

Special Meeting Agenda

PUD Board of Commissioners

Tuesday, April 25, 2023 10:00 AM

310 Four Corners Rd.

Port Townsend, WA 98368

and online via Zoom.



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. Executive Session

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.

4. Manager's Report

5. Minutes from 4-18-2023

3 - 8

[PUD BOC Regular Meeting Minutes 4-18-23 Draft.pdf](#) 

Recommended Action: Approve a motion to accept the minutes of the April 18, 2023 Regular Meeting as presented.

6. Presentations

6.1 Financial Update

9 - 25

[Board Presentation 4.19.2023.pdf](#) 

6.2 Broadband Updates

7. Outdoor Network Enclosures Bid Response

26

[AGENDA REPORT No Bids.pdf](#) 

Recommended Action: Approve a motion to authorize the General Manager to solicit 3 to 5 quotes for an Outdoor Network Enclosure from the open market.

8. Adjourn



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

**April 18, 2023
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, Financial Services Director
Jean Hall, Customer Service Director
Melanie Des Marias, HR Director
Jimmy Scarborough, Electrical Engineering Manager
Melissa Blair, Finance Manager
Scott Bancroft, Operations Director
Jameson Hawn, Digital Comm. Specialist
Don McDaniel, Consultant
Nancy Neraas, Principal, Foster Garvey PC
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 April 18, 2023, to order at 3:01 p.m. Roll call was taken and all three commissioners were present. It was determined there was a quorum. Commissioner Kenneth Collins read the instructions on how to attend the virtual on-line meetings as well as in-person meetings.

2. **AGENDA REVIEW.**

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

3. **REVIEW OF RUS REQUIREMENTS FUNDING DISCUSSION.**

Nancy Neraas, Principal, Foster Garvey P.C., bond counsel, gave a report. There was considerable discussion.

Public Comment:

- What is the interest rate on the loan? How is it derived? How does the PUD qualify for it?

4. **EXECUTIVE SESSIONS.**

FIRST EXECUTIVE SESSION, RCW 42.30.110(1)(a)(i) to discuss with legal counsel potential litigation to which the PUD is likely to become a party. Ten minutes were requested. The Executive Session convened at 3:40 p.m. The Executive Session ended at 3:50 p.m. No action was taken.

The regular meeting of the Jefferson County Public Utility District No. 1 Board of Commissioners reconvened at 3:51 p.m.

SECOND EXECUTIVE SESSION, RCW 42.30.110(1)(a)(i) to discuss with legal counsel potential litigation to which the PUD is likely to become a party. Ten minutes were requested.

The Executive Session convened at 3:52 p.m. The Executive Session ended at 4:04 p.m. No action was taken.

The regular meeting of the Jefferson County Public Utility District No. 1 Board of Commissioners reconvened at 4:04 p.m.

5. **MANAGER AND STAFF REPORTS.** General Manager Kevin Streett gave a report. Commissioner Dan Toepper was appointed as an alternate member of Energy NW Board of Directors.

- 5.1 **Financial.** Finance Director Mike Bailey gave reports for February and March.
- 5.2 **Grant Information.** Communications Director Will O'Donnell gave a grant update.
- 5.3 **Reserves.** Finance Director Mike Bailey gave a report.
- 5.4 **Priorities Review.** General Manager Kevin Streett gave a brief report.

Commissioner Kenneth Collins changed the order of the items in the Agenda at this point.

7. **PUBLIC COMMENT. (out of sequence).**

- On the Pole Attachment Policy – keep it simple. Don't make exceptions. Leave as is.
- Disappointed in not being able to attend 10-year anniversary. There were 150 people in attendance.

Page 2 of 6

Jefferson County PUD
Board of Commissioners
Regular Board Meeting 3:00 p.m.
April 18, 2023
Draft Minutes

- Appreciation was given to Jean Hall, Kevin Streett and commissioners for raising low-income level in Jefferson County. This step will help many people in our community.

6. COMMISSIONERS' REPORTS.

Commissioner Dan Toepper.

- 4/5 Attended PPC members' forum. Report.
- 4/6 Attended PPC Executive Board meeting. Report.
- 4/10 Met with General Manager Kevin Streett.
- 4/11 Attended 10th anniversary celebration of PUD.
- 4/12 Attended monthly NoaNet meeting. Report.
- 4/13 Attended WPUDA meetings. Report.
- 4/14 Attended WPUDA Board of Directors' meeting. Report.
- 4/19 Will attend PUD contractors' lunch.
- 4/24 Will meet with General Manager Kevin Streett.
- 4/25 Will attend PUD BOC Special meeting.
- 4/27 Will attend WPAG meeting.
- 5/10 and
- 5/11 Will attend WPUDA Telecom workshop in Spokane
- 5/14 to
- 5/18 Will attend NWPPA annual meeting in Anchorage.

