposes of conveyance of utilities. A right-of-way can be public or private: it is to be assumed to pertain to both public and private unless it is specifically identified as one or the other.
- H. Easement: A prescriptive right of use over the land of another for a specific purpose providing a non-possessionary interest in the property of the landowner and that prohibits the landowner from interfering with the easement holders use of the easement.

I. Prescriptive Easement: An easement upon another real property acquired by continued use without permission of the owner for a period provided by state law to establish the easement.

J. "NESC" National Electric Safety Code.

RESPONSIBILITY:

Employees are responsible for understanding and complying with this policy.

PUD representatives, or other qualified personnel, are responsible for communicating this policy to the customers.

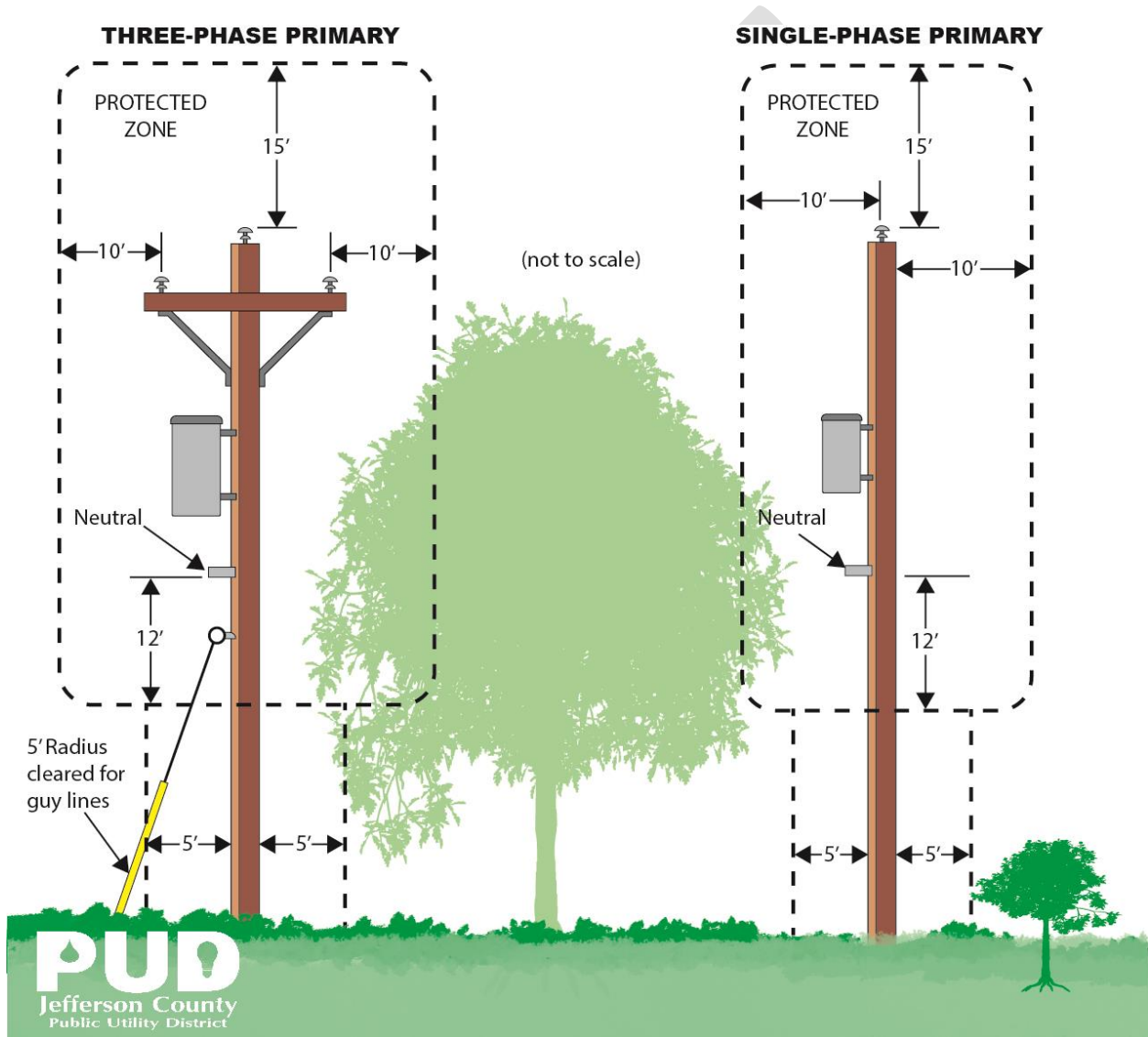
Supervisors are responsible for monitoring and ensuring compliance with this policy.

The General Manager is responsible for the overall administration of this policy as it applies to employees.

The PUD reserves the right to change, suspend, eliminate, depart from, or add to all or any part of this policy at any time, with or without prior notice, whenever the board of commissioners or management determines it is in the best interest of the PUD to do so.

DRAFT

APPENDIX A



APPENDIX B

WAC 296-45-045

NESC applicable.

(1) All electric utilities and entities operating transmission and distribution facilities within the state of Washington must design, construct, operate, and maintain their lines and equipment according to the requirements of the 2017 National Electrical Safety Code (NESC) (ANSI-C2), parts (1), (2), and (3).

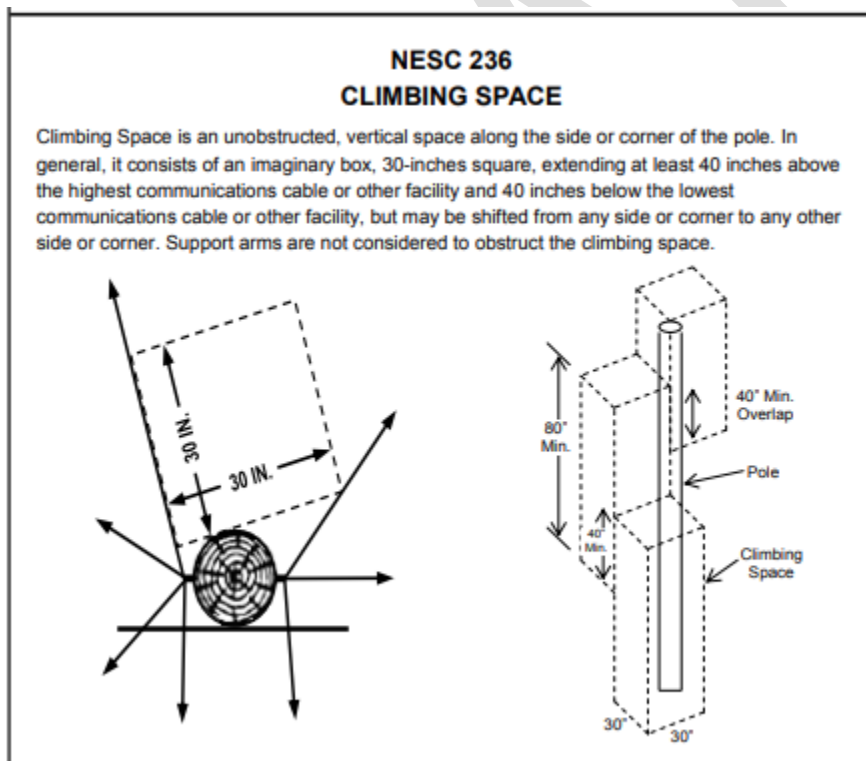
Note: The department has copies of the NESC available for review at each service location across the state. To purchase a copy, write to:

The Institute of Electrical and Electronics Engineers, Inc. (IEEE, Inc.)

445 Hoes Lane

Piscataway, NJ 08855-1331

(2) The employer must ensure that climbing space is provided on all poles and structures. The climbing space must meet the requirements of the 2017 National Electrical Safety Code (NESC) (ANSI-C2), except that Rule 236H does not apply.





Board of Commissioners:

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

Kevin Streett, General Manager

APPENDIX C

Tree Transplanting Notice

At Jefferson County PUD our priority is to provide safe, reliable electric service at a reasonable cost to customers. One of the most serious obstacles to meeting this goal is vegetation contacting electrical equipment. We work to prevent this problem through our vegetation management program.

To control future maintenance costs, we routinely remove trees that are growing within the electric power line corridor that would otherwise require trimming someday. It is less costly to remove these tall-growing tree species while they are small. Allowing young trees to develop to the stage where removal or repeated trimming is necessary can be expensive and, in some cases, unattractive.

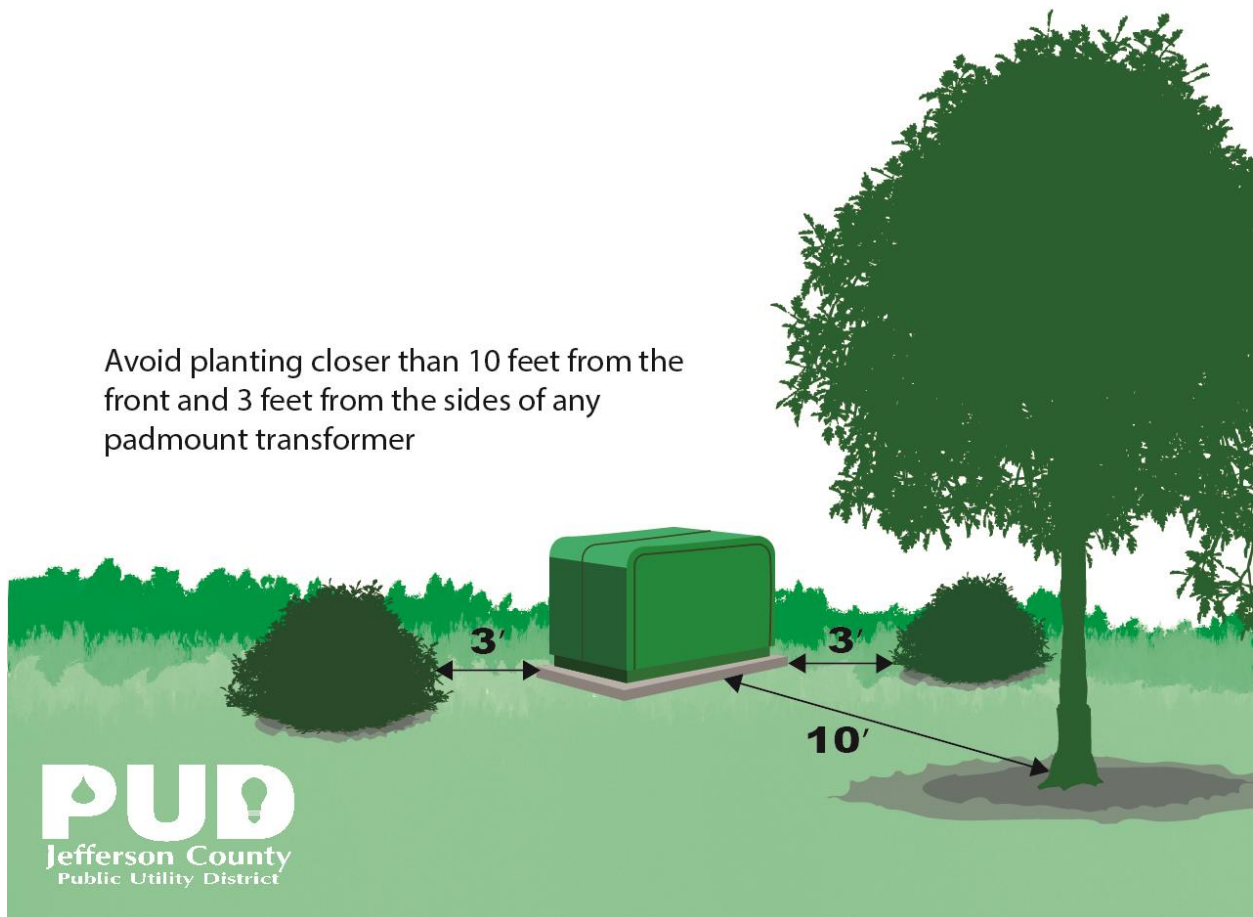
Some of the small trees growing in the electric power line corridor across your property are species that are not compatible with power lines and may pose outage problems in the future. Please help your PUD avoid these reliability concerns by removing the trees or transplanting them to a more suitable location.

