

## **Regular Meeting Agenda**

### **Board of Commissioners**

Tuesday, May 16, 2023 3:00 PM

310 Four Corners Rd and per  
ZOOM

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. 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)

#### **4. Audit Exit Interview**

Tyler Canady, CPA

Boilinger, Segers, Gilbert and Moss

[2022 Final Issued Audit Report.pdf](#) 

4 - 53

#### **5. Manager and Staff Reports**

For information only, not requiring a vote.











## 6. Commissioner Reports

## 7. Consent Agenda

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

### Consent Action

Approve a Motion to approve the consent agenda as presented

- |     |   |         |
|-----|---|---------|
| 7.1 | Prior Minutes   | 54 - 71 |
|     | <a href="#">PUD BOC Special Meeting 01-24-2023 Draft.pdf</a>   |         |
|     | <a href="#">PUD BOC Regular Meeting Minutes 2-7-23 Draft.pdf</a>                                       |         |
|     | <a href="#">PUD BOC Special Meeting 02-14-2023 Draft.pdf</a>   |         |
|     | <a href="#">PUD BOC Regular Meeting Minutes 2-21-23 Draft.pdf</a>                                      |         |
| 7.2 | Vouchers  | 72 - 89 |
|     | <a href="#">Voucher Approval Form for the Commissioners .pdf</a>                                     |         |
|     | <a href="#">Voucher Certification with Supporting Warrant Register &amp; Payroll for meeting .pdf</a>  |         |
| 7.3 | Financial Report  | 90 - 92 |
|     | <a href="#">Agenda Report-Written Off Accounts-5-16-2023.docx</a>                                    |         |
|     | <a href="#">Written Off Accounts Motion 5-16-2023.docx</a>    |         |
| 7.4 | Calendar  | 93      |
|     | <a href="#">PUD Calendar May 16, 2023.docx</a>   |         |
| 7.5 | Correspondence Log  | 94      |
|     | <a href="#">CL 20230516.pdf</a>    |         |

## 8. Old Business

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

## 9. New Business

- 9.1 NoaNet Strategic Plan 95

[NoaNet Strategic Planning 2023.docx](#) 

- 9.2 New Transformer Purchase 96 - 132

[Transformer Agenda Report.docx](#) 

[SPEC -- JCPUD 12 MVA Power Transformer-DRAFT-050923.pdf](#) 

Recommended Action:

Approve a Motion to proceed with the bidding process

## 10. Adjourn

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

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

**BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**LUBBOCK, TEXAS**



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

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

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

**ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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**BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.**

**CERTIFIED PUBLIC ACCOUNTANTS**

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**LUBBOCK, TEXAS 79423-1954**

**Independent Auditor's Report**

Board of Commissioners  
Public Utility District No. 1 of Jefferson County, Washington  
Port Townsend, Washington

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the accompanying financial statements of Public Utility District No. 1 of Jefferson County, Washington which comprise the statement of net position as of December 31, 2022, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Public Utility District No. 1 of Jefferson County, Washington (the District) as of December 31, 2022, and the respective changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contain in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is substantial likelihood that, individually or in aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10 and the schedule of proportionate share of the net pension liability and the schedule of employer contributions on pages 39 through 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated March 7, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Bolinger, Segars, Gilbert & Moss LLP*

Certified Public Accountants

Lubbock, Texas

March 7, 2023

**Public Utility District No. 1 of Jefferson County, Washington  
Management's Discussion and Analysis  
December 31, 2022**

**Information about the District**

Public Utility District #1 of Jefferson County, Washington (the District or the PUD) is a municipal corporation of the State of Washington as authorized under Revised Code of Washington (RCW) 54. The District provides electricity, water, and sewer utility services for the residents of Jefferson County, Washington. Additionally, the PUD conserves the water and power resources of the State in support of its authorized purpose. The District was formed in 1940 but did not provide any utility service until 1981, with the formation of Local Utility District #1. Initially providing water service, the District later received citizens' approval for sewer operations, and most recently, in 2008, the Jefferson County citizens voted to authorize the District to become its electrical provider. In 2013, the District purchased the electrical assets/infrastructure of Puget Sound Energy, Inc. in Eastern Jefferson County. The PUD now serves over 4,800 water connections, 360 sewer connections, and 20,500 electrical connections throughout Eastern Jefferson County.

The District operates under the authority of RCW 54. It is governed by a three-member elected Board of Commissioners that appoints a General Manager to oversee the District's daily operations. The PUD Board of Commissioners holds its regular scheduled meetings on the first and third Tuesday of each month starting at 4:00 p.m. The meeting's location, as well as recordings of past meetings, can be found at the PUD's website: [www.jeffpud.org](http://www.jeffpud.org).

Contact information related to this report: Kevin Streett  
General Manager  
310 Four Corners Road  
Port Townsend, Washington 98368

[Kstreett@jeffpud.org](mailto:Kstreett@jeffpud.org) (360) 385-8360

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**Public Utility District No. 1 of Jefferson County, Washington**  
**Management's Discussion and Analysis**  
**December 31, 2022**

**Management's Discussion and Analysis**

As management of Jefferson County PUD #1 (the District), we are providing the District's financial statements and narrative overview and analysis of the financial activities of the District for the calendar year ended December 31, 2022.

The following Management's Discussion and Analysis is intended to provide a summary of District highlights to serve as an introduction to the District's basic financial statements, the notes to the financial statements and other supplementary information required as part of the basic financial statements.

Statements included in this Annual Financial Report for 2022 are:

The statement of net position presents information on the District's assets, liabilities, and deferred outflows and inflows of resources. This statement provides information about the amount of investments in resources (assets), the obligations to creditors (liabilities), and items for which the recognition of these assets and liabilities are deferred to a later time-period (deferred inflows and outflows of resources). The net position increases when revenues exceed expenses.

The statement of revenues, expenses, and changes in net position reports the revenues and expenses during the years indicated. This statement measures the success of the District's operations over the past year and can be used to determine whether the District has successfully recovered all its costs through user fees and other charges.

The statement of cash flows provides information about the District's cash receipts and payment of operating expenses, as well as, funds provided and used in investing and financing activities.

**Public Utility District No. 1 of Jefferson County, Washington  
Management's Discussion and Analysis  
December 31, 2022**

**District Highlights**

Significant highlights of the District from 2021 to 2022 are as follows:

- Electric operating revenues increased \$3,389 thousand from 2021 to 2022. Water operating revenues increased \$327 thousand from 2021 to 2022. Broadband reported operating revenues of approximately \$7 thousand in 2022.
- The total number of customers of the District increased from 25,559 in 2021 to 25,677 in 2022.
- The number of District employees increased from 57 in 2021 to 59 in 2022.
- Utility plant and construction work in progress increased \$9.5 million from 2021 to 2022 due to the ongoing buildout of the fiber infrastructure.

**Overview of the Financial Statements**

The District is a municipal corporation with financial activities in the areas of electric, water, and sewer. In addition to its enterprise role, the PUD uses its taxing authority to support the growth and expansion of broadband in Jefferson County.

In accordance with requirements set forth by the Governmental Accounting Standards Board (GASB), the District's financial statements employ the accrual basis of accounting in recognizing increases and decreases in economic resources. Accrual accounting recognizes all revenues when earned and expenses when incurred during the year, regardless of when cash is received or paid.

The District's basic financial situation, shown on a comparative format, is presented in the Condensed Statement of Net Position.



**Public Utility District No. 1 of Jefferson County, Washington**  
**Management's Discussion and Analysis**  
**December 31, 2022**

**Financial Analysis**

The following information provides analysis of the 2022 and 2021 comparative financial information provided in the following tables.

**Condensed Statement of Net Position**  
**Fiscal Years Ended December 31, 2022 and 2021**

	December 31,		'22 - '21
	2022	2021	Change
<b>Assets</b>			
Current Assets	\$ 21,784,341	\$ 19,667,588	11%
Noncurrent Assets	4,734,891	6,048,298	-22%
Capital Assets	104,422,841	100,765,653	4%
Total Assets	\$ 130,942,073	\$ 126,481,539	4%
Deferred Outflows of Resources	\$ 41,441,925	\$ 42,514,065	-3%
<b>Liabilities</b>			
Current Liabilities	\$ 11,881,615	\$ 11,405,955	4%
Noncurrent Liabilities	90,284,484	94,642,180	-5%
Total Liabilities	\$ 102,166,099	\$ 106,048,135	-4%
Deferred Inflows of Resources	\$ 1,765,581	\$ 4,484,509	-61%
<b>Net Position</b>			
Net Investment in Capital Assets	\$ 51,720,360	\$ 43,912,893	18%
Restricted	1,378,585	1,570,603	-12%
Unrestricted	15,353,373	12,979,464	18%
Total Net Position	\$ 68,452,318	\$ 58,462,960	17%

**Current Assets**

**Cash and cash equivalents** - Cash accounts decreased approximately \$4,837,530 from 2021 to 2022, primarily due to an increase in capital assets.

**Receivables** - Receivables increased by \$2,818,142 in 2022 as compared to 2021. A portion of the increase is due to rate increases implemented during the year. The District also recorded a receivable in 2022 in the amount of \$1,174,447 for amounts owed by the federal government for grant programs.

**Material and supplies** - Material and supplies increased \$3,950,811 in 2022. The District is anticipating an increase in construction activity (broadband programs) and longer delays in receiving materials. The market has also seen abnormal increases in the cost of transformers and meters.

**Prepaid expenses** - The District had an increase in prepaid expenses of approximately \$165,536.

**Public Utility District No. 1 of Jefferson County, Washington**  
**Management's Discussion and Analysis**  
**December 31, 2022**

**Noncurrent Assets**

**Long-term portion of assessments receivable** - Total assessments receivable was \$295,955 as of December 31, 2022. This was an overall decrease of \$155,040 from 2021 as customers paid on their assessments.

**Nonutility property** - This is comprised of \$2,311,358 of land and two rental homes (Peterson Lake), less accumulated depreciation of \$75,399 which was acquired for conserving state water resources and the protection of the Chimacum Water Basin.

**Restricted assets** - The District maintains cash accounts which are restricted for making payment on certain debt obligations.

**Net utility plant** - Capital improvements in 2022 increased by \$9.5, net. Construction work in progress decreased by approximately \$16 thousand. Accumulated depreciation increased by approximately \$3.6 million primarily due to depreciation on plant in service.

See Note 3 - Utility Plant for additional information.

**Current Liabilities**

**Power Bills Payable** - Increased by approximately \$199 thousand in 2022 as compared to 2021 due to cost of power and kwh purchased in November and December 2021 and 2022.