Commissioner Jeff Randall.

- 4/11 Met with General Counsel Joel Paisner.
- 4/11 Attended 10th anniversary celebration of PUD.
- 4/12 Listened in on NoaNet and Climate Action Group meetings Report.
- 4/13 Listened in on the WPUDA Energy Committee meeting. Report.
- 4/14 Met with PUD Digital Communications Specialist Jamison Hawn.
- 4/14 Telephone meeting with General Manager Kevin Streett.
- 4/16 thru
- 4/19 Travelled to Washington D.C. for legislative conference. Report.
- 4/20 Scheduled to have a telephone conference with Executive Director of Pacific Northwest Utilities Conference Committee.
- 4/25 Will attend PUD BOC Special meeting.
- 4/26 and
- 4/27 Will attend Energy NW Board meetings in Tri Cities.

Commissioner Kenneth Collins

- 4/6 Met with General Manager Kevin Streett.

Page 3 of 6

Jefferson County PUD
Board of Commissioners
Regular Board Meeting 3:00 p.m.
April 18, 2023
Draft Minutes

- 4/6 Interviewed by the consultant working for Jefferson County reviewing and revising the Strategic Plan for the county.
- 4/7 Attended JBAT meeting.
- 4/11 Attended 10th anniversary celebration of PUD.
- 4/12 thru
- 4/14 Attended WPUDA meetings.
- 4/14 Met with General Manager Kevin Streett.
- 4/14 Attended PURMS Executive Committee meeting. Report.
- 4/21 Will attend JBAT meeting.
- 4/24 Will meet with General Manager Kevin Streett.
- 4/25 Will attend PUD BOC Special meeting.

8. CONSENT AGENDA.

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

- 8.1 Prior Minutes.**
PUD BOC Regular Meeting Minutes 12-13-2022.
PUD BOC Special Meeting Minutes 12-20-2022.
- 8.2 Vouchers**
Voucher Approval Form for the Commissioners to be signed.
Voucher Certification with Supporting Warrant Register and Payroll.
- 8.3 Financial Report.**
Agenda Report-Written Off Accounts 4-18-2023.
Written Off Accounts Motion 4-18-2023.

PAYMENTS TO BE APPROVED

WARRANTS	AMOUNT	DATE
Accounts Payable: #131246 to #131289	\$ 1,224,563.33	03/30/2023
Accounts Payable: #131290 to #131337	\$ 312,312.67	04/06/2023
Payroll Checks: # 71067 to # 71068	\$ 5,611.06	03/31/2023
Payroll Direct Deposit:	\$ 168,044.07	03/31/2023
TOTAL INVOICES PAID:	\$1,710,531.13	
WIRE TRANSFERS PAID	AMOUNT	DATE
USDA – RUS Loan payment for Q1 2023	\$1,519,779.94	03/30/2023
Peterson Lake – loan payment for April 2023	\$ 14,328.62	04/03/2023
BPA – purchase power for February 2023	\$1,709,130.00	04/10/2023
<hr/> GRAND TOTAL	<hr/> \$4,953,769.69	

Jefferson County PUD
Board of Commissioners
Regular Board Meeting 3:00 p.m.
April 18, 2023
Draft Minutes

8.4 Calendar.
PUD Calendar April 18, 2023.

8.5 Correspondence Log.
None this meeting.

END OF CONSENT AGENDA

9. OLD BUSINESS.

9.1 RUS loan documents. General Manager Kevin Streett gave a report. There was considerable discussion on this agenda item that took place earlier in this meeting.

MOTION: Commissioner Kenneth Collins made a motion to adopt 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. Commissioner Jeff Randall seconded the motion. Motion carried with majority vote. Commissioner Kenneth Collins yes. Commissioner Jeff Randall yes. Commissioner Dan Toepper abstained.

Public Comment: None.

9.2 Vegetation Policy Revisions. Operations Director Scott Bancroft gave a report. There were no substantive changes to the policy since the last review.