Be sure to call 811 before you dig so underground utilities can be located. There is no charge for this service. All equipment, tools, personnel and the trees themselves must remain ten (10) feet or more from energized power lines at all times. Failure to do so could result in damage to electrical equipment, personal injury, or even death. We ask that all holes be filled to prevent potential injury to persons or equipment.

Thank you for your help in controlling maintenance costs and enhancing the reliability of the electric distribution system. We appreciate your understanding and cooperation.

APPENDIX D

Avoid planting closer than 10 feet from the front and 3 feet from the sides of any padmount transformer





Board of Commissioners:

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

Kevin Streett, General Manager

APPENDIX E

Safety Clearance Action Threshold for Distribution Lines.

The Jefferson County PUD Operations Director may, at times exercise professional discretion in adjusting the PUD's vegetation management specifications to any tree-line clearance project. This document will describe the bottom limit of discretion for climbable trees. This boundary is useful to assure that appropriate clearance is achieved to minimize electrical risk to the public.

A critical protection clearance for primary and secondary conductors shall be established when vegetation management work is performed. Upon completion of any tree work on a property, no tree structures or parts may remain that could support the weight of a small child (40 lbs.) within specific protection zones, as herein defined. The protection zone consists of a rectangular shaped area measured ten (10) feet to the side of each conductor, ten (10) feet below the lowest conductor and ten (10) feet above the highest conductor.

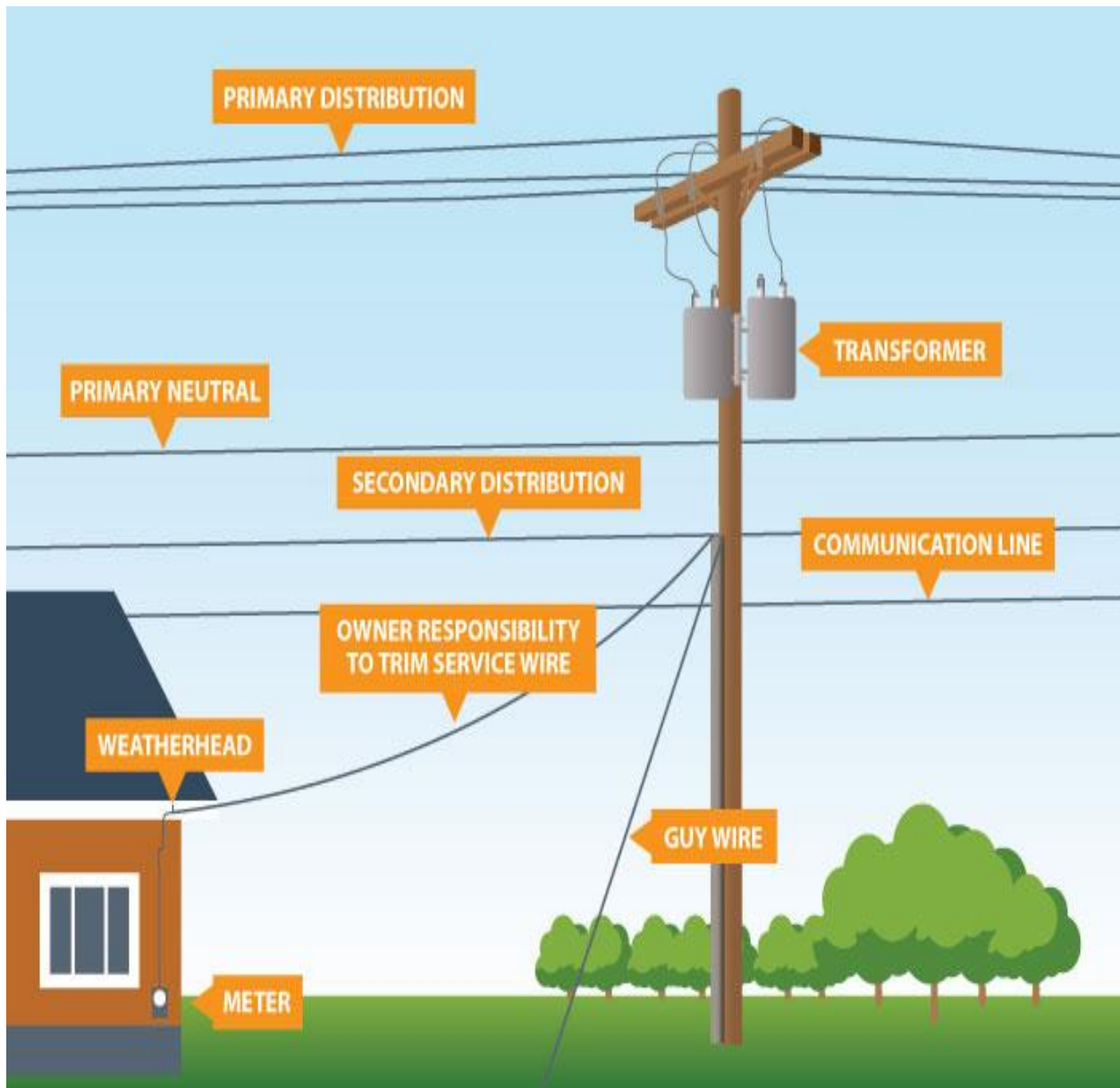
Outside of regular maintenance cycles, tree structures or parts capable of supporting the weight of a small child (40 lbs.) and found to exist within these protection zones must receive the highest priority in applying an appropriate remedy.

"Readily Climbable"- A tree with any of the following characteristics:

1. A tree that has branches, branch stubs, or multiple trunks existing within a distance of ten (10) vertical feet from the ground.
2. A tree that has branches, branch stubs, or multiple trunks existing within a distance of ten (10) vertical feet from accessible structures such as wood poles, sheds, trailers, decks, playground equipment, etc.
3. A tree with access into its crown by way of an adjacent tree having similar characteristics as described in #1 and #2 above.
4. Any other conditions, structures or situations which in the opinion of the Operations Director may cause a tree to be "readily climbable".

Trees fitting this definition may have remedies applied such as removing the tree, pruning branches or stubs, cutting selected trunks to create a single trunk tree, removing hand or foot holds, removing structures such as wood piles, sheds, trailers, decks, playground equipment, etc.

APPENDIX F





AGENDA REPORT

DATE: April 18, 2023

TO: Board of Commissioners

FROM: Jean Hall, Services Director
Scott Bancroft, Operations Director

RE: 4-10 non-traditional work shift

RECOMMENDATION: Discussion, approve the pilot program for the 4-10 work schedule.

SUMMARY: COVID-19 changed the way public and private organizations conduct their work. Jobseekers not only review wage and benefit packages at potential employers, but they also look for employers that offer some sort of non-traditional work schedule. PUD staff seeks to provide all current and future employees with the ability to have a non-typical work schedule that all personnel may benefit from. The proposed 4-10 schedule would be PUD wide; all employees would be on the 4-10 schedule. Many utilities in Washington State conduct day to day business using a 4-10 work schedule with all employees off on Friday.


Numerous articles are written about the pros and cons of a 4-10 work schedule. The question is, will it work for us? PUD staff proposes a pilot program beginning June 5, 2023, and lasting until June 7, 2023.

PUD will use the time from now to the pilot program start date to communicate with personnel, customers, vendors, and contractors the PUD schedule change beginning June 5, 2023. PUD will track the 4-10 schedule success/failures during the pilot program. The first BOC meeting in June 2024 PUD staff will produce results and be able to convey with confidence whether the 4-10 schedule will be a productive change to our PUD work schedule.

BACKGROUND: Jefferson County PUD must take steps to attract and retain a quality workforce. Attracting and retaining top talent is a significant concern for all employers across every industry. While competitive wages, top-notch employee benefits packages and adequate vacation time are essential, high demand employees may consider those offerings the bare minimum.

FISCAL IMPACT: PUD staff does not know how the 4-10 schedule will fiscally impact PUD. Conducting the pilot program will give staff data to make determination of fiscal impacts.

Thank you.