**Accounts Payable** - Decreased by \$355 thousand due to the timing of vendor work and timing of payments.

**Accrued Interest** - Accrued interest at December 31, 2022, decreased \$4,178 due to no new debt being drawn in 2022.

**Customer deposits** - Increased by \$40 thousand as the District began to assess customer deposits after not requiring them prior to 2021.

**Accrued Liabilities** - Increased by approximately \$271 thousand in 2022 as compared to 2021 due to receipts of materials where the invoice had not been received by year end, this is mostly related to broadband fiber.

**Accrued Taxes** - Accrued Taxes at December 31, 2022, increased \$436 thousand due to rate increase impact on revenues and an additional month unpaid at year end on certain taxes.

**Accrued Wages and Benefits** - Accrued Wages and Benefits at December 31, 2022, increased \$92 thousand due to an additional day of accrued payroll in 2022 as compared to 2021 and the timing of payments of certain other benefits.

**Accrued Compensated Absences** - Accrued Compensated Absences at December 31, 2022, increased \$54 thousand due to additional unused PTO and payrate increases.

**Public Utility District No. 1 of Jefferson County, Washington**  
**Management's Discussion and Analysis**  
**December 31, 2022**

**Current portion of long-term debt** - This represents the total of principal payments due in 2023 for the Public Works Trust Fund debt, notes payable, and bonds payable.

**Noncurrent Liabilities**

**Public Work Trust Fund and Drinking Water Loans** - In 2022, \$255,862 was paid on these loans.

**Notes payable** - Notes payable decreased by \$3,781,941 as the PUD made required debt payments.

**Bonds payable** - Bonds payable decreased by \$200,074 as the PUD made required debt payments. See Note 4 - Long-Term Debt for additional information.

**Net pension asset/liability** - This liability represents the District's proportionate share of collective pension asset/liability. See Note 5 - Pension Plans for additional information.

**Condensed Statements of Revenues, Expenses and Changes in Net Position**  
**Years Ended December 31, 2022 and 2021**

	December 31,		'22 - '21
	2022	2021	Change
Operating Revenues	\$ 46,457,524	\$ 42,308,586	10%
Nonoperating Revenues	696,661	1,048,691	-34%
Total Revenues	<u>\$ 47,154,185</u>	<u>\$ 43,357,277</u>	9%
Operating Expenses	\$ 37,974,577	\$ 37,477,869	1%
Nonoperating Expenses	2,809,674	2,832,418	-1%
Total Expenses	<u>\$ 40,784,251</u>	<u>\$ 40,310,287</u>	1%
Income Before Contributions	\$ 6,369,934	\$ 3,046,990	109%
Capital Contributions and Grants	<u>3,619,424</u>	<u>1,704,435</u>	112%
Change in Fund Net Position	\$ 9,989,358	\$ 4,751,425	110%
Net Position, Beginning of Year	<u>58,462,960</u>	<u>53,711,535</u>	9%
Net Position, End of Year	<u>\$ 68,452,318</u>	<u>\$ 58,462,960</u>	17%

**Operating Revenues**

Operating revenues in 2022 were \$4,148,938 higher than 2021. Higher revenues were mostly related to rate increases implemented during the year.

**Public Utility District No. 1 of Jefferson County, Washington  
Management's Discussion and Analysis  
December 31, 2022**

**Operating Expenses**

**Purchased power/water/broadband** - Purchased power and water increased by \$362 thousand in 2022. This cost increase is primarily due to the purchase of additional kilowatts of electrical power during 2022.

**Operations and maintenance** - Increased by approximately \$254 thousand in 2022 as a result of more storms causing outages.

**Administrative and general** - Increased \$181 thousand in 2022.

**Taxes** - Increased \$180 thousand in 2022.

**Depreciation and amortization** - Increased \$243 thousand in 2022.

**Nonoperating Revenues/Expenses**

**Nonoperating revenues** - In 2022, nonoperating revenues were \$352 thousand lower than 2021. In 2022, the PUD started recording pole attachment revenues as operating revenues.

**Nonoperating expenses** - Interest expense decreased \$140 thousand in 2022 due to the paydown of debt principal with no new debt.

**Contacting the District**

This financial report is designed to provide the District's ratepayers, debt holders, and other readers with a general overview of the District's finances and to show the District's accountability for money it receives. If you have any questions about this report or need additional information, contact the District's General Manager, Kevin Streett at Public Utility District No. 1 of Jefferson County, Washington, 310 Four Corners Road, Port Townsend, Washington 98368.

**FINANCIAL STATEMENTS**

PUBLIC UTILITY DISTRICT NO. 1 OF JEFFERSON COUNTY, WASHINGTON

Exhibit A

STATEMENT OF NET POSITION  
AS OF DECEMBER 31, 2022

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	December 31, 2022
<b>CURRENT ASSETS</b>	
Cash and Cash Equivalents	\$ 5,479,039
Receivables	
Accounts and Contracts, net	3,797,908
Unbilled Revenue	3,274,887
Federal Grants	1,174,447
Other	308,700
Materials and Supplies	7,388,255
Prepaid and Deferred Expenses	361,105
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 21,784,341</b>
<b>NONCURRENT ASSETS</b>	
Long-Term Portion of Assessments Receivable	\$ 295,955
Nonutility Plant	2,235,959
Restricted Assets	
Cash	1,378,585
Investments	80,164
Net Pension Asset	744,228
Utility Plant	
Land and Land Rights	648,929
Utility and General Plant	158,278,212
Construction Work in Progress	13,803,403
Less: Accumulated Depreciated	(68,307,703)
<b>Net Utility Plant</b>	<b>\$ 104,422,841</b>
<b>TOTAL NONCURRENT ASSETS</b>	<b>\$ 109,157,732</b>
<b>TOTAL ASSETS</b>	<b>\$ 130,942,073</b>

DEFERRED OUTFLOWS OF RESOURCES

Excess Consideration Provided for Acquisition	\$ 39,695,960
Deferred Pension Outflows	1,745,965
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 41,441,925</b>

<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 172,383,998</b>
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LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

<b>CURRENT LIABILITIES</b>	
Power Bills Payable	\$ 3,255,576
Accounts Payable	1,178,319
Accrued Interest	55,545
Customer Deposits	49,700
Accrued Liabilities	311,754
Accrued Taxes	1,426,884
Accrued Wages and Benefits	596,100
Accrued Compensated Absences	657,821
Current Portion of Long-Term Debt	4,349,916
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 11,881,615</b>
<b>NONCURRENT LIABILITIES</b>	
PWTF Loans Payable	\$ 1,716,504
Notes Payable	85,956,818
Bonds Payable	2,611,162
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>\$ 90,284,484</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 102,166,099</b>

DEFERRED INFLOWS OF RESOURCES

Deferred Pensions Inflows	\$ 1,765,581
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 1,765,581</b>

<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 103,931,680</b>
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NET POSITION

<b>NET POSITION</b>	
Net Investment in Capital Assets	\$ 51,720,360
Restricted	1,378,585
Unrestricted	15,353,373
<b>TOTAL NET POSITION</b>	<b>\$ 68,452,318</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 172,383,998</b>

See accompanying notes to the financial statements.

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

**Exhibit B**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	December 31, 2022
OPERATING REVENUES	
Power Sales to Retail and Commercial Customers	\$ 42,278,903
Water Sales to Retail and Commercial Customers	3,219,373
Broadband Sales to Retail and Commercial Customers	105,105
Other Operating Revenues	854,143
Total Operating Revenues	<u>\$ 46,457,524</u>
OPERATING EXPENSES	
Purchased Power and Water and Broadband	\$ 16,803,458
Operations and Maintenance	6,027,511
Administration and General	5,996,209
Taxes	2,590,181
Depreciation and Amortization	6,557,218
Total Operating Expenses	<u>\$ 37,974,577</u>
NET OPERATING INCOME	<u>\$ 8,482,947</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest Income	\$ 77,669
Timber Harvest Tax and Other	618,992
Interest Expense	(2,691,982)
Other Nonoperating Expenses	(117,692)
Total Non-Operating Expenses	<u>\$ (2,113,013)</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS AND FEDERAL GRANTS	\$ 6,369,934
Federal Grants	1,924,447
Capital Contributions	<u>1,694,977</u>
CHANGE IN NET POSITION	\$ 9,989,358
NET POSITION, BEGINNING OF YEAR	<u>58,462,960</u>
NET POSITION, END OF YEAR	<u><u>\$ 68,452,318</u></u>

See accompanying notes to the financial statements.

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

**Exhibit C**

**STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	December 31, 2022
<b>OPERATING ACTIVITIES</b>	
Receipts From Customers	\$ 44,841,715
Payments to Suppliers	(28,528,216)
Payments to Employees and for Benefits	(7,461,188)
Net Change in Cash From Operating Activities	<u>\$ 8,852,311</u>
<b>NON-CAPITAL FINANCING ACTIVITIES</b>	
Other Nonoperating Expenses	\$ (117,692)
Payments Received on Assessments	774,032
Net Change in Cash From Non-Capital Financing Activities	<u>\$ 656,340</u>
<b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition and Construction of Capital Assets	\$ (9,891,465)
Cost of Removal and Credits	(235,343)
Principal Payments on Debt	(4,237,877)
Interest Paid	(2,696,160)
Capital Contributions	1,694,977
Federal Grants	750,000
Net Change in Cash From Capital and Related Financing Activities	<u>\$ (14,615,868)</u>
<b>INVESTING ACTIVITIES</b>	
Receipts from Interest	\$ 77,669
Net Change in Cash From Investing Activities	<u>\$ 77,669</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS - RESTRICTED AND UNRESTRICTED</b>	<u>\$ (5,029,548)</u>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR - RESTRICTED AND UNRESTRICTED</b>	<u>11,887,172</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR - RESTRICTED AND UNRESTRICTED</b>	<u><u>\$ 6,857,624</u></u>
Reconciliation of Operating Income to Net Cash	
From Operating Activities:	
Net Operating Revenues	\$ 8,482,947
Adjustments to Reconcile Net Operating Revenues to Net Cash	
From Operating Activities	
Depreciation and Amortization	6,557,218
Provision for Bad Debt	
(Increase) Decrease in Receivables	(1,643,695)
(Increase) Decrease in Materials and Supplies	(3,950,811)
(Increase) Decrease in Prepaid and Deferred Expenses	(165,536)
(Increase) Decrease in Investments	(12,114)
(Increase) Decrease in Deferred Outflows of Resources	(1,251,417)
(Increase) Decrease in Net Pension Asset	3,214,422
Increase (Decrease) in Accounts Payables	(553,381)
Increase (Decrease) in Customer Deposits	40,000
Increase (Decrease) in Accrued Liabilities	271,619
Increase (Decrease) in Accrued Taxes	435,761
Increase (Decrease) in Accrued Wages and Benefit	91,863
Increase (Decrease) in Accrued Compensated Absences	54,363
Increase (Decrease) in Deferred Inflows of Resources	(2,718,928)
Total Adjustments	<u>\$ 369,364</u>
Net Cash From Operating Activities	<u><u>\$ 8,852,311</u></u>

See accompanying notes to the financial statements.