MOTION: Commissioner Dan Toepper made a motion that the Jefferson County Public Utility District No. 1 Board of Commissioners approve the revised Trim Tree Policy. Commissioner Jeff Randall seconded the motion. Motion carried unanimously.

10. NEW BUSINESS.

10.1 4/10 Work Week Schedule Presentation. Operations Director Scott Bancroft and Customer Service Director Jean Hall gave a presentation. It was the decision of the commissioners that a survey be implemented. The commissioners requested that they be able to review the questions before the survey went out.

10.2 Flags and Banners attached to decorative light poles. This agenda item was tabled until the next scheduled meeting of the Jefferson County Public Utility District No. 1. All three commissioners agreed to the postponement.

10.3 Fiber Equipment Bids. Communications Director Will O'Donnell gave a presentation.

MOTION: Commissioner Jeff Randall made a motion to authorize the General Manager to solicit formal bids for the purchase of materials for feeder, distribution and drop broadband construction. Commissioner Dan Toepper seconded the motion. Motion carried unanimously.

10. ADJOURN. Commissioner Kenneth Collins adjourned the April 18, 2023, Regular Meeting of the Jefferson County Public Utility District No. 1 Board of Commissioners at 5:58 p.m.

Minutes prepared by
Cammy Brown, Recording Secretary

Approved:

Commissioner Dan Toepper, Secretary

Date

Attest:

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.

2023 2nd Quarter Financial Update

Mike Bailey

Finance Director

Jefferson County PUD



2023 1st Quarter Review and 2nd Quarter Forecast—Electric and Broadband

	Actuals	Budget	Variance	Forecast
Operating Revenues	\$14,108,461	\$13,927,592	\$180,869	\$10,845,634
Total Cost of Service	\$10,173,806	\$13,348,742	(\$3,174,936)	\$11,264,572
Operating Margins	\$3,934,655	\$578,851	\$3,355,804	(\$418,938)
Non-Operating Margins	\$1,416,493	\$406,141	\$1,010,352	\$844,371
Total Margins	\$5,351,149	\$984,992	\$4,366,157	\$425,433

2023 1st Quarter Review and 2nd Quarter Forecast—Water

	Actuals	Budget	Variance	Forecast
Operating Revenues	\$947,036	\$1,121,616	(\$174,580)	\$1,204,476
Total Cost of Service	\$1,017,000	\$984,624	(\$32,376)	\$1,102,818
Operating Margins	(\$69,964)	\$136,992	(\$206,956)	\$101,658
Non-Operating Margins	\$736,419	\$61,744	\$674,675	\$327,575
Total Margins	\$666,455	\$198,736	\$467,719	\$429,233

Long-Term Debt

Lender (Loan Designation)	Loan Maturity Year	Outstanding Principal (3/31/23)	Loan Purpose
Rural Utilities Services	2041	\$88,345,107	To purchase the Electric Assets of East Jefferson County from PSE
US Bank Bond Services	2026	\$489,000	LUD # 14 Marrowstone Island
USDA Rural Development	2043	\$2,189,153	Transfer of Water Assets within the Tri-Area portion of the Quimper System with the City of Port Townsend
Eric Thomas (Kala Point)	2023	\$50,000	Purchase the rights to the Kala Point Water System
Peterson Family	2026	\$470,996	Purchase Peterson Lake and the surrounding land to preserve water conservation
WA State Public Works (PW05-691-024)	2025	\$152,327	LUD #15 Beckett Point Large On-Site Septic System
WA State Public Works (PW05-691-025)	2025	\$326,419	LUD # 14 Marrowstone Island
WA State Drinking Water (DM10-952-018)	2044	\$591,516	Treatment Sparling Well, Quimper Water System
WA State Drinking Water (DM12-952-091)	2035	\$353,925	Kala Point Acquisition, Upgrade, Consolidation
WA State Drinking Water (DM13-952-177)	2035	\$548,178	Sparling Well Treatment Plant
		\$93,516,621	

New Long-Term Debt—Electric and Broadband

- **RUS Loan for \$5.43 Million**

- Otto St. Building Purchase
- Advanced Metering Infrastructure Meter Project
- Interest Rate around 4%
- Term is 25 Years

- **RUS Rural Energy Savings Program for \$5 Million**

- Energy Efficiency Upgrade Loan Program
- Interest Rate to the PUD is 0%
- Term is 20 Years for the PUD payback

- **RUS ReConnect Loan for \$4.6 Million**

- Fiber Buildout in Southeast Jefferson County
- Interest Rate around 4%
- Term is 24 Years