Jefferson County
Public Utility District


4/10 WORK WEEK PILOT PROGRAM

Scott Bancroft, Operations Director
Jean Hall, Services Director
April 18, 2023

1

DISCUSSION
OVERVIEW

- Review past discussions
- What are other PUDs doing?
- Current utilization
- Benefits of a 4/10 schedule
- Staff's proposal
- Considerations
- Discussion & Questions



2

Subject to Collective Bargaining

- Any schedule changes for union employees must go through the unions

First brought to the BOC February 2022

<https://www.jeffpud.org/feb-1-2022-regular-meeting/>

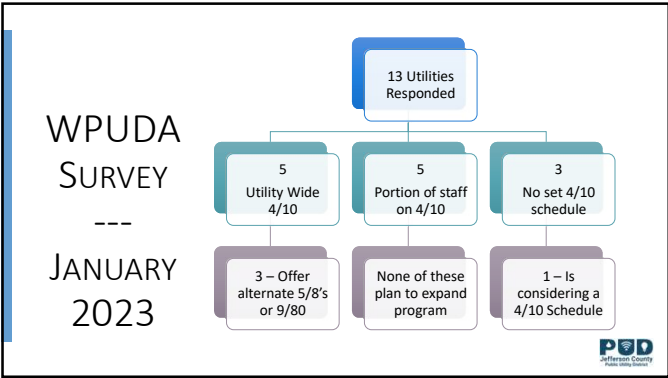
- Hiring Incentive
- Promote work/life balance

BOC Concerns

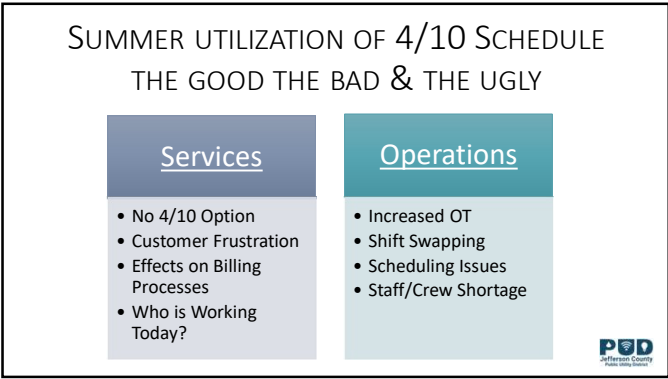
- Implementation equality
- Scheduling confusion
- Open to public 4 days per week



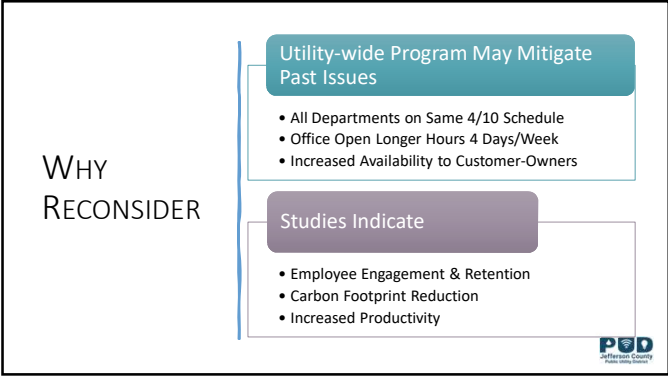
3



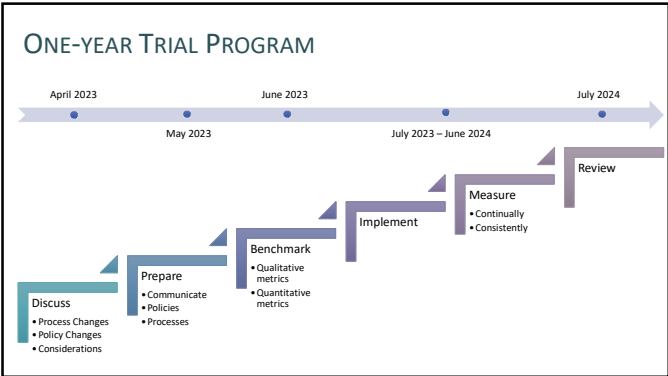
4



5



6



7

THINGS TO CONSIDER

Common Concerns

Childcare before 7am & after 5:00pm
Existing health issues
Increased OT for field crew
Decreased Availability to Customer-Owners

What If Staff Can’t Find Work/Life Balance?

Burn Out → Increased Stress → Decreased Efficiency

At What Point Do We Cut & Run

• *WHAT IF* the adjustment period never ends?

8

Discussion & Questions

9

Thurston PUD – January 2023 – 4/10 Work Schedules

PUD	Franklin and Thurston PUDs have some questions regarding 4/10 work schedules:	
Benton	Is your PUD on a 4/10 work schedule? (4 days/10 Hr shifts)	No, not as of today's date.
	If so, is it for all employees, or only certain departments?	-
	If only a portion of your employees are on 4/10s are there plans to eventually move everyone to the 4/10 schedule?	Beginning on 1/2/2023 a 4/10 schedule will be implemented for the following departments:
	If you are currently not on a 4/10 schedule, are you anticipating a move to 4/10's in the future?	<ul style="list-style-type: none"> - customer service - operations - engineering (rep office staff will remain on 9/80 schedule) - Administrative, fleet maintenance, power management, and executive staff will continue to have the option to work a standard 5/8 or alternate 9/80 work schedule.
	Was there a cost/benefit analysis or other research done prior to deciding whether or not to switch (with customers and/or employees)? If so will you please share any planning documents/research?	Yes, our customer service work group provided analysis indicating that customer traffic on Friday's is typically slower than the rest of the week and that customers would benefit from longer work hours M-F. We do not have any documents to share.
	Did your PUD pass any resolutions, policies or procedures related to the switch? If so, will you please share a copy?	Our Customer Service Policy will be amended by resolution to reflect new business hours.
	Any other lessons-learned or advice for those considering a switch to 4/10s?	None at this time.
Clark	4	No
	If so, is it for all employees, or only certain departments?	We have one work group who works 4 10's
	If only a portion of your employees are on 4/10s are there plans to eventually move everyone to the 4/10 schedule?	No
	If you are currently not on a 4/10 schedule, are you anticipating a move to 4/10's in the future?	No
	Was there a cost/benefit analysis or other research done prior to deciding whether or not to switch (with customers and/or employees)? If so will you please share any planning documents/research?	No
	Did your PUD pass any resolutions, policies or procedures related to the switch? If so, will you please share a copy?	No
	Any other lessons-learned or advice for those considering a switch to 4/10s?	N/A
Howlitz	Is your PUD on a 4/10 work schedule? (4 days/10 Hr shifts)	Yes

	If so, is it for all employees, or only certain departments?	All employees
	If only a portion of your employees are on 4/10s are there plans to eventually move everyone to the 4/10 schedule?	
	If you are currently not on a 4/10 schedule, are you anticipating a move to 4/10's in the future?	
	Was there a cost/benefit analysis or other research done prior to deciding whether or not to switch (with customers and/or employees)? If so will you please share any planning documents/research?	No. We completed an all employee survey that showed over a majority of employees wanted to move to a 4/10 schedule.
	Did your PUD pass any resolutions, policies or procedures related to the switch? If so, will you please share a copy?	We updated employee handbook policy and took the 4/10 schedule change in front of the board for approval.
	Any other lessons-learned or advice for those considering a switch to 4/10s?	We did have to negotiate with the union so that was interesting in that they wanted to ask for things outside of the schedule change.
Douglas	Is your PUD on a 4/10 work schedule? (4 days/10 Hr shifts)	Not yet, but we are considering it.
	If so, is it for all employees, or only certain departments?	Management employees. Some union employees already on this schedule.
	If only a portion of your employees are on 4/10s are there plans to eventually move everyone to the 4/10 schedule?	No. Remain open M-F
	If you are currently not on a 4/10 schedule, are you anticipating a move to 4/10's in the future?	Possibly
	Was there a cost/benefit analysis or other research done prior to deciding whether or not to switch (with customers and/or employees)? If so will you please share any planning documents/research?	No
	Did your PUD pass any resolutions, policies or procedures related to the switch? If so, will you please share a copy?	CBA was updated for the dam employees and techs (see attached page)
	Any other lessons-learned or advice for those considering a switch to 4/10s?	No
	N/A	
Grays Harbor		
itsap	Is your PUD on a 4/10 work schedule? (4 days/10 Hr shifts)	Yes – 1 year trial

	If so, is it for all employees, or only certain departments?	Majority of employees. Some departments allow 5/8s as needed by the staff and only if it works for the work group. We are closed on Fridays. This has not been an issue for our customers.
	If only a portion of your employees are on 4/10s are there plans to eventually move everyone to the 4/10 schedule?	The goals would be to have all staff on 4/10s to ease HR/Payroll requirements
	If you are currently not on a 4/10 schedule, are you anticipating a move to 4/10's in the future?	
	Was there a cost/benefit analysis or other research done prior to deciding whether or not to switch (with customers and/or employees)? If so will you please share any planning documents/research?	This was requested by our operations staff to increase efficiencies with the ability to spend 2 hrs more per day on jobs. Operations has used 4/10s on and off over the years for specific projects. We are conducting quarterly employee surveys to gauge engagement and satisfaction with job. Overtime costs have reduced during the trial so far. I wrote a staff memo on the research I conducted.
	Did your PUD pass any resolutions, policies or procedures related to the switch? If so, will you please share a copy?	This is a trial. We did change our vacation days to eliminate the day after Thanksgiving and the floating holiday.
	Any other lessons-learned or advice for those considering a switch to 4/10s?	It's a bit exhausting the first couple of weeks. Have grace with staff and start during the summer months.
Kittitas	Is your PUD on a 4/10 work schedule? (4 days/10 Hr shifts)	Outside crew only. All others are on 5-8's
	If so, is it for all employees, or only certain departments?	
	If only a portion of your employees are on 4/10s are there plans to eventually move everyone to the 4/10 schedule?	No plans
	If you are currently not on a 4/10 schedule, are you anticipating a move to 4/10's in the future?	
	Was there a cost/benefit analysis or other research done prior to deciding whether or not to switch (with customers and/or employees)? If so will you please share any planning documents/research?	Request by lineman. No cost benefit analysis.
	Did your PUD pass any resolutions, policies or procedures related to the switch? If so, will you please share a copy?	No resolutions. Manager's decision.
	Any other lessons-learned or advice for those considering a switch to 4/10s?	Being small it causes customer service problems for connections and increases costs for DT on Friday.
Lewis	Is your PUD on a 4/10 work schedule? (4 days/10 Hr shifts)	Yes
	If so, is it for all employees, or only certain departments?	Only certain employees

	If only a portion of your employees are on 4/10s are there plans to eventually move everyone to the 4/10 schedule?	Not currently
	If you are currently not on a 4/10 schedule, are you anticipating a move to 4/10's in the future?	Not currently
	Was there a cost/benefit analysis or other research done prior to deciding whether or not to switch (with customers and/or employees)? If so will you please share any planning documents/research?	N/A – But I would be interested in seeing what others share on this.
Mason 1	Is your PUD on a 4/10 work schedule? (4 days/10 Hr shifts)	No. We do 4/10s on the crew in the summer sometimes when we're working on a construction project and there's benefit to longer days and we have to spend time setting up traffic control on the highways, etc. But that's on a per-job basis.
	If so, is it for all employees, or only certain departments?	
	If only a portion of your employees are on 4/10s are there plans to eventually move everyone to the 4/10 schedule?	
	If you are currently not on a 4/10 schedule, are you anticipating a move to 4/10's in the future?	No. We have not seen the value to the customers to be closed one day a week. Other utilities that have moved to 4/10s have mixed results from employees on if the new schedule is beneficial or harmful to the family life.
Okanogan	Is your PUD on a 4/10 work schedule? (4 days/10 Hr shifts)	Yes
	If so, is it for all employees, or only certain departments?	All can, some choose 5-8s
	If only a portion of your employees are on 4/10s are there plans to eventually move everyone to the 4/10 schedule?	All can, telecom chooses to work 5-8s because RSPs still work on Fridays
	If you are currently not on a 4/10 schedule, are you anticipating a move to 4/10's in the future?	
	Was there a cost/benefit analysis or other research done prior to deciding whether or not to switch (with customers and/or employees)? If so will you please share any planning documents/research?	It was a trial with COVID and it caught on.
	Did your PUD pass any resolutions, policies or procedures related to the switch? If so, will you please share a copy?	Approval from the board, but nothing in resolution form.
	Any other lessons-learned or advice for those considering a switch to 4/10s?	Work with staff. 4-10s is hard for some people with small children. Let them choose.
Pacific	With a letter of agreement from the union, the Commissioners allowed a 1 year trial of 4/10. Once that year was completed, it was determined by all personnel that moving to 4/10 would be beneficial and the commission agreed. We don't have a resolution that speaks only to the change to 4/10, the resolution is essentially a change in our personnel policy with the appropriate changes for moving to 4/10 (along with other changes that weren't associated with the change to 4/10). I've attached a copy of that resolution.	