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

**NOTES TO FINANCIAL STATEMENTS**

**Note 1 - Summary of Significant Accounting Policies**

Reporting entity - Public Utility District No. 1 of Jefferson County, Washington (the District or the PUD) is a municipal corporation governed by an elected, three-member board. As required by generally accepted accounting principles, management has considered all potential component units in defining the reporting entity.

The District's reporting entity consists of two primary operating systems. The Electric System distributes electricity to residential and other consumers in Jefferson County. The Water System includes nine separate Class A systems and four separate Class B systems. The District is required by various financing and contractual arrangements to report separately on each system and maintain each system as a separate segment with separate obligations.

Basis of accounting and presentation - The accounting policies of the District conform to generally accepted accounting principles (GAAP) as applicable to proprietary funds of governmental utilities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District has applied all applicable GASB pronouncements. Accounting records are maintained in accordance with methods prescribed by the State Auditor under the authority of Revised Code of Washington, Chapter 43.09; the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission (FERC) for the Electric System, and the Uniform System of Accounts for Class A and B Water Utilities prescribed by the National Association of Regulatory Utility Commissioners (NARUC) for the Water System.

A summary of other significant accounting policies used in the preparation of the financial statements follows.

Revenue recognition and unbilled revenue - The Electric System and Water System utilize the accrual basis of accounting where revenues are recognized as earned on rates established by the District's Board of Commissioners. The District follows the industry practice of estimating unbilled revenues for energy delivered to customers between their last respective meter reading date and December 31. This estimate is then recorded as unbilled revenue for the current year. The related accrued balance as of December 31, 2022 was \$3,274,887.

The District distinguishes between operating and nonoperating revenues and expenses. Operating revenues and expenses are defined as related to the sale of electric or water services to customers and to other services that are usually provided under standard rate schedules or by contractual arrangements. Operating expenses for the District include the cost of sales and services, administrative expenses, utility taxes, and depreciation on capital assets. Nonoperating revenues and expenses include property tax revenues, preliminary public power study costs, regional studies, assessment revenues and expenses, interest income and expense, and timber sales not usually directly related to the provision of electric, water, or sewer service.

Recognition of electric and water revenue - The PUD distributes electric power to consumers in Washington. Electric revenue and the related cost of power purchased are recognized when electricity is used by the ultimate consumer. Water sales are recognized when water is used by the ultimate consumer.

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

**NOTES TO FINANCIAL STATEMENTS**

Taxes - The PUD collects various privilege and utility taxes from its customers on behalf of the State of Washington. Revenue is presented gross of taxes collected in the statement of revenues, expenses, and changes in net position. Taxes are presented under operating expenses in the statement of revenues, expenses, and changes in net position.

Receivables and allowance for uncollectible accounts - All receivables are reported at their gross value and where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Assessments receivable represent the future amounts due on improvement district assessments. Management reviews accounts receivable on a regular basis to determine if any receivables will potentially be uncollectible. The allowance for uncollectible accounts includes amounts estimated through an evaluation of specific accounts, based on the best available facts and circumstances, of customers who may be unable to meet their financial obligations, and a reserve based on historical experience of accounts with balances of greater than 90 days past due. The allowance for uncollectible balances as of December 31, 2022 was \$198,083.

Cash and cash equivalents - For purposes of the statement of cash flows, the District considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Cash includes cash on hand, demand deposits, and certain short-term investments held in the Jefferson County Treasury. The Jefferson County Treasurer acts as the Treasurer of the District and as such invests cash in excess of current requirements in various interest-bearing securities, which are disclosed as part of the District's investments.

Restricted assets - In accordance with bond resolutions, related agreements, and laws, separate restricted accounts have been established. These assets are restricted for specific uses including debt service, bond reserve, and capital additions and are classified as current or noncurrent assets, as appropriate.

Because of certain bond covenants, the District is required to establish and maintain prescribed amounts of resources (cash and investments) that can be used only to service outstanding debt. These required reserves are maintained by the County Treasurer in restricted funds attributable to each debt instrument.

Materials and supplies - Materials and supplies are valued at weighted average cost.

Capital assets and depreciation - Property, plant, and equipment are stated at cost. Assets with a useful life of more than one year and a cost of more than \$1,000 are capitalized. Where cost could not be determined from available records, estimated historical cost was used to record the estimated value of the assets. Donated assets are recorded at their acquisition value at the date of transfer.

Depreciation of exhaustible capital assets used by the District is charged as an expense against operations, and accumulated depreciation is reported in the statement of net position. Depreciation has been provided over the estimated useful lives using the composite rate or straight-line method.

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

**NOTES TO FINANCIAL STATEMENTS**

The estimated useful lives for each major class of depreciable capital assets are as follows:

Buildings	28 - 50 years
Equipment	5 - 28 years
Electric, water, and sewer systems	25 - 53 years
Office and computer equipment	5 - 20 years

Excess consideration provided for acquisition - Excess consideration provided for the acquisition of electric plant assets is classified as a deferred outflow of resources on the statement of net position in accordance with GASB Statement 69. The deferred outflow of \$62,521,725 is being amortized over the useful life of the assets at a rate of 3.72% per year. Amortization expense and accumulated amortization for the year ended December 31, 2022 were \$2,323,557 and \$22,825,765, respectively. No events have occurred leading to impairment evaluation per management as of December 31, 2022.

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net position - The District's net position is classified as follows:

*Net Investment in Capital Assets* reflects the District's total investment in capital assets, net of accumulated depreciation and outstanding debt attributable to the acquisition or construction of capital assets.

*Restricted Net Position* includes amounts that are constrained by provisions imposed by external parties and cannot be used for normal operations.

*Unrestricted Net Position* are amounts that do not meet the definition of either net investment in capital assets or restricted net position and are used for normal operations.

Property tax revenues - Property taxes are levied and collected by the Jefferson County Treasurer. They are recognized as revenue when levied to the property owners.

Vacation, sick leave, and other compensated absences - District employees are entitled to certain compensated absences based on their length of employment and subject to one of two union agreements. With minor exceptions, compensated absences either vest or accumulate when they are earned. For union and nonunion employees who qualify for paid time off, PTO, they will be paid 100 percent of hours earned up to a limit of 504 hours at the time of separation from employment. Union employees who qualify for vacation will be paid 100 percent of earned hours, up to 45 days (360 hours), at the time of separation from employment. Union employees who qualify for sick leave will be paid up to 90 days of accrued leave at 10 percent of their current hourly rate at the time of separation from employment. For sick leave in excess of 90 days, the District will value the leave at 100 percent of their current hourly rate and apply towards the employee's HRA VEBA account.

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

**NOTES TO FINANCIAL STATEMENTS**

Postemployment health care benefits - The District does not provide postemployment health care benefits except those mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the District.

Income taxes - The District is a governmental entity under the laws of the State of Washington and, therefore, no provision for income taxes has been made in the accompanying financial statements.

Accounting estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Significant risks and uncertainties - The District is subject to certain business risks that could have a material impact on future operations and financial performance. These risks include weather and natural-disaster-related disruptions; collective bargaining labor disputes; changing local and national economic conditions; reliability standards issued by the North American Electric Reliability Corporation; federal government regulations and changing federal and state laws; and the financing and completion of significant capital projects.

**Future Adoption of New Accounting Pronouncements - GASB Pronouncements that have been issued but are not yet effective at December 31, 2022**

GASB Statement No. 96, *Subscription-based Information Technology Arrangements (SBITA)*. The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The District has not yet determined if the above listed new GASB pronouncements will have a significant financial impact to the District or in issuing its financial statements.

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

**NOTES TO FINANCIAL STATEMENTS**

**Note 2 - Cash, Deposits, and Investments**

Cash on hand at December 31, 2022 was \$2,000. The carrying amount of the District's deposits was \$6,855,624 and the bank balance was \$6,601,409.

Custodial credit risk for deposits is the risk that, in event of a failure of a depository financial institution, the District would not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. All of the District's bank deposits are covered by Federal Depository Insurance (FDIC) and/or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

The District does not have a deposit policy for custodial credit risk.

In accordance with the District's Financial Policy, the Jefferson County Treasurer (Treasurer) acts as the treasurer for the District and, as such, fully invests funds not needed for current operations.

Investments in Local Government Investment Pool (LGIP) - The District is a participant in the Local Government Investment Pool (LGIP). The LGIP was authorized by Chapter 294, Laws of 1986, and is managed and operated by the Washington State Treasurer. The State Finance Committee is the administrator of the statute that created the pool and adopts rules. The State Treasurer is responsible for establishing the investment policy for the pool and reviews the policy annually and proposed changes are reviewed by the LGIP Advisory Committee.

Investments in the LGIP, a qualified external investment pool, are reported at amortized cost which approximates fair value. The LGIP is an unrated external investment pool. The pool portfolio is invested in a manner that meets the maturity, quality, diversification and liquidity requirements set forth by the GASB 79 for external investments pools that elect to measure, for financial reporting purposes, investments at amortized cost. The LGIP does not have any legally binding guarantees of share values. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals.

The Office of the State Treasurer prepares a stand-alone LGIP financial report. A copy of the report is available from the Office of the State Treasurer, P.O. Box 40200, Olympia, Washington 98504-0200, or online at <http://www.tre.wa.gov>.

The District measures and reports investments at fair value using the valuation input hierarchy established by generally accepted accounting principles, as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable.

Level 3: Unobservable inputs for an asset or liability.