New Long-Term Debt--Water

- **Public Works Board Loan for \$2.4 Million**

- Quilcene Water Tank Project
- Interest Rate is 0.94%
- Term is 20 Years

- **Washington State Drinking Water State Revolving Loan for \$1.1 Million**

- Coyle Water Line Replacement Project
- Interest Rate is 2.25%
- Term is 20 Years

Long-Term Debt Payments 2023-2026

Electric

Existing Debt	2023	2024	2025	2026
Principal	\$3,687,555	\$3,789,737	\$3,877,464	\$3,979,563
Interest	\$2,285,158	\$2,185,977	\$2,095,249	\$1,993,151
Total	\$5,972,713	\$5,975,714	\$5,972,713	\$5,972,714

New Debt-6/1/23	2023	2024	2025	2026
Principal	\$288,111	\$501,741	\$511,987	\$522,651
Interest	\$232,644	\$390,982	\$380,736	\$370,072
Total	\$520,755	\$892,723	\$892,723	\$892,723

Long-Term Debt Payments 2023-2026

Water

Existing Debt	2023	2024	2025	2026
Principal	\$662,361	\$633,384	\$656,100	\$388,399
Interest	\$182,692	\$159,980	\$135,712	\$112,355
Total	\$845,053	\$793,364	\$791,812	\$500,754

New Debt—6/1/23	2023	2024	2025	2026
Principal	\$86,849	\$157,315	\$159,415	\$161,549
Interest	\$25,919	\$46,267	\$44,167	\$42,033
Total	\$112,768	\$203,582	\$203,582	\$203,582

2023 Cash Flow

Jefferson County PUD No. 1

Month End Cash and Cash Equivalents Balances

2023

	December'22	January	February	March
Special Funds	\$183,534	\$183,826	\$184,103	\$1,84,419
Cash - General Funds	\$1,696,432	\$4,287,310	\$3,913,131	\$4,538,225
Temporary Investments	\$4,977,658	\$4,988,452	\$5,007,787	\$5,003,878
Total Cash and Cash Equivalents	\$6,857,624	\$9,459,588	\$9,105,021	\$9,726,521
Change in Reserves Month to Month		\$2,601,964	(\$354,567)	\$621,500

Cash Balances

Jefferson County PUD No. 1

Restricted and Non-Restricted Cash Balances

2023

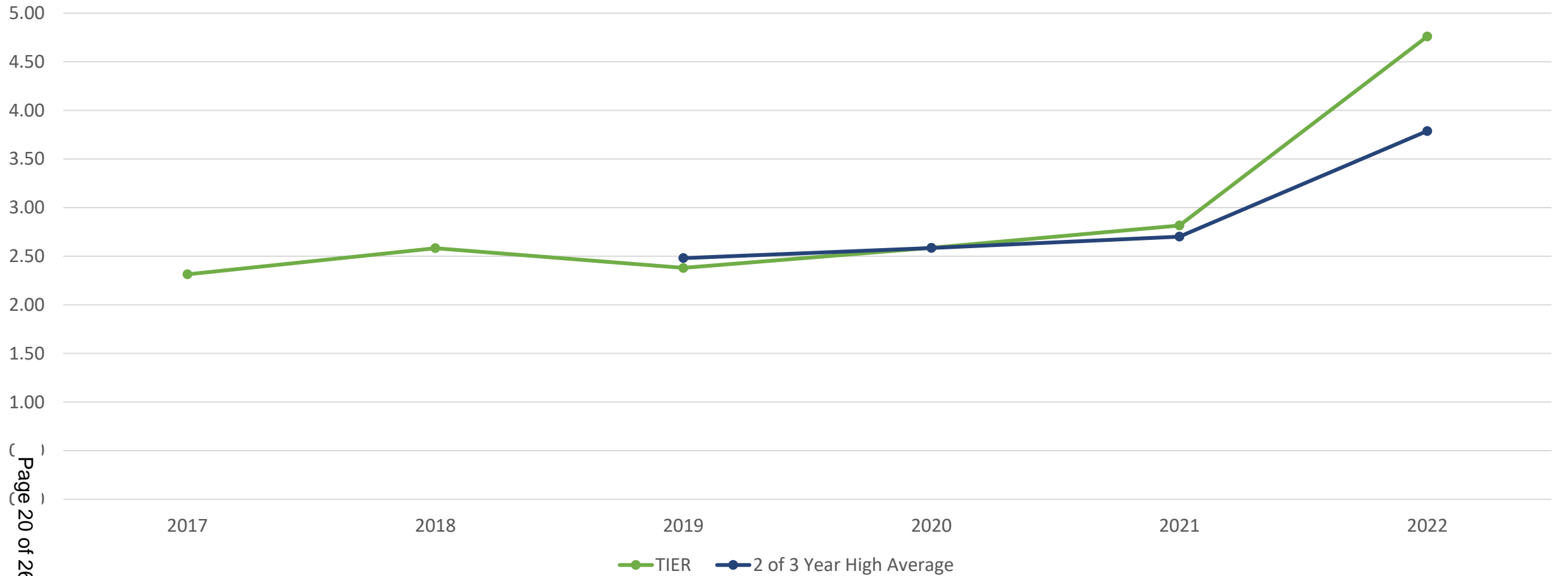
	December'22	January	February	March
Restricted Cash Balance	\$1,479,433	\$1,530,893	\$1,573,676	\$1,397,685
Non-Restricted Cash Balance	\$5,378,191	\$7,928,695	\$7,531,345	\$8,328,837
Total Cash Balance	\$6,857,624	\$9,459,588	\$9,105,021	\$9,726,522
Change in Restricted Cash Balance		\$51,460	\$42,783	(\$175,991)
Change in Non-Restricted Cash Balance		\$2,550,504	(\$397,350)	\$797,492
Total Change in Cash Balance		\$2,601,964	(\$354,567)	\$621,501