The changes that were made as a result of the 4/10 include modification of the work hours, holidays observed and personal leave accumulation. The section on work hours was modified to speak to the new hours. We changed our office hours to 7am to 6pm, Monday thru Thursday.

Previously, the district observed a total of 11 holidays (10 regular and one floating) for a total of 88 hours of holiday. To meet the equivalent in hours on a 4/10, we agreed to observing 9 holidays (8 regular and one floating) for a total of 90 hours. So, the modification in the personnel policy specifies those changes:

A. HOLIDAYS

The District recognizes the following paid holidays each year:

New Year's Day	January 1 st
Martin Luther King Jr. Day	Third Monday in January
President's Day	Third Monday in February
Memorial Day	Fourth Monday in May
Independence Day	July 4 th
Labor Day	First Monday in September
Veteran's Day	November 11th
Thanksgiving Day	Fourth Thursday in November
Day After Thanksgiving	Fourth Friday in November
Christmas Day	December 25 th
Floating Holiday	As Scheduled with Supervisor

When one of the above holidays falls on a ~~Friday or~~ Saturday, the preceding work day is considered to be the holiday; when one of the above holidays falls on a Sunday, the following work day shall be considered the holiday.

There's also wording in the policy regarding personal leave. That was all converted to hours instead of days of leave accumulated based on number of years worked. For example, instead of specifying 20 days of leave accrued per year, it specifies 160 hours. By the same token, any reference in the personnel policy to 'days' was converted to the equivalent hours.

Pend
Oreille

Is your PUD on a 4/10 work schedule? (4 days/10 Hr shifts)	NO
If so, is it for all employees, or only certain departments?	
If only a portion of your employees are on 4/10s are there plans to eventually move everyone to the 4/10 schedule?	
If you are currently not on a 4/10 schedule, are you anticipating a move to 4/10's in the future?	Summer Schedule at the discretion of the GM
Was there a cost/benefit analysis or other research done prior to deciding whether or not to switch (with customers and/or employees)? If so will you please share any planning documents/research?	No
Did your PUD pass any resolutions, policies or procedures related to the switch? If so, will you please share a copy?	No,
Any other lessons-learned or advice for those considering a switch to 4/10s?	

kagit

We have the option of temporary alternative work schedules, but we don't have a set 4/10 schedule, or any plans to go to that way at the moment. We do have 12-hr schedules for our WTP operators, but that is a separate thing.

kamania

Is your PUD on a 4/10 work schedule? (4 days/10 Hr shifts)	Yes
---	-----

	If so, is it for all employees, or only certain departments?	Tree crew only during the summer hours and our mechanics
	If only a portion of your employees are on 4/10s are there plans to eventually move everyone to the 4/10 schedule?	No plans
	If you are currently not on a 4/10 schedule, are you anticipating a move to 4/10's in the future?	No plans
	Was there a cost/benefit analysis or other research done prior to deciding whether or not to switch (with customers and/or employees)? If so will you please share any planning documents/research?	
	Did your PUD pass any resolutions, policies or procedures related to the switch? If so, will you please share a copy?	Our cba states schedules
	Any other lessons-learned or advice for those considering a switch to 4/10s?	

7.1.2.9 System Operators scheduled for relief during a work week will be scheduled to work a target thirty-two hour week. Relief shift assignments shall provide coverage for any of the seven days within the work week. When practical, relief days during the work week will be scheduled as a block (that is, grouped together).

7.1.2.10 During the relief work week, the relief System Operator or operator may be assigned to work any combination of eight or 12-hour shifts. The total hours for regular pay will not be more than thirty-six. All hours worked that exceed thirty-six hours shall be paid at the double-time rate. When the relief System Operator's actual hours worked in a work week are less than thirty-two, the relief System Operators may, at his own option and with Supervisor approval, work a partial shift to bring his work week hours up to thirty-two.

10-hour Day Schedule

7.1.2.12 A 10-hour workday schedule shall be utilized for the following:

7.1.2.13 Work days for maintenance personnel and Apprentice Operators at the Wells Project will be 7:00 a.m. to 5:30 p.m., Monday through Thursday, or the same hours Tuesday through Friday. Staff additions or shift preference will be according to Section 6.2, Posting and Bidding Procedure. Friday shift working foreman of a composite crew shall rotate among journeymen with agreement of the District.

7.1.2.14 Workdays for some or all of the Technicians assigned the East Wenatchee Head Quarters will be 7:00 a.m. to 5:30 p.m. Monday through Thursday or the same hours Tuesday through Friday.

7.1.2.15 All overtime worked outside the regular schedule will be paid at the double time rate.

7.1.2.16 When a holiday falls on a regularly scheduled day off, the provisions of Article 5.4.1 shall apply to determine the observed holiday.

7.1.2.17 Work on an actual established holiday will result in eight hours of holiday pay at the regular straight time rate plus double-time pay for all hours worked on that actual holiday.

7.1.2.18 For regular established holidays, an employee may elect to report only eight hours holiday pay or report eight hours holiday pay and two hours personal leave (if accrued) on their time sheet for the day designated as a holiday. Unreported hours under this provision do not constitute leave without pay. This provision does not amend Section 5.6 of this Agreement regarding the application of Leave of Absence nor does it establish a precedent for creating a thirty-eight hour work week.

7.1.2.19 Floating Holidays, when provided, may be used by taking an eight hour floating holiday plus two hours of personal leave (if accrued)



REMOTE WORK AGREEMENT

The following constitutes an agreement between Kitsap Public Utility District (KPUD) and _____ (Employee).

This agreement sets forth the conditions under which my remote work program is sponsored by KPUD. This agreement does not change the basic terms and conditions of my employment. I will remain subject to the same employment policies and procedures set forth in the KPUD Personnel Manual. This agreement may be modified by KPUD at its sole discretion, and there may be times when I am required to work more time than planned in this agreement at the KPUD facilities upon KPUD request. My salary, job responsibilities, and benefits do not change because of participation in a remote work arrangement.

Performance Expectations: I agree to do the following:

1. Work remotely (check applicable days):

☐ Monday

☐ Thursday

☐ Tuesday

☐ Friday

☐ Wednesday

2. Remain available for calls from co-workers and supervisors during the following hours:

_____ AM to _____ PM

3. Attend all office meetings, with video turned on when requested.

4. Dress appropriately for the KPUD office environment.

5. Check voice mail, text, and e-mail regularly, as agreed to with my supervisor.

6. Obtain prior approval to work any overtime hours.

7. Keep my Outlook calendar up to date to notify others of my availability.

8. Meet established job requirements and goals.

9. Provide progress reports and review work with my supervisor as established.

10. Maintain a designated remote workspace free of recognized safety hazards.

11. Take reasonable precautions to protect KPUD equipment from theft, damage, or misuse.

12. Keep all KPUD material and equipment in my designated remote workspace.

13. Not use remote work as a substitute for ongoing childcare, elder care, or pet care. I will make arrangements for childcare, elder care or pet care during my agreed upon work hours unless my manager and I have agreed upon another arrangement.

14. Other:

Equipment: Any equipment, software, or data provided by KPUD for use in my home remains the sole property of KPUD and may only be used for business purposes. Computers provided by KPUD may not be used for personal purposes. KPUD owned software may not be duplicated. Only KPUD employees are authorized to use KPUD equipment or software. All equipment must be returned to KPUD upon request, in the event of an extended leave, upon resignation or termination, or if the Remote Work program ends. I must work from a location that has the necessary connectivity to the internet to be available for video teleconferencing and other virtual meetings as established with my supervisor. Therefore, an internet package that provides a minimum of 5 Megabits per second (Mbps) in upload speed is required.

Security: KPUD and customer information must be protected against unauthorized or accidental access, use, modification, destruction, or disclosure with locked file cabinets and desks, regular password maintenance, and other appropriate measures. KPUD Restricted-access materials may not be taken out of the KPUD office or accessed through the computer unless your supervisor has approved it in advance. No KPUD work may be done on your own personal home computer. All hard copies of confidential information should be destroyed using a shredder. While using the computer and on phone calls, I agree to comply with all confidentiality requirements for sensitive and proprietary information.

Costs: KPUD is not responsible for the costs associated with the initial set-up of a home office, such as remodeling, repairs, lighting, or new furniture, nor for any home-related expenses such as heating/air conditioning or electricity. KPUD will provide equipment (i.e. computers, monitors, keyboard and mouse) as required for my job duties.

On the Job Injuries: If I sustain an injury while working within your remote work location in conjunction with my regular work duties, I may be covered under the KPUD's workers' compensation policy. I am required to report an injury to my supervisor within a reasonable time and get instructions for obtaining medical treatment.

ACKNOWLEDGMENT

This Remote Work Agreement may be discontinued at any time by either myself or KPUD. If my job performance suffers under the remote work arrangement, I may be required to return to the office. If I choose not to return, my response will be considered a voluntary resignation. I affirm by my signature below that I have read and understand this agreement and hereby agree to accept all of its provisions.

Employee Signature: _____

Date: _____

Director Signature: _____

Date: _____

General Manager Signature: _____

Date: _____



STAFF REPORT

TO: Board of Commissioners
FROM: Angela Bennink, General Manager
DATE: May 17, 2022
SUBJECT: Trial Period for a 4/10 Work Week Schedule

ISSUE

Several neighboring public utility districts have recently implemented four-day work weeks with 10-hour workdays (4/10) in an effort to support staff morale, improve quality of life, and increase employee retention as well as potential new hires who seek alternative work options as a benefit. As a result, representatives from the Water and Wastewater Operations, Construction, and Telecom teams approached the General Manager earlier this month requesting consideration of implementing the same 4/10 schedule for KPUD.