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

**NOTES TO FINANCIAL STATEMENTS**

At December 31, 2022, the District had the following investments measured at fair value:

Investments by Fair Value Level	December 31, 2022	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Patronage with Associated Organizations	\$ 80,164	\$		80,164
Total Investment Measured at Fair Value	\$ 80,164	\$ 0	\$ 0	\$ 80,164
Total Investments in Statement of Net Position	\$ 80,164			

**Note 3 - Utility Plant**

Utility plant in service and other capital assets are recorded at cost when the historical cost is known. For electric plant purchased in 2010, assets were recorded at estimated cost with an adjustment for fair value in excess of historical cost recorded as a plant acquisition adjustment. Costs include labor, materials, overhead, capitalized interest, and related indirect costs. For electric utility plant assets, the District follows the directive under the Rural Utilities Service (RUS) Bulletin 1767B-2, *Work Order Procedure*, when capitalizing assets. Depreciation expense is computed using the composite rate method over useful lives of 25 to 50 years. For water utility and other assets, the District capitalizes assets with costs in excess of \$1,000. Depreciation expense is computed using the straight-line method employing useful lives of 5 to 53 years. Repairs are charged to operating expenses.

The original cost of operating property retired or otherwise disposed of and the cost of removal, less salvage, is charged to accumulated depreciation. However, in the case of the sale of a significant operating unit or system, the original cost is removed from the utility plant accounts, accumulated depreciation is charged with the accumulated depreciation related to the property sold, and net gain or loss on disposition is credited or charged to income.

Preliminary costs incurred for proposed projects are deferred pending construction of the asset and included in construction work in process. Costs relating to projects ultimately constructed are transferred to utility plant, whereas charges that relate to abandoned projects are expensed.

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

**NOTES TO FINANCIAL STATEMENTS**

Following is a summary of 2022 changes in capital assets:

	Beginning Balances	Increases	Transfers	Decreases	Ending Balances
Capital Assets, Not Being Depreciated					
Land	\$ 552,326	\$ 96,603	\$	\$	\$ 648,929
Construction in Progress	13,819,406	2,909,876	(2,925,879)		13,803,403
Total Capital Assets, Not Being Depreciated	\$ 14,371,732	\$ 3,006,479	\$ (2,925,879)	\$ 0	\$ 14,452,332
Depreciable Capital Assets					
Buildings	\$ 2,316,800	\$ 6,563,062	\$	\$	\$ 8,879,862
Equipment - General Plant	9,920,189	305,922		125,403	10,100,708
Electric Distribution Plant	106,262,319		2,901,479	277,655	108,886,143
Water and Sewer Systems	30,387,099		24,400		30,411,499
Total Capital Assets Being Depreciated	\$ 148,886,407	\$ 6,868,984	\$ 2,925,879	\$ 403,058	\$ 158,278,212
Less Accumulated Depreciation for:	64,735,291	4,388,774		816,362	68,307,703
Total Capital Assets Being Depreciated, Net	\$ 84,151,116	\$ 2,480,210	\$ 2,925,879	\$ (413,304)	\$ 89,970,509
Total Capital Assets, Net	\$ 98,522,848	\$ 5,486,689	\$ 0	\$ (413,304)	\$ 104,422,841

Total depreciation recorded during 2022 was \$4,388,774, of which \$4,218,215 was charged to expense and \$170,559 was charged to clearing accounts. Per the requirements of the Uniform System of Accounts, vehicle depreciation is charged to clearing accounts and then spread to operations, maintenance and construction accounts based on where the vehicle was used. It is not expensed to depreciation expense.

**Note 4 - Long-Term Debt**

Long-term debt of the District as of December 31, 2022 consists of RUS loans, Public Works Trust Fund (PWTF) and Drinking Water loans, private debt for the purchase of property, and Revenue Bonds. Revenues of the District are pledged to pay related debt. RUS loans are secured by a pledge of all assets of the District. Additionally, all revenue bonds require a portion of cash and cash equivalents to be reserved for future debt retirement. The Jefferson County Treasurer has established sufficient reserves and District management believes that the District is in compliance with all debt covenants. The District has no arbitrage liability with respect to bond issuances. The following tables summarize the District's long-term debt obligations as of December 31, 2022:

	Issue Date	Issue Amount	Outstanding December 31, 2022
<b>Rural Utilities Services Federal Financing Bank Loan for the Acquisition of PSE Electrical Plant Assets</b>			
PUD-JEFF 001-001 - Quarterly P&I payments of \$1,482,454 maturing December 2041 with interest at 2.603%	3/13	\$ 114,743,000	\$ 88,679,827
PUD-JEFF 001-002 - Quarterly P&I payments of \$10,725 maturing December 2041 with interest at 3.308%	8/13	764,000	603,494
Total rural utilities services federal financing bank loan for the acquisition of PSE Electrical Plant assets			\$ 89,283,321

PUBLIC UTILITY DISTRICT NO. 1 OF JEFFERSON COUNTY, WASHINGTON

NOTES TO FINANCIAL STATEMENTS

	<u>Issue Date</u>	<u>Issue Amount</u>	<u>Outstanding December 31, 2022</u>
<b>Public Works Trust Fund and Drinking Water Loans</b>			
PW-05-691-024: Beckett Pt. - Annual principal payments of \$50,776 plus interest at 0.50% maturing July 2025	5/05	\$ 948,924	\$ 152,327
PW-05-691-025: Marrowstone Island - Annual principal payments of \$108,806 plus interest at 0.50% maturing July 2025.	6/06	2,000,000	326,419
DM10-952-018: Sparling Well/Quimper - Annual principal payments of \$26,887 plus interest at 1.0% maturing October 2044. \$803,750 of debt was forgiven in 2016.	8/11	1,607,500	591,516
DM12-952-091: Kala Point - Annual principal payments of \$27,225 plus interest at 1.0% maturing October 2035. \$544,500 of debt was forgiven in 2016.	11/12	1,089,000	353,925
DM-13-952-177: Sparkling Water Treatment - Annual principal payments of \$29,108 plus interest at 1.0% maturing October 2037.	4/14	582,162	<u>548,178</u>
Total public works trust fund and drinking water loans			<u>\$ 1,972,365</u>
	<u>Issue Date</u>	<u>Issue Amount</u>	<u>Outstanding December 31, 2022</u>
<b>Notes Payable</b>			
Kala Point Water System - Annual principal payments of \$50,000 with 0% interest maturing October 2024	10/12	\$ 600,000	\$ 50,000
Peterson Lake Loan - Monthly P&I payments of \$14,329 maturing March 2026 with interest at 6%	3/06	2,000,000	<u>506,561</u>
Total Notes Payable			<u>\$ 556,561</u>
<b>Revenue Bonds for Water and Sewer Systems</b>			
LUD 14: Marrowstone Island - Serial Bonds \$102,000 - \$173,000 due through March 2026 with interest at 5.70% - 6.75%.	3/09	\$ 2,000,000	\$ 633,000
Tri-Area (USDA) - Semi-Annual P&I payments of \$82,831 with interest at 4.5% maturing April 2043.	4/03	3,043,250	<u>2,189,153</u>
Total Revenue Bonds for Water and Sewer Systems			<u>\$ 2,822,153</u>
Total Long-Term Debt			<u>\$ 94,634,400</u>



PUBLIC UTILITY DISTRICT NO. 1 OF JEFFERSON COUNTY, WASHINGTON

NOTES TO FINANCIAL STATEMENTS

During the year ended December 31, 2022, the following changes occurred in the District's long-term debt:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balances</u>	<u>Due Within One Year</u>
<b>Long-Term Debt</b>					
RUS Loans	\$ 92,870,425	\$	\$ 3,587,104	\$ 89,283,321	\$ 3,687,555
Public Works Trust					
Fund Loans	2,228,227		255,862	1,972,365	255,862
Notes Payable	751,398		194,837	556,561	195,508
Bonds Payable	3,022,227		200,074	2,822,153	210,991
	<u>\$ 98,872,277</u>	<u>\$ 0</u>	<u>\$ 4,237,877</u>	<u>\$ 94,634,400</u>	<u>\$ 4,349,916</u>

Interest expense was \$2,691,982 for the year ended December 31, 2022. Capitalized interest was \$0 for the year ended December 31, 2022.

Lines of credit - The District has an available unsecured line of credit with NRUCFC on which it may borrow up to \$5,000,000. No balance was outstanding at December 31, 2022.

Scheduled maturities and interest on long-term debt are as follows:

<b>Principal</b>	<b>Electric System</b>	<b>Water System</b>	<b>Combined as of December 31, 2022</b>
2023	\$ 3,687,555	\$ 662,361	\$ 4,349,916
2024 - 2028	19,912,784	2,034,171	21,946,955
2029 - 2033	22,672,963	960,537	23,633,500
2034 - 2038	25,825,142	871,763	26,696,905
2039 - 2043	17,184,877	795,360	17,980,237
2044 - 2045		26,887	26,887
	<u>\$ 89,283,321</u>	<u>\$ 5,351,079</u>	<u>\$ 94,634,400</u>
<b>Interest</b>			
2023	\$ 2,285,158	\$ 150,464	\$ 2,435,622
2024 - 2028	9,950,783	587,275	10,538,058
2029 - 2033	7,190,605	380,840	7,571,445
2034 - 2038	4,038,426	239,449	4,277,875
2039 - 2043	733,265	81,671	814,936
2044 - 2045		269	269
	<u>\$ 24,198,237</u>	<u>\$ 1,439,968</u>	<u>\$ 25,638,205</u>
<b>Total</b>			
2023	\$ 5,972,713	\$ 812,825	\$ 6,785,538
2024 - 2028	29,863,567	2,621,446	32,485,013
2029 - 2033	29,863,568	1,341,377	31,204,945
2034 - 2038	29,863,568	1,111,212	30,974,780
2039 - 2043	17,918,142	877,031	18,795,173
2044 - 2045		27,156	27,156
	<u>\$ 113,481,558</u>	<u>\$ 6,791,047</u>	<u>\$ 120,272,605</u>

PUBLIC UTILITY DISTRICT NO. 1 OF JEFFERSON COUNTY, WASHINGTON

NOTES TO FINANCIAL STATEMENTS

**Note 5 - Pension Plans**

The following table represents the aggregate pension amounts for all plans subject to the requirements of the GASB Statement 68, *Accounting and Financial Reporting for Pensions*, for the year 2022:

<u>Aggregate Pension Amounts - All Plans</u>	<u>Amount</u>
Pension Assets	\$ 744,228
Deferred Outflows of Resources	1,745,965
Deferred Inflows of Resources	1,765,581
Pension Income	112,303

State sponsored pension plans - Substantially all of the District's full-time and qualifying part-time employees participate in one of the statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans. The state legislature establishes and amends laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available annual comprehensive financial report (ACFR) that includes financial statements and required supplementary information for each plan. The DRS ACFR may be obtained by writing to:

Department of Retirement Systems Communications Unit  
P.O. Box 48380  
Olympia, Washington 98540-8380

Or the DRS ACFR may be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov).