TIER—Year End 2017 to 2022

	2017	2018	2019	2020	2021	2022
Interest on Long-Term Debt	\$2,950,225	\$2,856,256	\$2,782,558	\$2,701,573	\$2,607,298	\$2,503,089
Total Margins	\$4,545,688	\$5,191,144	\$4,563,175	\$4,554,291	\$4,734,227	\$9,412,159
Less Non-Cash Contribution in Aid to Construction	\$672,143	\$672,015	\$726,870	\$267,675	\$0	\$0
Total	\$6,823,770	\$7,375,385	\$6,618,863	\$6,998,189	\$7,341,525	\$11,915,248
Interest on Long-Term Debt	\$2,950,225	\$2,856,256	\$2,782,558	\$2,701,573	\$2,607,298	\$2,503,089
TIER	2.31	2.58	2.38	2.59	2.82	4.76
3 Year High Average			2.48	2.58	2.70	3.79

TIER—Year End 2017 to 2022

Times Earned Interest Ratio

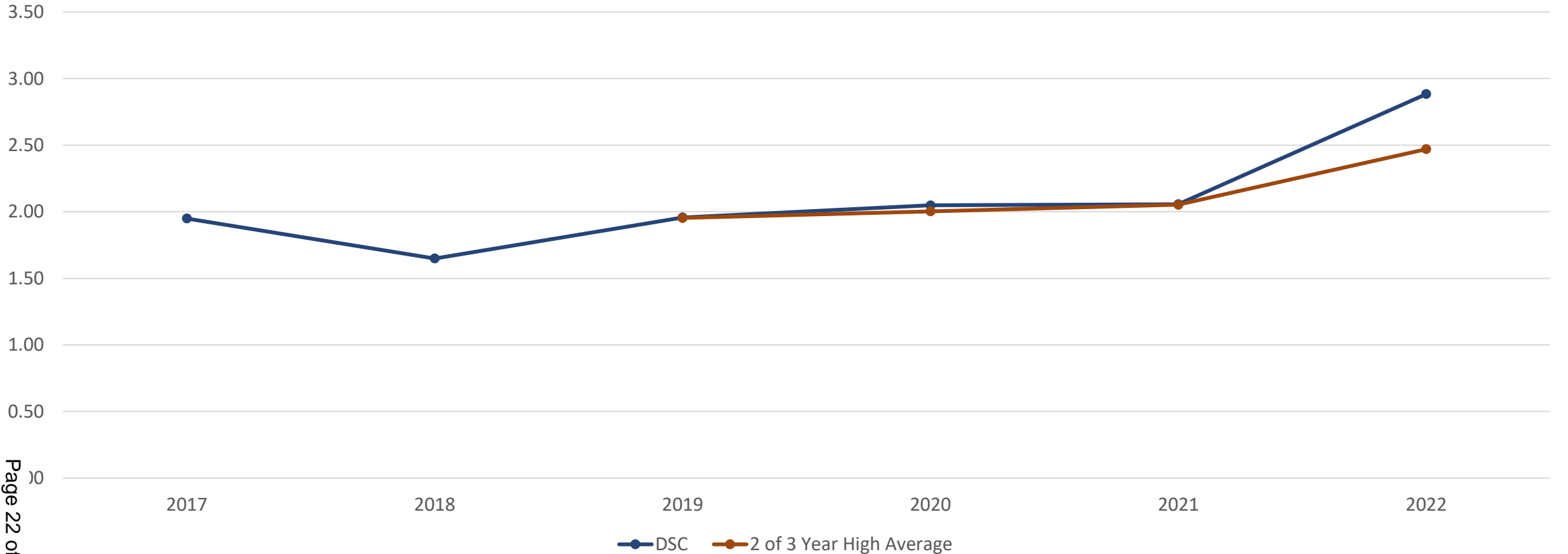


DSC—Year End 2017 to 2022