DISCUSSION

There is a growing trend in the workplace to be flexible in defining staff work schedules.^{1,2,3} This includes remote working policies, job sharing, and shorter work weeks. In response to this trend, and as a result of successful offsite work during the COVID pandemic, KPUD recently adopted a remote work policy as a benefit that supports current staff and attracts new hires. Many staff are utilizing this remote work option and sharing time between the KPUD office and their home offices. Additionally, after adding the remote work policy to our job descriptions, we have seen an increase in qualified applicant submissions for our professional postings.

I began looking into the benefits and challenges of moving to a condensed work week, when our neighboring PUDs announced that they would be implementing a 4/10 work week. I identified that benefits and concerns with the 4/10 work week are reported as:

Benefits

- Increased productivity and innovation
- A smaller carbon footprint and overhead costs
- Increase mental wellbeing and physical health
- Lower unemployment rates
- Lower level of absenteeism

Concerns

- 10-hour day may be considered too long
- Scheduling or timing conflict such as with sports/coaching
- Childcare scheduling
- During the winter, it is dark in the morning and evening

Supporting documentation and information for these benefits and concerns, including reference materials, are included below.

After becoming aware of the operations and construction team's desire to adjust the KPUD schedule to a 4/10 work week, I requested all staff participate in an anonymous survey. The survey asked each employee to answer questions and provide pros and cons of adjusting the work week schedule. Of those who responded to the survey, 75% are in favor of moving to a 4/10 schedule. More detailed survey data is provided later in this staff report and a pdf of the responses are included as an attachment.

As the Governor rescinds emergency proclamations regarding the Open Public Meetings Act and we return to in-person meetings, we will re-open KPUD offices to the public. Since we will resume in-person service on June 1, 2022, it is both timely and urgent to discuss this schedule modification.

RECOMMENDATION

Implement a one-year trial of the four-day work week with 10-hour workdays beginning with the June 24, 2022. Resume KPUD in-person services at the Administrative Offices on June 1, 2022, open to the public four days a week, Monday – Thursday 8:00 am – 4:30 pm, until the 4/10 schedule is implemented at which times office hours will be extended. Hours to be changes if 4/10s are started.

Directors have agreed to support staff who experience a hardship based on the transition to a 4/10 work schedule. This will be done on an individual basis.

KPUD currently utilizes a 4/10 work schedule for specific projects, when appropriate. Because of construction practices, project timelines, and cost savings, this practice will continue regardless of a transition to a 4/10 schedule.

Summary

- Regular office and field services provided to customers Monday – Thursday.
- KPUD closed on Fridays.
- Regularly scheduled work hours of 6:30 am – 5:00 pm.
 - Flexibility as job duties allow.
 - When an employee is required to work on a Friday (conference or meetings) they may flex hours during the week or receive overtime if not exempt.
- Overtime will continue to be based on a 40-hour work week.
- No impact to emergency responses/on-call services.
- Address potential safety concerns during the winter months.
- Employees will be paid 10hrs for Holidays
 - Suggest 2 holidays will be removed to compensate for the greater hours of pay for each holiday.
 - Floating Holiday or Veterans Day
 - Day after Thanksgiving
- Vacation time accrual will not be affected.
- A day of Personal Leave will be 10 hours of PTO.

Assessment of One-Year Trial

We will conduct a pre and post survey to gauge staff's well-being, prior to beginning the trial and at the end of the trial. Ongoing costs for power and fuel and mileage on KPUD vehicles will be tracked and compared to previous years.

We will conduct a survey of customers to determine level of satisfaction with access at the end of the trial period.

Supporting Documentation/Information

The following provides supporting documentation and information regarding the impacts of an alternative 4/10 schedule.

Shorter work weeks have been studied for some time, recently public agencies are returning this model to offer as an incentive for employee satisfaction and retainage. Benefits of the 4/10 work week are reported as:

- Increased productivity and innovation
- A smaller carbon footprint and overhead costs

- Increase mental wellbeing and physical health
- Lower unemployment rates
- Lower level of absenteeism

KPUD staff looked at the above benefits and evaluated if they would be realized by our staff, and are provided below.

Increase in Productivity

For construction or field work, there is time for deployment in the morning and breakdown at the end of each shift. By reducing the number of work days from five to four and increasing the number of hours worked each day from 8 to 10, you gain 8 hours of work and reduce deployment/breakdown time by 20% for every project. KPUD currently utilizes a 4/10 work week for specific projects throughout the year⁴.

Office staff may also see productivity increase as they are able to schedule personal appointments that would normally happen during the workday on their day off.

A Smaller Carbon Footprint

By moving to a four-day work week you reduce commuting by 20% which results in less carbon emissions and pollutants and employee fuel costs. Additionally, gas savings for on-call vehicles are estimated to be \$36,000 to \$40,000 depending on the price of gas.

Closing the offices for an additional day a week reduces the electricity, water usage, and waste generation. By closing on Fridays, we can reduce the cleaning of the office to two days a week as we are currently cleaning on Tuesdays, Thursdays, and Saturdays. Costs will need to be compared to historic costs to determine if there is a true savings.

Increased Mental Wellbeing and Physical Health

By providing staff with an opportunity to have three-day weekends, they are able to participate in more outside interests resulting in a better work-life balance. Having a healthy work-life balance has been shown to reduce stress, improve mental health by reducing negative thoughts, and improve physical health as it correlates to mental health⁵.

Lower Unemployment Rates

KPUD is growing and will continue to have the need to attract and retain quality staff. One area that we can differentiate ourselves as an employer is to offer a shortened workweek along with our current benefits.

Lower Levels of Absenteeism

Staff have more free time with the 4/10 schedule and are less likely to take time off from work to run errands or attend to personal matters⁶.

There are also challenges associated with a 4/10 schedule for staff. These include:

- 10-hour day may be considered too long
- Scheduling or timing conflict such as with sports/coaching
- Childcare scheduling
- During the winter, it is dark in the morning and evening

Other Considerations

There are several other things to consider such as long days, scheduling conflicts, and seasonal impacts.

Long Days

One of the cons of a 10-hour day is that employees may feel as though they are drained by the longer hours. In conflict with a pro of increased productivity, this draining can result in diminished productivity as the day progresses.

Scheduling/Timing Conflicts

Many staff have volunteer activities that may conflict with a 10-hour day. By starting one hour earlier and ending the day one hour later, we reduce the impact of this conflict. Staff may be able to use personal time off to compensate for leaving early for those times that they have conflict.

Child Care Scheduling

When working a four-day 10-hour work schedule, trying to find childcare can be exceptionally challenging. Many facilities do not offer help for the extra two hours because the goal is to cover the standard school schedule in each community. There might only be one to two providers that open at 6:00 am and stay open until 8:00 pm to accommodate shifts in schedule⁷.

Limited Daylight in Winter

There is a concern of limited daylight in the winter being an issue, and this is increased with the addition of two more hours. Additional lighting and signage can be used to increase safety during the winter months.

Staff Survey Data

As mentioned earlier, all staff were asked to participate in an anonymous survey. The survey asked each employee to answer questions and provide pros and cons of adjusting the work week schedule.

Of those who responded to the survey:

- 52 staff members or 80% completed the survey.
- 76.47% expressed the desire to transition to a 4/10 workweek.
 - The percentage trended the same for both field and office staff.
- 12 staff were opposed or not proponents.

Employee Comments on Survey Questions

“What benefits do you see of moving to a 4/10 work schedule?”

- *Benefits 1- KPUD has over 50 employees, assuming each employee travels an average of 20 miles round trip from home to work, - 1,000 miles per day - 52,000 miles per year KPUD will contribute to protect the environment mitigating 52,000 miles of carbon footprint and related emissions in a year, 2- and assuming that each employee takes an average of 40 minutes round trip from home to work, - each employee will spend 34.6 hours less behind the wheel per year - personal/family time will increase promoting productivity, less stressful and more efficient employees. 3- KPUD will cut power use by 416 hours in the main buildings per year. 4- there is an interesting research 'The Icelandic Reduced Workweek' increasing productivity by cutting workweek hours. 2021*
- *Better quality of life and balance with a 3-day weekend versus a 2-day weekend. Better use of early mornings and later afternoons to work less distracted since that is outside most regular business hours and expected customer service. Flexibility for Management Staff to work on Friday's with less interruptions and schedule meetings to complete work that often spills over into the weekend.*
- *Employee retention. Fuel savings Less overtime expense. Employee morale. Better hours of operation for customers. Water operators will have more time in the field.*
- *I think the morale of staff overall would benefit from having an extra day off work. I think people would use less vacation time. I have worked 4 10's at a previous job and I loved it. It's so nice to have that extra day to get things done around the house and run errands. I also think it would make us more efficient in the field because we would have more time to get things done in the day.*

“What concerns do you see of moving to a 4/10 work schedule?”

- *my availability to participate in my kids after school activities, such as sports, gymnastics, etc.*
- *Productivity, ability to meet daily personal tasks/family needs before and after new work hours. People I know that did this in my previous job said that it was exhausting and that productivity was diminished. They did say they like having Fridays off (who doesn't?).*
- *Attendance. People with families will miss out on certain events that they were able to catch before. Baby sitting may make some people miss work depending on their situation. It'll be hard to get appointments scheduled because places will be closed. So that gives you one day to get any kind of appointment unless you miss work and use PT. I feel this schedule more benefits office staff being able to work remotely rather than benefiting everyone. Being closed an extra day leaves systems more vulnerable to outages and possibly poor response times. If*

everyone if out of town on Friday what's one on call person going to do with a job that requires more people? This just gives us that exposure for one more day.

- *1. Not being available to customers 5 days a week 2. Long days - every day could be difficult for some to focus.*
- *Getting home later during the week. Safety of field employees working in traffic when it's dark in the morning and evening during the winter? Would be more doubletime for field staff being closed for an extra day but might be compensated by less overtime during the week?*

Information from Other PUDs

I have spoken with the general manager at Pacific PUD who has been operating a 4/10 shift since 2018. In his words:

- It has been a great change for everyone. People say if we were to ever go back, they would look for another job.
- It was interesting on the different perspectives of how each group looked at the change. In the end, the nay sayers admitted it was great.
- We advertised the month ahead of the change, signs out, etc. The only ones that complained were the PO employees across the street. People would walk right past the reader board on front steps saying closed on Fridays, rattle the door and then go to PO to get their mail and complain to them.
- Being able to have 10-hour workdays for construction is a great tool. Mob/demob is 20% less, didn't see much of a decline in fuel use, but the amount of construction work getting done increased.
- Everyone at this point loves it and customers being able to come in before and after their work, Mon-Thur only, seems to work out just fine.

Clallam PUD and Mason PUD #3 are just starting their one-year trials. Jefferson PUD has support from staff to move to a 4/10 workweek, but the Commission is concerned about customer access.