Public Employees' Retirement System (PERS) - PERS members include elected officials; state employees; employees of the Supreme, Appeals, and Superior Courts; employees of the legislature; employees of district and municipal courts; employees of local governments; and higher education employees not participating in higher education retirement programs. PERS is composed of three separate pension plans for membership purposes. PERS Plans 1 and 2 are defined benefit plans, and PERS Plan 3 is a defined benefit plan with a defined contribution component.

The PERS serves approximately 1,991 local participating employers. The PERS membership includes approximately 320,983 participants.

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

**NOTES TO FINANCIAL STATEMENTS**

As of June 30, 2022, membership consisted of:

	<b>Plan 1</b>	<b>Plan 2</b>	<b>Plan 3</b>
Inactive Members or Beneficiaries Receiving Benefits	41,154	68,389	8,100
Inactive Members Entitled to but Not Yet Receiving Benefits	196	30,693	7,338
Active Members Vested	563	78,367	16,104
Active Members Nonvested	69	48,978	21,032
Total Plan Employees	<u>41,982</u>	<u>226,427</u>	<u>52,574</u>

PERS Plan 1 provides retirement, disability, and death benefits. Retirement benefits are determined as 2% of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and nonduty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

PERS Plan 1 member contribution rate is established by State statute at 6%. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18%. Each biennium, the State Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2022 were as follows:

	<b>Employer</b>	<b>Employee</b>
<b>Actual Contribution Rates January - August 2022</b>		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	3.71%	
Administrative Fee	0.18%	
	<u>10.25%</u>	<u>6.00%</u>
<b>Actual Contribution Rates September - December 2022</b>		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	3.85%	
Administrative Fee	0.18%	
	<u>10.39%</u>	<u>6.00%</u>

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

**NOTES TO FINANCIAL STATEMENTS**

PERS Plans 2 and 3 provides retirement, disability, and death benefits. Retirement benefits are determined as 2% of the member's average final compensation (AFC) times the member's years of service for Plan 2 and 1% of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plans 2 and 3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plans 2 and 3 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

1. With a benefit that is reduced by 3% for each year before age 65; or
2. With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plans 2 and 3 members hired on or after May 1, 2013, have the option to retire early by accepting a reduction of 5% for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service credit. PERS Plans 2 and 3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other PERS Plans 2 and 3 benefits include duty and nonduty disability payments, a cost-of-living allowance (based on the CPI), capped at 3% annually and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after 10 years of service; or after five years of service if 12 months of that service is earned after age 44.

PERS Plan 3 defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. PERS Plan 3 members choose their contribution rate upon joining membership and have a chance to change rates upon changing employers. As established by statute, Plan 3 required defined contribution rates are set at a minimum of 5% and escalate to 15% with a choice of six options. Employers do not contribute to the defined contribution benefits. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

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

**NOTES TO FINANCIAL STATEMENTS**

PERS Plans 2 and 3 employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plans 2 and 3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18%. Each biennium, the State Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plans 2 and 3 required contribution rates (expressed as a percentage of covered payroll) for 2022 were as follows:

	<u>Employer</u>	<u>Employee</u>
<b>Actual Contribution Rates January - August 2022</b>		
PERS Plan 2	6.36%	6.36%
PERS Plan 2 UAAL	3.71%	
Administrative Fee	0.18%	
	<u>10.25%</u>	<u>6.36%</u>
<b>Actual Contribution Rates September - December 2022</b>		
PERS Plan 2	6.36%	6.36%
PERS Plan 2 UAAL	3.85%	
Administrative Fee	0.18%	
	<u>10.39%</u>	<u>6.36%</u>
	<u>Employer</u>	<u>Employee</u>
<b>Actual Contribution Rates January - August 2022</b>		
PERS Plan 3	6.36%	Varies
PERS Plan 3 UAAL	3.71%	
Administrative Fee	0.18%	
	<u>10.25%</u>	
<b>Actual Contribution Rates September - December 2022</b>		
PERS Plan 3	6.36%	6.00%
PERS Plan 3 UAAL	3.85%	
Administrative Fee	0.18%	
	<u>10.39%</u>	<u>6.00%</u>

The District's actual contributions to the plan were \$223,541 to PERS Plan 1 and \$381,112 to PERS Plans 2 and 3 for the year ended December 31, 2022.

Actuarial assumptions - The total pension liability (TPL) for each of the plans was determined using the most recent actuarial valuation completed in 2022 with a valuation date of June 30, 2021. The actuarial assumptions used in the valuation are summarized in the Actuarial Section of DRS' *Annual Comprehensive Financial Report* located on the DRS employer-resource GASB webpage. The actuarial assumptions used in the June 30, 2021, valuation were based on the results of the 2013-2018 Demographic Experience Study Report and the 2019 Economic Experience Study. Additional assumptions for subsequent events and law changes are current as of the 2021 Actuarial Valuation Report.

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

**NOTES TO FINANCIAL STATEMENTS**

Additional assumptions for subsequent events and law changes are current as of the 2021 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2022. Plan liabilities were rolled forward from June 30, 2021 to June 30, 2022, reflecting each plan's normal cost (using the entry age cost method), assumed interest, and actual benefit payments. Mortality rates were developed using the Society of Actuaries' Pub.H-2010 mortality rates, which vary by member status (eg, active, retiree, or survivor), as our base table. The Office of the State Actuary (OSA) applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Under "generational" mortality, a member is assumed to receive additional mortality improvements in each future year, throughout their lifetime.

Discount rate - The discount rate used to measure the total pension liability was 7.40% for all plans. To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on the assumptions described in OSA certification letter within the DRS ACFR, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.40% was used to determine the total liability.

Long-term expected rate of return - OSA selected a 7.40% long-term expected rate of return on pension plan investments using a building-block method. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns the Washington State Investment Board (WSIB) provided. The CMAs contain three pieces of information for each class of assets WSIB currently invests in:

- Expected annual return.
- Standard deviation of the annual return.
- Correlations between the annual returns of each asset class with every other asset class.

The WSIB uses the CMAs and their target asset allocation to simulate future investment returns at various future times.

Estimated rates of return by asset class - The table below summarizes the best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022. The inflation component used to create the table is 2.20% and represents the WSIB's most recent long-term estimate of broad economic inflation.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	20.0%	1.5%
Tangible Assets	7.0%	4.7%
Real Estate	18.0%	5.4%
Global Equity	32.0%	5.9%
Private Equity	23.0%	8.9%
Total	100.0%	

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

**NOTES TO FINANCIAL STATEMENTS**

Sensitivity of NPL - The table below presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate.

	<u>1.00% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1.00% Decrease (8.00%)</u>
District's Net Pension Liability (Asset)			
PERS Plan 1	\$ 1,356,267	\$ 1,015,181	\$ 717,492
PERS Plans 2 and 3	2,071,934	(1,759,409)	(4,907,099)

Pension plan fiduciary net position - Detailed information about the State's pension plans' fiduciary net position is available in the separately issued DRS financial report.

At December 31, 2022, the District reported a total net pension asset of \$744,228 for its proportionate share of the net pension liabilities as follows:

District's Net Pension Liability (Asset)	
PERS Plan 1	\$ 1,015,181
PERS Plan 2 and 3	(1,759,409)
	<u>\$ (744,228)</u>

At December 31, 2022, the District's proportionate share of the collective net pension liabilities was as follows:

	<u>Proportionate Share June 30, 2021</u>	<u>Proportionate Share June 30, 2022</u>	<u>Change in Proportion</u>
District's Proportionate Share of Net Pension Liabilities			
PERS Plan 1	0.0341610%	0.0364600%	0.0022990%
PERS Plans 2 and 3	0.0439270%	0.0474390%	0.0035120%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the *Schedules of Employer and Nonemployer Allocations*.

The collective net pension liability was measured as of June 30, 2022, and the actuarial valuation date on which the total pension liability is based was as of June 30, 2021, with update procedures used to roll forward the total pension liability to the measurement date.

For the year ended December 31, 2022, the District recognized pension expense as follows:

District's Pension Expense (Benefit)	
PERS Plan 1	\$ 465,877
PERS Plan 2 and 3	(578,180)
	<u>\$ (112,303)</u>

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

**NOTES TO FINANCIAL STATEMENTS**

At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u><b>Deferred Outflows of Resources</b></u>	<u><b>Deferred Inflows of Resources</b></u>
<b>PERS Plan 1</b>		
Difference Between Expected and Actual Experience	\$	\$
Changes of assumptions		
Net Difference Between Projected and Actual Earnings on Plan Investments		(168,245)
Employer Contributions Subsequent to the Measurement Date		
Totals	\$ <u>0</u>	\$ <u>(168,245)</u>
	<u><b>Deferred Outflows of Resources</b></u>	<u><b>Deferred Inflows of Resources</b></u>
<b>PERS Plan 2 and 3</b>		
Difference Between Expected and Actual Experience	\$ 435,940	\$ (39,828)
Changes of assumptions	980,627	(256,763)
Net Difference Between Projected and Actual Earnings on Plan Investments		(1,300,745)
Employer Contributions Subsequent to the Measurement Date	329,398	
Totals	\$ <u>1,745,965</u>	\$ <u>(1,597,336)</u>
	<u><b>Deferred Outflows of Resources</b></u>	<u><b>Deferred Inflows of Resources</b></u>
<b>PERS Plan 1, 2 and 3</b>		
Difference Between Expected and Actual Experience	\$ 435,940	\$ (39,828)
Changes of assumptions	980,627	(256,763)
Net Difference Between Projected and Actual Earnings on Plan Investments		(1,468,990)
Employer Contributions Subsequent to the Measurement Date	329,398	
Totals	\$ <u>1,745,965</u>	\$ <u>(1,765,581)</u>



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

**NOTES TO FINANCIAL STATEMENTS**

Deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31</u>	<u>PERS Plan 1</u>	<u>PERS Plans 2 and 3</u>
2023	\$ (71,198)	\$ (400,791)
2024	(64,666)	(357,003)
2025	(81,122)	(433,540)
2026	48,741	595,721
2027		208,928
Thereafter		205,916

**Note 6 - Insurance and Risk Management**

The District is a member of the Public Utility Risk Management Services (PURMS) Self Insurance fund. PURMS is a public entity risk pool organized December 30, 1976, pursuant to the provisions of the Revised Code of Washington, Chapter 54.16.200, and interlocal government agreements. The program's general objectives are to formulate, develop, and administer, on behalf of the member public utilities, a program of insurance, to obtain lower costs for that coverage, and to develop a comprehensive loss control program.