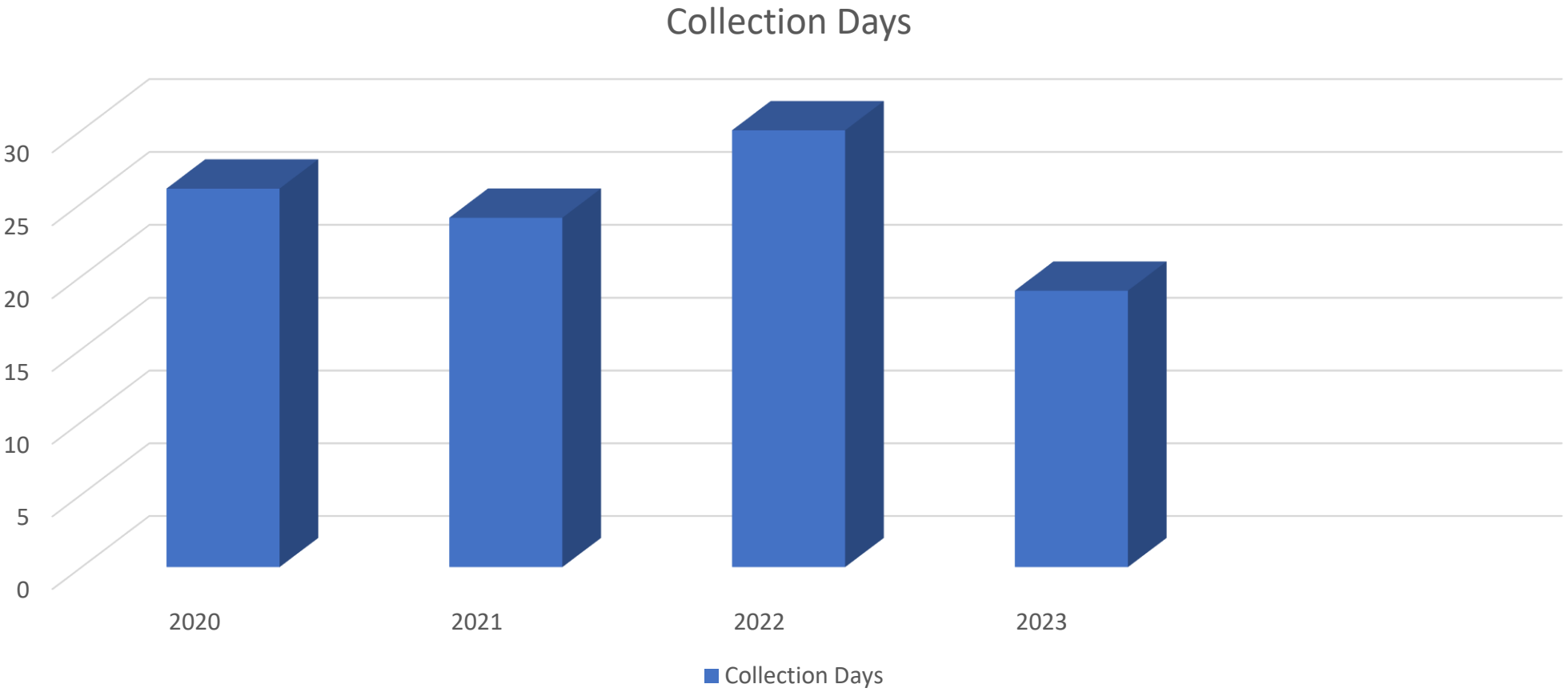
	2017	2018	2019	2020	2021	2022
Depreciation Exp	\$5,083,334	\$5,202,894	\$5,319,171	\$5,497,554	\$5,538,996	\$5,727,342
Interest on Long-Term Debt	\$2,950,225	\$2,856,256	\$2,782,558	\$2,701,573	\$2,607,298	\$2,503,089
Total Margins	\$4,545,688	\$5,191,144	\$4,563,175	\$4,554,291	\$4,734,227	\$9,412,159
Less Non-Cash Contribution in Aid to Construction	\$672,143	\$672,015	\$726,870	\$267,675	\$0	\$0
Total	\$11,907,104	\$12,578,279	\$11,938,034	\$12,485,743	\$12,529,118	\$17,562,635
Billed Debt Service	\$6,107,664	\$7,629,007	\$6,099,994	\$6,095,808	\$6,092,461	\$6,090,194
DSCR	1.95	1.65	1.96	2.05	2.06	2.88
2017-2022 3 Year High Average			1.95	2.00	2.05	2.47