CITATIONS

1. [Alternative work schedules | U.S. Department of Commerce;](#)
2. [Americans would prefer a four-day, ten-hour workweek | YouGov](#)
3. [BYU study reveals results of city's four-day work week - BYU News](#)
4. [4-Day Workweek Boosted Workers' Productivity By 40%, Microsoft Japan Says : NPR](#)
5. [BYU study reveals results of city's four-day work week - BYU News](#)
6. [Pros and Cons of a Compressed Work Schedule \(businessnewsdaily.com\)](#)
7. [14 Pros and Cons of the 4 Day Work Week – Vittana.org](#)

RESOLUTION NO. 1420

**A RESOLUTION ADOPTING REVISIONS TO
THE DISTRICT'S PERSONNEL POLICY**

WHEREAS, the Board of Commissioners of Public Utility District No. 2 of Pacific County, Washington recognize the need to update sections of the Personnel Policy; and

WHEREAS, the Washington State Paid Family and Medical Leave Insurance program, Chapter 50A.04 RCW passed into law on January 1, 2019; and

WHEREAS, the District elected at the December 18, 2018 Board of Commissioners meeting to provide a Voluntary Employee Medical Leave Plan and to participate in the Washington State Paid Family Leave Plan only; and

WHEREAS, the District entered into a Letter of Agreement with IBEW Local 77 to convert to a four ten-hour work week with a one-year trial period ending July 15, 2019; and

WHEREAS, Public Utility District No. 2 desires to update the personnel policy to reflect the compensation and employee benefit changes due to the conversion to a four ten-hour week; and

WHEREAS, Public Utility District No. 2 also desires to create an Employee Relationship (Limited Fraternization) policy to be included into Section 5 – Employment Policies of the District's Personnel Policy; and

WHEREAS, it is the opinion of the Board of Commissioners of Public Utility District No. 2 of Pacific County, Washington, that in the best interests of the District, the existing Personnel Policy shall be updated and revised.

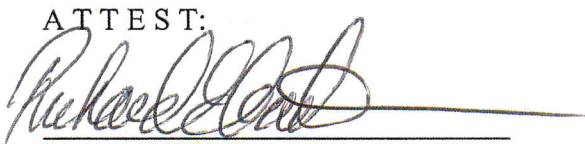
NOW THEREFORE BE IT HEREBY RESOLVED that the attached revisions to the District's Personnel Policy be adopted by the District, effective as of the ratification of this Resolution.

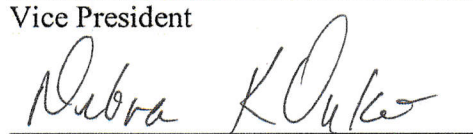
BE IT FURTHER RESOLVED that all previous resolutions or parts of resolutions in conflict herewith be and the same are hereby repealed.

APPROVED AND ADOPTED by the Board of Commissioners of Public Utility District No. 2 of Pacific County, Washington this 20th day of August, 2019.


President

ATTEST:


Vice President


Secretary



AGENDA REPORT

DATE: April 18,2023
TO: Board of Commissioners
FROM: Kevin Streett
RE: Flags and Banners on Light Poles

BACKGROUND: This request came from the public to ask the PUD to hang American Flags on decorative light poles 5 times a year.

ANALYSIS/FINDINGS: The PUD would have to rescind a prior Resolution from 2015, and then approve a new Resolution and give permission for this to happen. We will have to add new policies and procedures to for future requests.

FISCAL IMPACT: There would be minimal administrative costs per request.

RECOMMENDATION: The PUD needs to follow legal counsel's recommendations on this issue.



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

RESOLUTION NO. 2015 – 018

A RESOLUTION of the Board of Commissioners to prohibit signs, banners, and other non-utility messages from PUD#1 of Jefferson County property.

WHEREAS, PUD#1 of Jefferson County (JPUD) is a Municipal Corporation organized under RCW 54 that owns property throughout Jefferson County including but not limited to poles, buildings, fences, vehicles, and real property necessary to provide utility services to its ratepayers; and

WHEREAS, JPUD has a policy known as “Non-Utility Attachments on Jefferson County PUD Poles” that establishes criteria for members of the public requesting to attach signs, banners, and similar items to JPUD power and light poles; and

WHEREAS, recently the United States Supreme Court in the decision of Reed versus Town of Gilbert, 135 S. Ct. 2218 (June 18, 2015) held that a “strict scrutiny” test applies to any content-based sign regulation established by a public entity, making regulation of content in all but rare situations unconstitutional; and

WHEREAS, it is expected that at some yet undetermined time that further guidance from the United States Supreme Court, lower courts, and municipal attorneys associations will be available; and

WHEREAS, the Board of Commissioners, upon advice of General Counsel, wishes to protect the utility and its ratepayers from potential liability arising out of the aforementioned Reed versus Town of Gilbert decision.

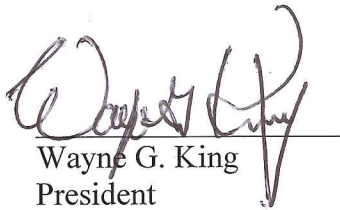
NOW, THEREFORE, BE IT RESOLVED THAT, the Board of Commissioners of Public Utility District No. 1 of Jefferson County, Washington does hereby prohibit the hanging, placement, attachment, and any other affixation of signs, banners, and other methods of conveyance of non-utility messages on all JPUD property, whether by letters, words, pictures, sounds, or symbols, or a combination thereof, effective January 15, 2016.

BE IT FURTHER RESOLVED THAT, the aforementioned JPUD policy for non-utility pole attachments is suspended and no pole attachments will be permitted under said policy consistent with this Resolution.

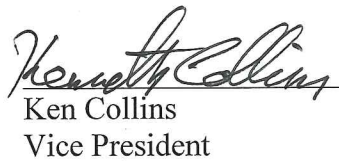
BE IT FURTHER RESOLVED THAT, said prohibition will remain until the Board of Commissioners, upon advice of General Counsel, determine that JPUD and its ratepayers are no longer subject to an unreasonable risk of liability.

BE IT FURTHER RESOLVED THAT this resolution does not prohibit JPUD from conveyance of any messages by any method including signs, attachments, or otherwise, either directly by JPUD or through its agents, partners, contractors, and others acting on JPUD's behalf and with its permission, necessary for operational, safety, convenience, and other utility-related or government functions.

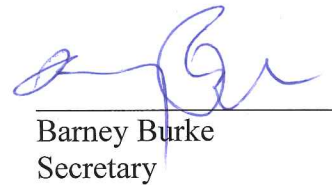
ADOPTED by the Commission of Public Utility District No. 1 of Jefferson County, Washington, at a regular open meeting held this 3rd day of November 2015.



Wayne G. King
President



Ken Collins
Vice President



Barney Burke
Secretary

Board of Commissioners:
Jeff Randall, District 1
Kenneth Collins, District 2
Dan Toepper, District 3
Kevin Streett, General Manager



AGENDA REPORT

DATE: April 18, 2023
TO: Board of Commissioners
FROM: Will O'Donnell
RE: Material for Feeder, Distribution and Drop Broadband Construction

BACKGROUND: The materials to be purchased on this bid (Network Interface Devices (NIDs), Pedestals, Splice Cases, and Splitter Cabinets for Broadband) are used in construction of the mainline feeder and distribution broadband network, the enclosures are used mid-line or end-of-line where different lines intersect.

ACTION NEEDED: These materials are necessary to begin construction of mainline fiber in the grant area.

FISCAL IMPACT: Engineer's estimate is \$716,977.90.

RECOMMENDATION: Approve a motion to authorize the General Manager to solicit formal bids for the purchase of material for feeder, distribution and drop broadband construction.

ATTACHMENTS: ITB, SECTION I-NOTICE AND INSTRUCTIONS TO BIDDERS, SECTION II-PROPOSAL, SECTION III-TECHNICAL SPECIFICATIONS AND SECTION IV-SAMPLE CONTRACT.



**INVITATION TO BID
Bid Number 23BB0802**

BIDS FOR:

For Publication on April 26th and May 3rd, 2023

Jefferson County Public Utility District No. 1

MATERIAL FOR FEEDER, DISTRIBUTION AND DROP BROADBAND CONSTRUCTION

Sealed bids will be received by JEFFERSON COUNTY PUBLIC UTILITY DISTRICT NO. 1, on or before **2:30 p.m. Wednesday, May 17, 2023**. If mailed, to its office at 310 Four Corners Road, Port Townsend, WA 98368, Attn: Karen Abbott, Broadband Administrative Assistant. If hand delivered, to its office at 191 Otto Street, Port Townsend, Washington, 98368, Attn: Karen Abbott, Broadband Admin Assistant. The proposals will be publicly opened and read at 3:00 p.m. at its office at 191 Otto Street, Port Townsend, WA 98368 for furnishing the following:

Network Interface Devices (NIDs), Pedestals, Splice Cases, and Splitter Cabinets for Broadband. Equivalent materials will be considered based on lead time, cost, and technical specification. Equivalent units shall be submitted with a cut sheet for evaluation.

Prospective Bidders are hereby notified that they are solely responsible for ensuring timely delivery of their bid to the District on or before the bid submission date and time indicated.

Jefferson County PUD No. 1 is an RUS borrower, an Equal Opportunity and Affirmative Action Employer.

Each bid must be accompanied by a Bid Bond, Certified Check, or Cashier's Check executed by a State licensed surety company made payable to Jefferson County Public Utility District No. 1 in an amount equal to five percent (5%) of the Bid.

All bid documents may be obtained from the District office at 191 Otto Street, Port Townsend, WA 98368, or via the District's website at <https://www.jeffpud.org/projects-studies/>. Please direct any questions related to this bid to Karen Abbott, Broadband Administrative Assistant at 360-379-5824 or via email at kabbott@jeffpud.org.

The District reserves the right to reject any or all bids, or any portion of any bid or to waive any formality or technicality in any bid in the interest of the District. Preference consideration may be given to domestic manufacturers.

This project is partially funded by federal award number 53-08-12209 (BIP NTIA) awarded to Washington State Broadband Office by the U.S. Department of the Commerce.

Small, Minority and Woman-owned firms are encouraged to submit bids.

Only Bidders with an active SAM.gov registration will be considered for award.

PUBLIC UTILITY DISTRICT NO. 1
OF JEFFERSON COUNTY

Dan Toepper, Secretary

Date: _____, 2023



**SECTION I
NOTICE AND INSTRUCTIONS TO BIDDERS
BID NUMBER 23BB0802**

1. CALL FOR BIDS

Sealed bids will be received by JEFFERSON COUNTY PUBLIC UTILITY DISTRICT NO. 1, on or before **2:30 p.m. Wednesday, May 17, 2023**. If mailed, to its office at 310 Four Corners Road, Port Townsend, WA 98368, Attn: Karen Abbott, Broadband Administrative Assistant. If hand delivered, to its office at 191 Otto Street, Port Townsend, Washington, 98368, Attn: Karen Abbott, Broadband Admin Assistant. The proposals will be publicly opened and read at 3:00 p.m. at its office at 191 Otto Street, Port Townsend, WA 98368.