PURMS consists of 18 members and NoaNet, a governmental entity consisting of local governments. The risks shared by the members are defined in the Self Insurance Agreement (SIA). PURMS consists of three pools for liability, property, and health and welfare coverage.

The pools operate independently of one another and all members do not participate in all pools. The District participates in the liability, property, and health and welfare pools.

The pools are governed by a Board of Directors comprised of one designated representative from each participating member. The administrator and elected Administrative Committee conduct the business of the pools.

The pools are fully funded by its current and former members. Members that withdraw from the fund are still responsible for their share of the assessments for occurrences while they were members. Likewise, terminated members continue to receive coverage for the time they were members.

Each of the PURMS Risk Pools is audited annually by the State Auditor's Office. In addition, as required by State regulations, PURMS provides annual financial reports to the State Risk Manager reflecting the claims and administrative expenses of the Risk Pools, and periodically, the State Risk Manager performs its own audit of PURMS' Risk Pools.

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

**NOTES TO FINANCIAL STATEMENTS**

Liability risk pool - The liability risk pool has a \$1 million liability coverage limit per occurrence. In addition, the fund maintains \$35 million, per occurrence, of excess general liability insurance and \$35 million, per occurrence, of professional liability insurance over the \$1 million retention. A second layer of excess general liability insurance of \$65 million, per occurrence, over the first layer of \$35 million is also available to those members that choose to participate. The District has been participating in the second layer of excess liability insurance since January 1, 2018. The amount of the layer was \$65 million in 2022. The fund maintains \$35 million of excess coverage for public officials, with a \$500,000 retention. The deductible is \$250.

Liability assessments are levied at the beginning of each calendar year to replenish the reserves to the designated level or at any time during the year that the actual reserves drop to \$500,000 less than the designated level. The designated reserve level was \$3.5 million at December 31, 2022. The District was assessed \$186,274 in 2022.

Property risk pool - The majority of the property in the property pool has a self-insured retention of \$250,000 per property loss. Certain classes of property have higher retention requirements up to \$750,000. In addition, the fund purchases \$200 million of excess insurance over the \$250,000 (or higher) retention level. The deductible varies but for most classes of property is \$250.

The designated property pool reserve balance is \$750,000. Property assessments are levied at the beginning of each calendar year to replenish the reserves to the designated level and at any time during the year that the actual reserves drop below \$500,000. The District was assessed \$94,289 in 2022.

Health and welfare risk pool - The District participates in the PURMS Health and Welfare Risk Pool. PURMS provides health and welfare insurance coverage for the employees of each of its members participating in the Health and Welfare Risk Pool (H&W Pool) in accordance with the terms of the Health and Welfare Coverage of the SIA (H&W Coverage) and the terms of each member's respective Coverage Booklet provided to its employees.

The H&W Pool's operations are financed by assessments of its participants. Each month, each participant of the H&W Pool is assessed for: (a) the cost the H&W Pool incurred during the preceding month for the H&W Claims for such member's employees (H&W Claims Costs); and (b) for such member's share of Shared H&W Costs. "Shared H&W Costs" consist of administrative expenses incurred by the H&W Pool, premiums for Stop-Loss Insurance, PPO Charges and Shared H&W Claims.

The exposure of each Participant is limited by two different pairs of stop-loss points. The Individual Stop-Loss Point was \$365,000 and the Aggregate Stop-Loss Point was \$22,794,000 for 2022 for the combined Claims Costs of the employees of all participants of the H&W Pool.

Insurance settlements have not exceeded insurance coverage in the past three years.

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

**NOTES TO FINANCIAL STATEMENTS**

**Note 7 - Commitments and Contingencies**

Power supply contracts - The District has a power purchase contract with the Bonneville Power Administration (BPA) to provide the District's power supply through September 30, 2028.

Union contract - The District employs approximately 60% of its workforce under collective bargaining agreements. The contract with IBEW Local 77 covers the electrical operations and expires in May 2023. The office and water staff are covered under a contract with Local Labor 252 which ends in December 2024.

Federal and state programs - The District participates in a number of federal and state assisted programs. These grants are subject to audit, which could result in requests for reimbursement to the grantor agencies for disallowed expenditures. District management believes that such disallowances, if any, will be immaterial.

**Note 8 - Participation in Northwest Open Access Network, Inc. (NoaNet)**

The District, along with nine other Washington State public entities, is a member of Northwest Open Access Network, Inc. (dba NoaNet), a Washington nonprofit mutual corporation. NoaNet was incorporated in February 2000 to provide a broadband communications backbone over public benefit fibers leased from BPA throughout Washington. The network began commercial operation in January 2001.

The District has guaranteed up to 10% of NoaNet's long-term debt. The guarantee expires upon the earlier of the debt repayment or July 1, 2025. NoaNet's outstanding debt was \$17,725,000 at December 31, 2022. The District's guarantee outstanding at December 31, 2022 was \$1,772,500. Management does not expect to be called on this guarantee during 2023.

**Note 9 - Interfund Activity**

The District records its own consumption of electric and water utility services as retail sales and operating expense. Both revenues and expenses are reported on the statement of revenues, expenses, and changes in net position and on the condensed statement of revenues, expenses, and changes in net position. The amounts are not material.

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

**NOTES TO FINANCIAL STATEMENTS**

**Note 10 - Property Tax**

The Jefferson County Treasurer acts as an agent to collect property tax levied in the county for all taxing authorities.

January 1	Taxes are levied and become an enforceable lien against properties.
February 14	Tax bills are mailed.
April 30	First of two equal installment payments are due.
May 31	Assessed value of property established for next year's levy at 100% of market value.
October 31	Second installments are due.

Property tax is recorded as a receivable and revenue when levied. Property tax collected in advance of the fiscal year to which it applies is recorded as a deferred inflow and recognized as revenue of the period to which it applies. No allowance for uncollectible tax is established because delinquent taxes are considered fully collectible. Prior year tax levies were recorded using the same principal, and delinquent taxes are evaluated annually.

The District is part of the county's taxing authorities and receives up to \$0.45 per \$1,000 of assessed valuation for general government services.

The District's portion of the regular levy for 2022 was \$.081467839 per \$1,000 on an assessed valuation of \$7,098,416,106 for a total regular levy portion of \$578,293.

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

**NOTES TO FINANCIAL STATEMENTS**

**Note 11 - System Reporting**

Summary financial information for each business-type activity system is presented below:

**Assets and Deferred Outflows of Resources**

	<u>Electric</u>	<u>Water</u>
<b>Current Assets</b>		
Cash and Cash Equivalent	\$ 4,505,810	\$ 973,229
Receivables		
Accounts and Contracts, net	3,585,317	212,591
Unbilled Revenue	3,073,076	201,811
Grants	1,174,447	
Other	307,888	812
Materials and Supplies	7,349,315	38,940
Prepaid Expenses	361,105	
Total Current Assets	<u>\$ 20,356,958</u>	<u>\$ 1,427,383</u>
<b>Noncurrent Assets</b>		
Long-Term Portion of Assessments Receivable	\$	\$ 295,955
Nonutility Plant	85,358	2,150,601
Restricted Assets		
Cash	250	1,378,335
Investments	80,164	
Net Pension Assets	744,228	
Utility Plant		
Land and Land Rights	648,929	
Net Utility and General Plant	127,114,061	31,164,151
Construction Work in Progress	11,718,723	2,084,680
Less: Accumulated Depreciation	<u>(54,258,842)</u>	<u>(14,048,861)</u>
Net Utility Plan	<u>\$ 85,222,871</u>	<u>\$ 19,199,970</u>
Total Noncurrent Assets	<u>\$ 86,132,871</u>	<u>\$ 23,024,861</u>
Total Assets	<u><u>\$ 106,489,829</u></u>	<u><u>\$ 24,452,244</u></u>
<b>Deferred Outflows of Resources</b>		
Excess Consideration Provided for Acquisition	\$ 39,695,960	\$
Deferred Pension Outflows	1,745,965	
Total Deferred Outflows of Resources	<u><u>\$ 41,441,925</u></u>	<u><u>\$ 0</u></u>

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

**NOTES TO FINANCIAL STATEMENTS**

**Liabilities, Deferred Inflows of Resources, and Net Position**

	<u>Electric</u>	<u>Water</u>
<b>Current Liabilities</b>		
Power Bills Payable	\$ 3,255,576	\$
Accounts Payable	1,178,319	
Accrued Interest	3,129	52,416
Customer Deposits	49,500	200
Accrued Liabilities	311,754	
Accrued Taxes	1,426,884	
Accrued Wages and Benefits	596,100	
Accrued Compensated Absences	657,821	
Inter-Division Payables	4,534,071	(4,534,071)
Current Portion of Long-Term Debt	3,687,555	662,361
Total Current Liabilities	<u>\$ 15,700,709</u>	<u>\$ (3,819,094)</u>
<b>Noncurrent Liabilities</b>		
PWTF Loans Payable	\$	\$ 1,716,504
Notes Payable	85,595,766	361,052
Bonds Payable		2,611,162
Total Noncurrent Liabilities	<u>\$ 85,595,766</u>	<u>\$ 4,688,718</u>
Total Liabilities	<u>\$ 101,296,475</u>	<u>\$ 869,624</u>
<b>Deferred Inflows of Resources</b>		
Deferred Pension Inflows	\$ 1,765,581	\$
Total Deferred Inflows of Resources	<u>\$ 1,765,581</u>	<u>\$ 0</u>
<b>Net Position</b>		
Net Investment in Capital Assets	\$ 35,720,868	\$ 15,999,492
Restricted	250	1,378,335
Unrestricted	9,148,580	6,204,793
Total Net Position	<u>\$ 44,869,698</u>	<u>\$ 23,582,620</u>