DSC—Year End 2017 to 2022

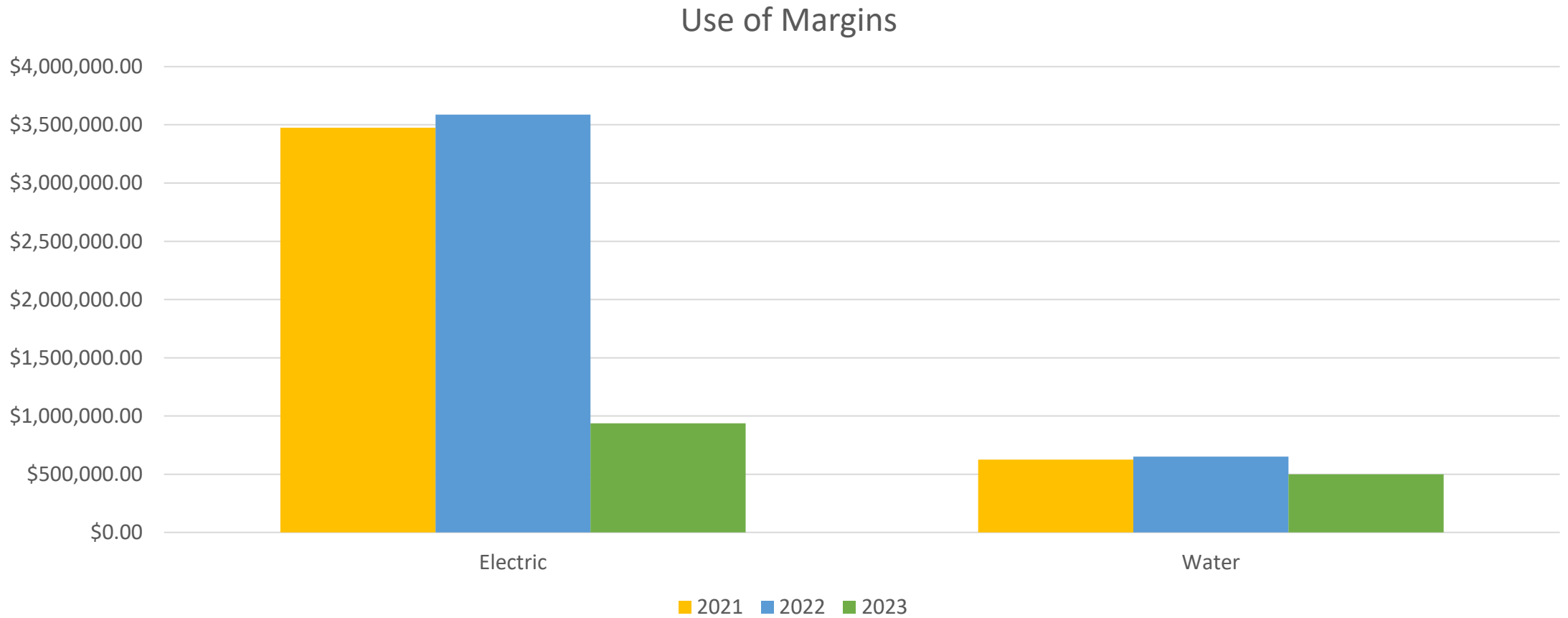
Debt Service Coverage Ratio



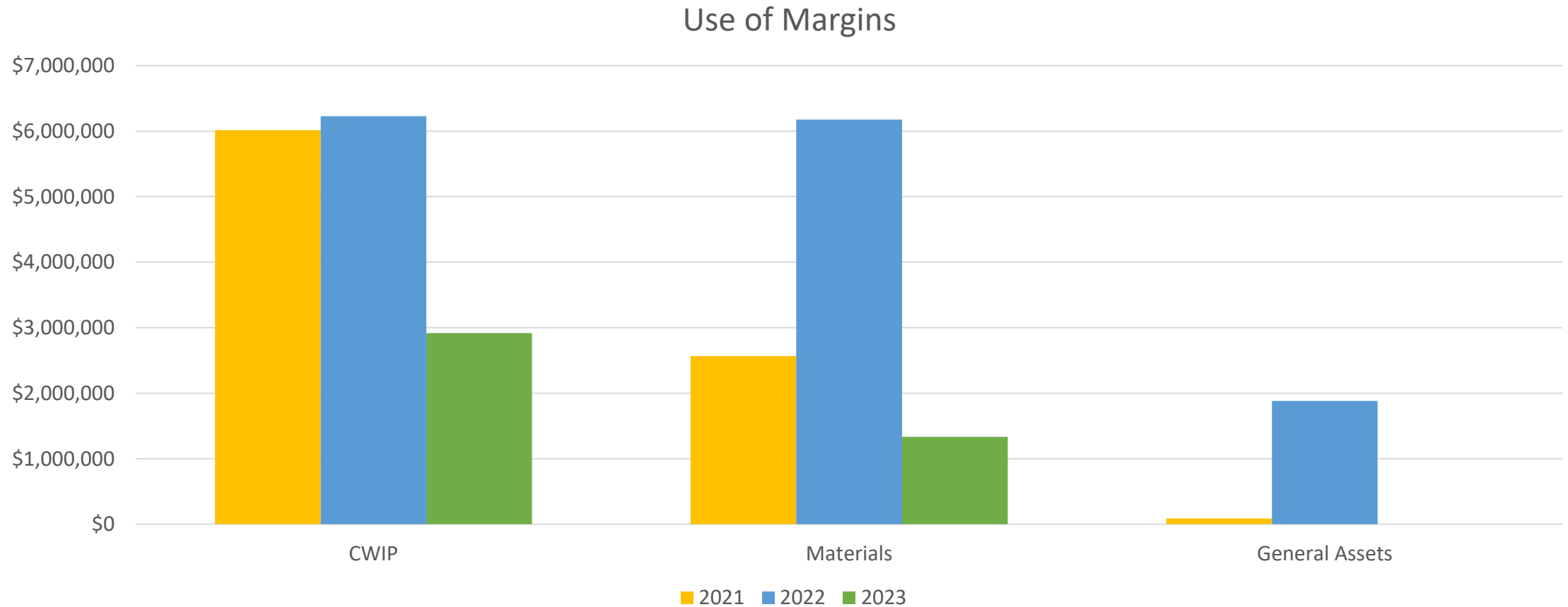
Average Days to Collect Accounts Receivables



Use of Margins—Principal Debt Payments



Use of Margins—CWIP, Materials, General Assets



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



AGENDA REPORT

DATE: April 25, 2023
TO: Board of Commissioners
FROM: Will O'Donnell
RE: Bid Result for Broadband Outdoor Network Equipment

BACKGROUND: The Board of Commissioners approved a motion authorizing the District to solicit formal bids for Outdoor Network Enclosure at the meeting of March 21, 2023. The bids were due by 2:30 p.m. on April 19, 2023.

ANALYSIS: On the date and time of the bid opening no bids were received. Per RCW 54.04.080: *The commission may procure materials in the open market, have its own personnel perform the work or negotiate a contract for such work to be performed by others, in lieu of re-advertising, if it receives no bid.*

If the District were to rebid the materials, it would take approximately 4 weeks before the bids could be due for review and another week to award and execute an agreement. Therefore, in accordance with the RCW quoted above, staff would instead prefer to directly solicit 3 to 5 quotes from reputable manufacturers of the equipment in order to procure the materials in the most expedient and economical way. However, making the decision of which path to take is up to the commission.

FISCAL IMPACT: The engineer's estimate for the enclosure and components is \$42,000.

RECOMMENDATION: Approve a motion to authorize the General Manager to solicit 3 to 5 quotes for an Outdoor Network Enclosure from the open market.