Jefferson County PUD No. 1 is an RUS borrower and an equal opportunity provider and employer.

2. SCOPE OF WORK

The Material to be purchased consists of:

Network Interface Devices (NIDs), Pedestals, Splice Cases, and Splitter Cabinets for Broadband. Equivalent materials will be considered based on lead time, cost, and technical specification. Equivalent units shall be submitted with a technical cut sheet for evaluation.

3. AVAILABILITY OF CONTRACT DOCUMENTS

Contract documents are on file and written copies available in the District's main office, 310 Four Corners Road, Port Townsend, Washington. Electronic copies are available for download on the District's website at jeffpud.org/projects-studies/.

4. SUBMISSION OF PROPOSAL

Proposals must be delivered in a sealed envelope addressed to the District, plainly marked on the outside of each bid envelope "SEALED BID." If mailed, they should be sent to 310 Four Corners Road, Port Townsend, Washington 98368, Attn: Karen Abbott, Administrative Assistant. If hand delivered, to 191 Otto Street, Port Townsend, WA 98368, Attn: Karen Abbott, Broadband Administrative Assistant. The name and address of the Bidder and the date and hour of the opening of bids must appear on the envelope in which the Proposal is submitted. Proposals must be completed in ink or typewritten. No alterations or interlineations will be permitted, unless made before submission and initialed and dated.

Only Bidders with an active SAM.gov registration with no active exclusions will be considered for award.

5. BID SECURITY

Each proposal shall be accompanied by a Certified Check or Cashier's Check payable to the order of the District for a sum not less than (5%) five percent of the amount of the bid, or accompanied by a Bid Bond in an amount not less than (5%) five percent of the total bid with a Corporate Surety licensed to do business in the State of Washington, conditioned that the Bidder will pay to the District as liquidated damages the total amount specified in the Bond unless entering into a contract in accordance with the bid and furnishing a Performance Bond for not less than (100%)

One Hundred percent of the contract price within (10) ten calendar days of being notified as being the successful Bidder, as required by Section 54.04.080 R.W.C.

If a proposal is not accepted, the Certified Check, Cashier's Check, or Bid Bond will be returned within (30) thirty calendar days after bid opening to the Bidder furnishing same, except that of the successful Bidder shall be retained until a contract is entered into and a Performance Bond furnished as mentioned above.

If the successful Bidder fails to enter into a contract and furnish the Bond within (10) ten calendar days of the date of being notified as being the successful Bidder, the check or Bid Bond and the amount thereof shall be forfeited to the District. No Bidder shall be permitted to withdraw a bid within a period of (30) thirty calendar days after the actual date on which the bids were opened.

6. BID EVALUATION

The District will evaluate bids received for responsiveness and will evaluate the responsibility of the Bidder along with the pricing provided on the Bid Form. Bid award is subject to Commission approval.

Each individual item will be evaluated and awarded as a separate quote. Different items may be awarded to different bidders based upon the lowest evaluated cost or other pre-established criteria, unless noted "All or none".

Other items which will be considered in the bid evaluation are:

- A preference for goods, products, materials or equipment produced and/or manufactured in the United States may be given
- The Bidder's past performance(s) in providing broadband equipment and meeting quoted deliveries
- The Bidder's past ability and willingness to solve problems that have arisen in a satisfactory and complete manner
- Warranties
- Manufacturer's cancellation policy
- Technical specifications

Bids will be reviewed based on price, completeness and contributed design details that illustrate the Bidder's understanding of the requested scope of work or that enhance performance/aesthetics of the proposed work as well as warranties and manufacturer's cancellation policy.

Bids which contain or are conditioned upon different terms provided by the Bidder shall be rejected as non-responsive. Any bid which attempts to disclaim liability for the Bidder's negligence or disclaim liability for damage, which arises from Bidder's acts to person or property, shall be deemed non-responsive.

The District reserves the right to reject any and all alternative offers or bids, without further explanation, and to accept an alternative or bid which will, in their sole and absolute judgment, under all circumstance best serve the interest of the District.

7. EXECUTION OF CONTRACT

The Contract, when executed, shall be deemed to include the entire agreement, or any portion thereof, between the parties thereto, and the Contractor shall not claim any modification thereof resulting from any representation or promise made at any time by any officer, agent, or employee of the District or by any other person.

8. PROPOSAL IRREGULARITIES OR ERRORS

The District reserves the right to waive minor irregularities or minor errors in any Proposal if it appears to the District that such irregularities or errors were made through inadvertence. Any such irregularities or errors so waived must be corrected on the Proposal in which they may occur prior to the execution of any contract that may be awarded

thereon.

9. EQUIVALENT MATERIALS

Proposals for equivalent materials may be considered by the District if detailed information furnished by the Bidder shows that such materials substantially comply with the specifications herein.

10. SUBMITTAL DATA

Complete material data and specifications shall be furnished with all bids. The winning Bidder will be required to submit an electronic version upon notice of award as well.

11. EMPLOYER'S IDENTIFICATION NUMBER

In carrying out the requirements of Presidential Executive Order 10936, the Bidder must furnish with the Bid, the firm's Employer's Identification Number. This is the number which is used by companies when filing their "Employer's Quarterly Federal Tax Return," U.S. Treasury Department Form 941.

12. DELIVERY DATE

The delivery date shall be as soon as possible (as indicated by the Bidder in the Proposal). Delivery date may be used as a factor in deciding the award of the Contract.

13. CONTRACT NUMBER

At the time of the execution of the Contract, a Contract number will be assigned by the District to identify the Contract. All shipments and documents relative to this Contract should be plainly marked with this number for identification purposes.

14. PUBLIC RECORDS ACT

The District is subject to the disclosure obligations of the Washington Public Records Act of RCW 42.56. The Bidder expressly acknowledges and agrees that its Bid and any information Bidder submits with its Bid is subject to public disclosure pursuant to the Public Records Act or other applicable law and the District may disclose Bidder's proposal and/or accompanying information at its sole discretion in accordance with its obligations under applicable law.

PUBLIC UTILITY DISTRICT NO. 1
OF JEFFERSON COUNTY

By:  DocuSigned by:
DD02775FB8DD420...
Kevin Streett
General Manager

 DocuSigned by:
AF810D7AC23F40D...
Will O'Donnell
Broadband Director

Dated: 4/13/2023

Dated: 4/12/2023



**SECTION II
PROPOSAL
BID NUMBER 23BB0802**

To: Public Utility District No. 1 of Jefferson County
310 Four Corners Road
Port Townsend, WA 98368
(hereinafter called the "District")

From: _____
Name of Bidder

The undersigned (hereinafter called the "Vendor") hereby proposes to sell and deliver to the District, upon the terms and conditions stated in the contract documents of which this Proposal is a part: **Network Interface Devices, Pedestals, Splice Cases and Splitter Cabinets** (hereinafter called the "Material") specified herein.

1. The price of Material set forth herein shall include the cost of delivery to the District's warehouse located at 310 Four Corners Road, Port Townsend, WA 98368.
2. Delivery: Estimated delivery date may be considered in awarding the bid.
3. Material: Proposed price and delivery:

Item	Part No.	Unit Cost	Qty	Lead Time	Comments
NID					
Pedestal					
Splice Case					

Item	Part No.	Unit Cost	Qty	Lead Time	Comments
Splice Case					
Splice Case					
Splitter Cabinet					

Network Interface Devices, Pedestals, Splice Cases and Splitter Cabinets

CONTRACT TOTAL COST: \$ _____
(Do not include Washington State Sales Tax.)

Delivery Date of Material: _____

4. All Bidders will be notified of any changes in the contract documents by way of Addendum. Receipt of the addendums must be acknowledged in this bid proposal.

I/We acknowledge receipt of the following Addenda:

<u>Addenda No.</u>	<u>Date Received</u>
_____	_____
_____	_____
_____	_____
_____	_____

Alternate Bid Provisions and Specifications: (Complete descriptive literature must accompany all alternate bids.)

VENDOR INFORMATION:

Employer's Identification Number (the number used by companies when filing their Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941):	
SAM.gov Unique Entity Identification Number	

Mailing Address:	
Street Address:	
Telephone Number:	
FAX Number:	
E-Mail Address:	

Attached hereto is a Certified Check, Cashier's Check, or Bid Bond in the amount of

_____ Dollars (\$_____)
drawn in favor of Public Utility District No. 1 of Jefferson County, this amount
being not less than five percent (5%) of the total bid.

Bidder: _____

By: _____

Title: _____

Date: _____

Jefferson County PUD

2023

Broadband Feeder, Distribution, and Drop Material Bid

Revision 0

SECTION III TECHNICAL SPECIFICATIONS BID NUMBER 23BB0802

Rev	Description	Date	Init.	App.
0	Drafted	4/7/2023	EAP	

Broadband Feeder, Distribution, and Drop Material Bid

Jefferson County PUD

Table of Contents

1.	General Scope	2
2.	Applicable Codes and Standards.....	Error! Bookmark not defined.
3.	Information to be Submitted with Bid	2
4.	Technical Specifications.....	2
5.	Testing	3
6.	Marking and Identification.....	3
7.	Packaging.....	3
8.	Shipping.....	4
9.	Delivery	4

1. General Scope

1.1. This specification covers a variety of boxes, cases, cabinets, and pedestals for use in a Broadband fiber optic Passive Optical Network (PON).

2. Information to be Submitted with Bid

2.1. The Bidder shall supply the following documents for each line-item bid:

- Instruction/Installation Manual
- Cut Sheets

2.2. The Bidder shall submit a description of any exceptions to the specifications that the Bidder proposes, together with reasons for the exception.

2.3. Product evaluation and conformance to specifications shall be determined strictly based on the information submitted. The data furnished must be of sufficient detail and clarity to enable a complete and positive check with the technical provisions of the specification.