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

**NOTES TO FINANCIAL STATEMENTS**

**Statement of Revenues, Expenses, and Changes in Net Position**

	<u>Electric</u>	<u>Water</u>
<b>Operating Revenues</b>		
Power Sales to Retail and Commercial Customers	\$ 42,278,903	\$
Water Sales to Retail and Commercial Customers		3,219,373
Broadband Sales to Retail and Commercial Customers	105,105	
Other Charges for Service	362,801	491,342
Total Current Assets	<u>\$ 42,746,809</u>	<u>\$ 3,710,715</u>
<b>Operating Expenses</b>		
Purchased Power and Water and Broadband	\$ 16,663,183	\$ 140,275
Operations and Maintenance	4,693,760	1,333,751
Administrative and General	5,197,497	798,712
Taxes	2,423,134	167,047
Depreciation and Amortization	5,727,342	829,876
Total Operating Expenses	<u>\$ 34,704,916</u>	<u>\$ 3,269,661</u>
<b>Operating Income (Loss)</b>	<u>\$ 8,041,893</u>	<u>\$ 441,054</u>
<b>Nonoperating Revenues (Expenses)</b>		
Interest Income	\$ 4,713	\$ 72,956
Timber Harvest Tax and Other	557,093	61,899
Interest Expense	(2,503,089)	(188,893)
Other Nonoperating Revenues (Expenses)	(125,547)	7,855
Total Nonoperating Revenues (Expenses)	<u>\$ (2,066,830)</u>	<u>\$ (46,183)</u>
<b>Income (Loss) Before Capital Contributions and Grants</b>	<u>\$ 5,975,063</u>	<u>\$ 394,871</u>
<b>Capital Contributions and Grants</b>	<u>3,437,095</u>	<u>182,329</u>
<b>Change in Net Position</b>	<u>\$ 9,412,158</u>	<u>\$ 577,200</u>
<b>Accumulated Net Position</b>		
Beginning of Year	<u>35,457,540</u>	<u>23,005,420</u>
End of Year	<u>\$ 44,869,698</u>	<u>\$ 23,582,620</u>

PUBLIC UTILITY DISTRICT NO. 1 OF JEFFERSON COUNTY, WASHINGTON

NOTES TO FINANCIAL STATEMENTS

Statement of Cash Flows

	<u>Electric</u>	<u>Water</u>
<b>Cash Flows From Operating Activities</b>		
Receipts from Customers	\$ 41,215,523	\$ 3,626,187
Payments to Suppliers	(27,424,414)	(1,103,802)
Payments to Employees and for Benefits	(6,122,485)	(1,338,699)
Net Cash from Operating Activities	<u>\$ 7,668,624</u>	<u>\$ 1,183,686</u>
<b>Cash Flows from Noncapital Financing Activity</b>		
Other Nonoperating Income	\$ (125,547)	\$ 7,855
Payments Received on Assessments	557,093	216,939
Inter-Division Payables (Receivables)	369,491	(369,491)
Net Cash from Noncapital Financing Activities	<u>\$ 801,037</u>	<u>\$ (144,697)</u>
<b>Cash Flows from Capital and Related Financing Activity</b>		
Acquisition and Construction of Capital Assets	\$ (9,281,112)	\$ (610,353)
Cost of Removal and Credits	(274,635)	39,293
Principal Payments on Debt	(3,587,105)	(650,772)
Interest Paid	(2,499,960)	(196,200)
Capital Contributions and Grants	2,262,648	182,329
Net Cash from Capital and Related Financial Activity	<u>\$ (13,380,164)</u>	<u>\$ (1,235,703)</u>
<b>Cash Flows from Investing Activities</b>		
Receipts from Interest	\$ 4,713	\$ 72,956
Net Cash from Investing Activities	<u>\$ 4,713</u>	<u>\$ 72,956</u>
<b>Net Change in Cash and Cash Equivalents</b>	\$ (4,905,790)	\$ (123,758)
<b>Cash and Cash Equivalent at Beginning of Year - Restricted and Unrestricted</b>	<u>9,411,850</u>	<u>2,475,322</u>
<b>Cash and Cash Equivalent at End of Year - Restricted and Unrestricted</b>	<u>\$ 4,506,060</u>	<u>\$ 2,351,564</u>
<b>Cash and Cash Equivalent at End of Year Consist of</b>		
Operating Cash and Cash Equivalents	\$ 4,505,810	\$ 973,229
Restricted Cash and Cash Equivalents	250	1,378,335
	<u>\$ 4,506,060</u>	<u>\$ 2,351,564</u>



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

**NOTES TO FINANCIAL STATEMENTS**

**Reconciliation of Net Operating Revenue (Expenses) to  
Net Cash from Operating Activities**

Net Operating Revenues (Expenses)	\$	8,041,893	\$	441,054
Adjustments to Reconcile Net Operating Revenues (Expenses) to Net Cash Provided by Operating Activities				
Depreciation and Amortization		5,727,342		829,876
(Increase) Decrease in Receivables		(1,559,572)		(84,124)
(Increase) Decrease in Materials and Supplies		(3,948,094)		(2,718)
(Increase) Decrease in Prepaid and Deferred Expenses		(165,536)		
(Increase) Decrease in Investments		(12,114)		
(Increase) Decrease in Deferred Outflows of Resources		(1,251,417)		
(Increase) Decrease in Net Pension Asset		3,214,422		
Increase (Decrease) in Accounts Payables		(553,381)		
Increase (Decrease) in Customer Deposits		40,400		(402)
Increase (Decrease) in Accrued Liabilities		271,619		
Increase (Decrease) in Accrued Taxes		435,761		
Increase (Decrease) in Accrued Wages and Benefit		91,863		
Increase (Decrease) in Accrued Compensated Absences		54,366		
Increase (Decrease) in Deferred Inflows of Resources		(2,718,928)		
Total Adjustments	\$	<u>(373,269)</u>	\$	<u>742,632</u>
Net Cash from Operating Activities	\$	<u><u>7,668,624</u></u>	\$	<u><u>1,183,686</u></u>

**Note 12 - Subsequent Events**

The District has evaluated subsequent events through March 7, 2023, which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of December 31, 2022, have been incorporated into these financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

PUBLIC UTILITY DISTRICT NO. 1 OF JEFFERSON COUNTY, WASHINGTON

RSI 1

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
AS OF JUNE 30, LAST 10 FISCAL YEARS

	PERS 1								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Employer's Proportion of the Net Pension Liability (Asset)	0.036460%	0.034161%	0.029131%	0.034134%	0.029481%	0.026527%	0.026887%	0.024189%	0.020203%
Employer's Proportionate Share of the Net Pension Liability	\$ 1,015,180	\$ 417,186	\$ 1,028,482	\$ 1,312,573	\$ 1,316,631	\$ 1,258,727	\$ 1,443,959	\$ 1,265,310	\$ 1,017,736
Employer's Covered Payroll	5,913,202	5,224,694	4,349,136	4,773,469	3,884,483	3,298,818	3,157,676	2,697,385	2,182,729
Employer's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	17.17%	7.98%	23.65%	27.50%	33.89%	38.16%	45.73%	46.91%	46.63%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.56%	88.74%	68.64%	67.12%	63.22%	61.24%	57.03%	59.10%	61.19%
	PERS 2 & 3								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Employer's Proportion of the Net Pension Liability (Asset)	0.047439%	0.439270%	0.038204%	0.044046%	0.037680%	0.034121%	0.034416%	0.031244%	0.026012%
Employer's Proportionate Share of the Net Pension Liability	\$ (1,759,409)	\$ (4,375,836)	\$ 488,607	\$ 427,836	\$ 643,352	\$ 1,185,542	\$ 1,732,818	\$ 1,116,366	\$ 525,796
Employer's Covered Payroll	5,913,202	5,269,074	4,435,619	4,827,756	3,925,909	3,363,002	3,208,763	2,773,498	2,239,050
Employer's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	-29.75%	-83.05%	11.02%	8.86%	16.39%	35.25%	54.00%	40.25%	23.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	106.73%	120.29%	97.22%	97.77%	95.77%	90.97%	85.82%	89.20%	93.29%

\* Data is presented for those years for which the information is available.

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PUBLIC UTILITY DISTRICT NO. 1 OF JEFFERSON COUNTY, WASHINGTON

RSI 2

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
AS OF JUNE 30, LAST 10 FISCAL YEARS**

	<b>PERS 1</b>								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily or Contractually Required Contributions	\$ 223,451	\$ 254,457	\$ 211,129	\$ 244,756	\$ 197,058	\$ 181,068	\$ 153,848	\$ 134,157	\$ 103,742
Contributions in Relation to the Statutorily or Contractually Required Contributions	(223,451)	(254,457)	(211,129)	(244,756)	(197,058)	(181,068)	(153,848)	(134,157)	(103,742)
Contributions Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 5,913,202	\$ 5,750,566	\$ 5,317,132	\$ 4,309,843	\$ 4,144,460	\$ 3,688,452	\$ 3,225,327	\$ 3,025,349	\$ 2,571,386
Contributions as a Percentage of Covered Payroll	3.78%	4.42%	3.97%	5.68%	4.75%	4.91%	4.77%	4.43%	4.03%
	<b>PERS 2 &amp; 3</b>								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily or Contractually Required Contributions	\$ 381,112	\$ 416,109	\$ 351,949	\$ 359,737	\$ 290,746	\$ 254,647	\$ 200,938	\$ 172,658	\$ 128,454
Contributions in Relation to the Statutorily or Contractually Required Contributions	(381,112)	(416,109)	(351,949)	(359,737)	(290,746)	(254,647)	(200,938)	(172,658)	(128,454)
Contributions Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 5,913,202	\$ 5,750,566	\$ 5,317,132	\$ 4,309,843	\$ 4,144,460	\$ 3,688,452	\$ 3,225,327	\$ 3,025,349	\$ 2,571,386
Contributions as a Percentage of Covered Payroll	6.45%	7.24%	6.62%	8.35%	7.02%	6.90%	6.23%	5.71%	5.00%

\* Data is presented for those years for which the information is available.

**OVERALL COMPLIANCE AND INTERNAL CONTROL SECTION**

**BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.**

**CERTIFIED PUBLIC ACCOUNTANTS**

**PHONE: (806) 747-3806**

**FAX: (806) 747-3815**

**8215 NASHVILLE AVENUE**

**LUBBOCK, TEXAS 79423-1954**

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**Independent Auditor's Report**

Board of Commissioners  
Public Utility District No. 1 of Jefferson County, Washington  
Port Townsend, Washington

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Public Utility District No. 1 of Jefferson County, Washington (the District), which comprise the statement of net position as of December 31, 2022, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 7, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Bolinger, Segars, Gilbert & Moss L.L.P.*

Certified Public Accountants

Lubbock, Texas

March 7, 2023

**BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.**

**CERTIFIED PUBLIC ACCOUNTANTS**

**PHONE: (806) 747-3806**

**FAX: (806) 747-3815**

**8215 NASHVILLE AVENUE**

**LUBBOCK, TEXAS 79423-1954**

**REPORT ON COMPLIANCE WITH ASPECTS OF CONTRACTUAL AGREEMENTS AND  
REGULATORY REQUIREMENTS FOR ELECTRIC BORROWERS**

**Independent Auditor's Report**

Board of Commissioners  
Public Utility District No. 1 of Jefferson County, Washington  
Port Townsend, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audit contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements Public Utility District No. 1 of Jefferson County, Washington (the District), which comprise the statement of net position as of December 31, 2022, and the related statements revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 7, 2023. In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. No reports other than the reports referred to have been furnished to management.