3. Technical Specifications

3.1. Network Interface Device (NID), Qty: 1000

3.1.1. NIDs shall be Clearfield #TAP-BBD-1Z-ZZZ or Precision Group #PF-CFLEXNID-2000.

3.1.2. NIDS shall be small form factor and interface a spliced drop fiber to an indoor patch cable.

3.2. Pedestal, Qty: 500

3.2.1. Pedestals shall be Charles Industries #BDO304-EGT.

3.2.2. Pedestals shall be fiberglass or mild steel.

3.3. Splice Case, Qty: 200, 200, 300

3.3.1. Splice cases shall be Commscope #FOSC-450A4-NT-0-A1V, #FOSC-450-C6-NT-0-C6V, and #FOSC-450-D6-NT-0-D6V.

3.3.2. Splice trays shall be Commscope #FOSC-ACC-A-TRAY-24-KIT, #FOSC-ACC-C-TRAY-24-KIT, and #FOSC-ACC-D-TRAY-96-S60.

3.3.3. Splice cases shall be sized for 72, 144, and 576 splice capacity.

3.4. Splitter Cabinet, Qty: 13

Clearfield Cabinet	Qty	Vault	Splitter Qty	Pass-Through Block Qty	Patch & Splice Cassette Qty	Patchcord Qty
R-DB2-204-C1F-0000-Mxxx	1	V7B-CZP	3	1	17	
R-DB2-218-C1F-0000-Mxxx	1	V7B-CZP	5	1	18	
R-DB4-218-C1F-0000-Mxxx	1	V7B-CZP	6	1	18	
R-FB2-300-C1F-0000-Mxxx	1	V7B-CZP	6	1	25	
R-FB2-336-C1F-0000-Mxxx	2	V7B-CZP	7,5	2	28	
R-FB2-384-C1F-0000-Mxxx	2	V7B-CZP	7,4	2	32	
R-GB2-300-C1F-0000-Mxxxx	1	V7B-HZP	7	1	25	
R-GB2-384-C1F-0000-Mxxxx	1	V7B-HZP	5	1	32	
R-GB2-432-C1F-0000-Mxxxx	2	V7B-HZP	6,7	2	36	
R-GB8-336-C1F-0000-Mxxxx	1	V7B-HZP	6	1	28	
Total	13		74	13	259	56

3.4.1. Splitter: Clearfield #KC11-C-AA, Pass-Through panel Clearfield #009692/016741, Blue Cassette Clearfield #EPZ-012-C1F-SUB, and Patchcord Clearfield #PAA-001-CYB-CYB-002F.

4. Testing

4.1. No testing or test reports are required for this specification.

5. Marking and Identification

5.1. NID

5.1.1. Include cost adder for Jefferson PUD logo on case

5.2. Pedestal

5.2.1. Indicate accessories or included brackets for displaying utility-assigned pedestal numbers

5.3. Splice Case

5.3.1. N/A

5.4. Splitter Cabinet

5.4.1. Indicate accessories or included provisions for displaying utility-assigned cabinet numbers on cabinet exterior.

6. Packaging

There are no specific packaging instructions with this material bid specification.

7. Shipping

- 7.1. All shipments shall be FOB Jefferson County PUD, 310 Four Corners Rd, Port Townsend, WA 98368.
- 7.2. The title to the material furnished shall pass to the purchaser at the destination point.
- 7.3. On the same date that any shipment to the purchaser is originated, an electronic notice, including the following, shall be forwarded to the purchaser:
 - Packing List
 - Bill of Landing
 - Partial packing list per shipment

8. Delivery

- 8.1. Any change in the delivery date shall be reported immediately by telephone, followed by a written confirmation and explanation thereof. The delivery date shall be extended for the period of any reasonable delay due exclusively to causes beyond the control and without the fault of the Seller.
- 8.2. The Jefferson County PUD warehouse shall be notified 48 hours prior to their scheduled arrival at the destination point.
- 8.3. Warehouse receiving hours are Monday through Friday 8:30am to 2:00pm.
- 8.4. Failure to deliver prior to 1:00pm on a Friday will not guarantee unloading until the following Monday. Layover costs will be paid by the supplier.



**SECTION IV
CONTRACT
BID NUMBER 23BB0802**

THIS AGREEMENT is made and entered into between **JEFFERSON COUNTY PUBLIC UTILITY DISTRICT NO. 1** (hereinafter called the "District") and _____ (hereinafter called the "Vendor").

WITNESSETH: That the District and the Vendor, in consideration of the payments hereinafter mentioned, agree as follows:

**ARTICLE I
CONTRACT DOCUMENTS**

The complete Contract includes the Invitation for Bids, Notice and Instructions to Bidders, the Proposal, Specifications for Material, Contract, and all modifications incorporated in these Documents before their execution. The foregoing documents shall hereinafter be called "Contract Documents." All obligations of the District and the Vendor are fully set forth and described herein.

In the event of a discrepancy between any of the Contract Documents, as above defined, at the request of the Vendor, the District shall give a written interpretation thereof, which interpretation shall govern.

**ARTICLE II
CONTRACT COST**

The Vendor agrees to sell and deliver to the District, at the delivery point specified in this Contract, and the District agrees to purchase from the Vendor, the following Material in accordance with the Contract Documents and the provisions of the Vendor's Proposal attached hereto and made a part hereof:

(MATERIAL DESCRIPTION HERE)

\$ _____

Note: Washington State Sales Tax is not included in the contract price; however, appropriate taxes will be applicable on purchase.

Alternate Bid Provisions and Specifications:

(INSERT ALTERNATE PROVISIONS/SPECS HERE OR DELETE PARAGRAPH)

ARTICLE III
SHIPMENT AND DELIVERY

The Vendor shall deliver the Equipment F.O.B. to the District's material yard at 310 Four Corners Road, Port Townsend, Washington 98368. The Vendor shall bear the risk of any loss, deterioration, or damage until the Equipment is delivered and accepted by the District as herein required.

On the same day that any shipment to the District is originated, a transmission, including the following, shall be forwarded to the District:

1. Packing List (each shipment must include a packing list)
2. Bill of Lading

The date of shipment shall be defined as the date the bill of lading is signed by the carrier. The District shall, upon receipt of such Materials, make final payment therefore to the Vendor not later than ninety (90) days after delivery and acceptance of all the Materials.

Any change in delivery date shall be reported immediately by telephone, followed by a written confirmation and explanation thereof. The delivery date shall be extended for the period of any reasonable delay due exclusively to causes beyond the control and without the fault of the Seller.

The District shall be notified as to the whereabouts of the material 48 hours prior to the scheduled arrival at the destination point.

Warehouse receiving hours are Monday through Friday 8:30 a.m. to 2:00 p.m. Failure to deliver prior to 1:00 p.m. may not guarantee unloading until the next day. Failure to deliver prior to 1:00 p.m. on a Friday will not guarantee unloading until the following Monday. Layover costs will be paid by the Vendor.

ARTICLE IV
PAYMENT AND INVOICING

Upon the shipment of any equipment hereunder, the Vendor shall submit a detailed invoice, in duplicate, of the equipment shipped. Within 30 days after delivery of the equipment, the District shall make payment therefore to the Vendor.

Invoices shall be submitted to:

Jefferson County PUD
Attn: Accounts Payable
310 Four Corners Road
Port Townsend, WA 98368

ARTICLE V
REJECTION OF MATERIALS

The Materials furnished hereunder shall become the property of the District when delivered at the point to which shipment is to be made; provided, however, that the District may reject any such Materials as do not comply with the Specifications for Materials and Warranties of the Contractor and Manufacturers either before or after incorporation of such Materials into the Project. Upon any such rejection, the Contractor shall

replace the rejected Materials with Materials complying with the Specifications for Materials and Warranties, f.o.b. at the destination stated in Contractor's proposal for the item(s). No payment shall be made for such rejected Materials until they have been replaced to the satisfaction of the District's Engineer by the Contractor.

ARTICLE VI
DEFECTS ARISING IN ONE YEAR AND REMEDIES

The Vendor shall be responsible for correcting all defects in workmanship and material within one (1) year after acceptance of this work. When corrections of defects are made, Vendor shall be responsible for correcting all defects in workmanship and/or materials in the corrected work for one (1) year after acceptance of the corrections by the District. The Vendor shall start work to remedy such defects within seven (7) days of mailing notice of discrepancy thereof by District and shall complete such work within a reasonable time. In emergencies where damage may result from delay or where loss of service may result, such corrections may be made by the District, in which case the cost shall be borne by the Vendor. In the event the Vendor does not accomplish corrections at the time specified, the work will be otherwise accomplished, and the cost of same shall be paid by the Vendor.

The Vendor shall be responsible for any expenses incurred by the District resulting from defects in the Vendor's work, including actual damages; cost of materials and labor expended by District in making emergency repairs; and cost of engineering, inspection, and supervision by District.

ARTICLE VII
MANUFACTURERS GUARANTEES

All manufacturers' guarantees of Materials shall be transferred and assigned to the District upon delivery of any Materials and before payment is made for such Materials. Such guarantees shall be in addition to those required of the Vendor by other provisions of this Contract.

ARTICLE VIII
INDEMNITY

The Vendor shall hold harmless and indemnify the District from any and all claims, suits, and proceedings for infringement of any patent or patents covering Materials purchased hereunder.

ARTICLE IX
WAIVER OF DEFAULT

No term or provision of this contract shall be deemed waived and no breach excused unless such waiver or consent is in writing and signed by the party claimed to have provided such waiver or consent. No waiver by either party of any right, failure to perform, or of any breach by the other party hereunder shall constitute a waiver of any other right hereunder or of any other breach or failure by such other party, whether of a similar nature or otherwise.

ARTICLE X
DISPUTE RESOLUTION

This contract and the performance thereof shall be governed, interpreted, construed and regulated according to the provisions of the Uniform Commercial Code as they are in effect in the laws of the State of Washington as of the date of this contract. The venue for any legal action arising from this contract shall be in the Superior

Court of Jefferson County. If any claim, at law or otherwise, is made by either party to this contract, the prevailing party shall be entitled to its costs and reasonable attorney fees incurred thereby.

ARTICLE XI
GENERAL

This contract represents the entire agreement between the parties hereto and a final expression of their agreement, and supersedes all prior agreements, representations, understandings or negotiations with respect to the matters covered by this contract. If any term, provision, condition or covenant of this contract is held to be invalid, void, or unenforceable, the rest of the contract shall remain in full force and effect and shall in no way be affected, impaired, or invalidated. Neither this contract nor any rights or obligations hereunder shall be assigned or otherwise transferred by the Vendor without the prior written consent of the District.

ARTICLE XII
TERMINATION OF CONTRACT

In the event that any of the provisions of this Contract are violated by the Vendor or by any of the Vendor's subcontractors, the District may serve written notice of intention to terminate such Contract upon the Vendor, which notice shall specify the reasons, therefore. Unless within ten (10) days after serving such notice upon the Vendor such violation shall cease and an arrangement for the correction thereof satisfactory to the District be made, the Contract shall, upon the expiration of the said ten (10) days, cease and terminate. In the event of any such termination, the District may purchase the Materials necessary for complete performance of this Contract for the account and at the expense of the Vendor, and the Vendor shall be liable to the District for any excess cost occasioned thereby.

Vendor

By _____

Title _____

Dated _____

PUBLIC UTILITY DISTRICT NO. 1
OF JEFFERSON COUNTY

By _____
Kevin Streett, General Manager

Dated _____