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the terms, covenants, provisions, or conditions of their loan, grant, and security instruments as set forth in 7 CFR Part 1773, *Policy on Audits of Rural Utilities Service Borrowers, and Grantees*, §1773.33, insofar as they relate to accounting matters as enumerated below. However, our audit was not directed primarily toward obtaining knowledge of noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above-referenced terms, covenants, provisions, or conditions of the contractual agreements and regulatory requirements, insofar as they relate to accounting matters. In connection with our audit, we noted no matters regarding the District's accounting and records to indicate that the District did not:

Maintain adequate and effective accounting procedures;

Utilize adequate and fair methods for accumulating and recording labor, material, and overhead costs, and the distribution of these costs to construction, retirement, and maintenance or other expense accounts.

Reconcile continuing property records to the controlling general ledger plant accounts;

Clear construction accounts and accrue depreciation on completed construction;

Record and properly price the retirement of plant;



Seek approval of the sale, lease or transfer capital assets and disposition of proceeds for the sale or lease of plant, material, or scrap;

Maintain adequate control over materials and supplies;

Prepare accurate and timely Financial and Operating Reports;

Obtain written RUS approval to enter into any contract for the management, operation, or maintenance of the borrower's system if the contract covers all or substantially all of the electric system;

Disclose material related party transactions in the financial statements. In accordance with requirements for related parties in generally accepted accounting principles;

Record depreciation in accordance with RUS requirements (See RUS Bulletin 183-1, Depreciation Rates and Procedures);

Comply with the requirements for the detailed schedule of deferred debits and deferred credits; see below:

**Schedule of Deferred Debits and Deferred Credits**

**Deferred Debits**

Excess consideration provided for acquisition	\$	39,695,960
Deferred pension outflows		<u>1,745,965</u>
Total	\$	<u><u>41,441,925</u></u>

**Deferred Credits**

Deferred Pension Inflows	\$	<u><u>1,765,581</u></u>
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Comply with the requirements for the detailed schedule of investments. – See note 2.

The purpose of this report is solely to communicate, in connection with the audit of the financial statements, on compliance with aspects of contractual agreements and the regulatory requirements for electric borrowers based on the requirements of 7 CFR Part 1773, *Policy on Audits of Rural Utilities Service Borrowers and Grantees*. Accordingly, this report is not suitable for any other purpose.

*Bolinger, Segars, Gilbert & Moss LLP*

Certified Public Accountants

Lubbock, Texas

March 7, 2023



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

**January 24, 2023  
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  
 Josh Garlock, Electric Superintendent  
 Jameson Hawn, Digital Comm. Specialist  
 Cody Hand, Broadband Network Engineer  
 Annette Johnson, Executive Assistant/Records Officer  
 Don McDaniel, PUD Consultant  
 Amy Strzalka, CPA, State Audit Manager  
 Thomas Bernard, CPA, Energy Program Manager  
 Danae Welty, State Audit Lead  
 Doug Dawson, CCG Consulting  
  
 Cammy Brown, Recording Secretary

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1. **CALL TO ORDER.** Commissioner Kenneth Collins called the Special Meeting of the Jefferson County PUD No. 1 Board of Commissioners for January 24, 2023, to order at 9:01 a.m. Commissioner Kenneth Collins read proclamation ESHB 1329. Roll call was taken. All three commissioners were present. It was determined there was a quorum.

2. **AGENDA REVIEW.** Notation was made that NoaNet discussion could be action item also, even though it was not listed as such on the agenda. Item No. 7 Executive Session will be done depending on time availability. There needs to be a small break to set up a room.

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

3. **STATE AUDITOR EXIT INTERVIEW.** State Audit Manager Amy Strzalka, CPA, Thomas Bernard, CPA, Energy Program Manager and Danae Welty, State Audit Lead, gave reports.

6. **NOANET DISCUSSION. (out of sequence).** General Manager Kevin Streett gave a report. There was considerable discussion. There was consensual agreement among the commissioners that the Board of Commissioners wait until the NoaNet Board meets to make a decision on the loan request.

4. **BROADBAND RATES AND POLICIES.** Communications Director Will O'Donnell gave a presentation.

4.1 **Wholesale Rates Proposed Changes.** Communications Director Will O'Donnell gave a presentation.

- Comment. On the aggregation rates, was there a per customer charge there as well as the aggregation rate? There was another rate too.

4.2 **Wholesale Policies Proposed Changes.** Communications Director Will O'Donnell gave a presentation.

4.3 **Draft Communications Transport Agreement.** Communications Director Will O'Donnell gave a presentation.

**Public Comment:**

- Comment regarding broadband. Commissioner Kenneth Collins requested summarization about what points were being made be emailed to PUD and commissioners.
- Comment. Comments on other documents in packet. As you go through and finalize these documents some polishing needs to be done on definitions. Does not understand what

“does not include internet” means. Would like to know the status of the Data Policy update. Are the updates in the current policy?

5. **SOUTH COUNTY BROADBAND SUPPORT.** General Manager Kevin Streett gave a report. There was considerable discussion.

**Public Comment.**

- Comment. Some of the grants were not approved.
- Comment. The ISPs’ coverage map is on the website. Hood Canal is covered.

**BREAK.** A five-minute break was requested 11:10 a.m.

7. **EXECUTIVE SESSION.** (out of sequence) Per RCW 42.30.110(1)(g) to review the performance of a PUD employee. Thirty minutes was needed for an Executive Session. Executive Session began at 11:15 a.m. Executive Session ended at 11:45 a.m. No action was taken.

The Jefferson County Public Utility District No. 1 Board of Commissioners Special Meeting reconvened at 11:45 a.m.

8. **ADJOURN.** Commissioner Kenneth Collins declared the January 24, 2023, Special Meeting of the Board of Commissioners of the Jefferson County Public Utility District No. 1 adjourned at 11:46 a.m.

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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](http://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.*

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Jefferson County PUD  
Board of Commissioners  
Special Meeting – Meter Reading and  
Meter Replacement Planning  
January 24, 2023  
Draft Minutes



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

**February 7, 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  
Scott Bancroft, Operations Director  
Stephanie Witheridge, HR Coordinator  
Josh Garlock, Electric Superintendent  
Jameson Hawn, Digital Comm. Specialist  
Jimmy Scarborough, Electrical Engineering Manager  
Melissa Blair, Finance Manager  
Annette Johnson, Executive Assistant/Records Officer  
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 February 2, 2023, to order at 3:00 p.m.

Page 1 of 6

Jefferson County PUD  
Board of Commissioners  
Regular Board Meeting 3:00 p.m.  
February 7, 2023  
Draft Minutes

Roll call was taken and all three commissioners were present. It was determined there was a quorum. Commissioner Kenneth Collins read the ESHB 1329 proclamation.

**2. AGENDA REVIEW:** No changes to agenda.

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

**3. EXECUTIVE SESSIONS.**

**FIRST EXECUTIVE SESSION. RCW 42.30.110(1)(g) to review the performance of a PUD Employee.** Thirty minutes was requested. Executive session convened at 3:03 p.m. Executive session ended at 3:33 p.m. No action was taken.

The regular meeting of the Jefferson County Public Utility District No. 1 Board of Commissioners reconvened at 3:33 p.m.

**SECOND EXECUTIVE SESSION. RCW 42.30.110(1)(i) to discuss with legal counsel potential litigation to which the PUD is likely to become a party.** Thirty minutes were requested. Executive session convened at 3:36 p.m. Executive session ended at 4:06 p.m. No action was taken.

The regular meeting of the Jefferson County Public Utility District No. 1 Board of Commissioners reconvened at 4:07 p.m.

**6. PUBLIC COMMENTS (out or sequence).** No public comments.

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

- Finance Director Mike Bailey gave a report.
- Communications Director Will O'Donnell gave a broadband update.
- Final process of RUS loan documentation for AMI project.
- Appreciation to HR Coordinator expressed.
- Human Resources Director is back from maternity leave.

**5. COMMISSIONERS' REPORTS.**

**Commissioner Dan Toepper.**

1/19 Listened to WPUDA legislation update.

Page 2 of 6

Jefferson County PUD  
Board of Commissioners  
Regular Board Meeting 3:00 p.m.  
February 7, 2023  
Draft Minutes

1/20 Met with General Manager Kevin Streett.  
 1/24 Attended PUD BOC Special Meeting.  
 1/25 Attended Energy NW Board of Directors' meeting. Report.  
 1/25 Attended WPUDA legislative update call. Report.  
 1/26 Attended WPAG virtual meeting. Report.  
 1/27 Telephone conference with Craig Nelson of NoaNet.  
 2/01 Attended PPC Council members' forum in Portland, Oregon. Report.  
 2/02 Attended PPC Board of Directors' meeting. Report.  
 2/03 Met with General Manager Kevin Streett.  
 2/06 Attended WPAG Zoom meeting. Report.  
 2/07 Will attend NoaNet meeting.  
 2/09 Will attend East Jefferson Fire Chief's meeting.  
 2/14 to  
 2/17 Will attend WPUDA meetings (Olympia).  
 2/20 Will meet with General Manager Kevin Streett.

### **Commissioner Jeff Randall**

1/18 Met with PUD General Counsel Joel Paisner.  
 1/19 Telephone meetings with some members of Energy NW.  
 1/20 Met with General Manager Kevin Streett.  
 1/23 Met with PUD Consultant Don McDaniel, Commissioner Jack Janda of Mason PUD, and General Manager Kevin Streett.  
 1/24 Attended PUD BOC Special Meeting.  
 1/25 and  
 1/26 Attended Energy NW meeting in Olympia. Report.  
 2/01 and  
 2/02 Listened in on PPC members' forum.  
 2/02 Attended EDC Board meeting. Report.  
 2/05 Attended a presentation Finn River Farm – young entrepreneurs.  
 2/08 Will attend Climate Action committee meeting.  
 2/14 Will attend PUD BOC Special Meeting.  
 2/15 to  
 2/17 Will attend WPUDA meetings via Zoom.

### **Commissioner Kenneth Collins**

1/20 Met with General Manager Kevin Streett.  
 1/24 Attended PUD BOC Special Meeting.  
 1/26 Met with General Manager Kevin Streett.

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Jefferson County PUD  
 Board of Commissioners  
 Regular Board Meeting 3:00 p.m.  
 February 7, 2023  
 Draft Minutes

- 2/01 Listened in on PPC Member's forum.
- 2/02 Met with PUD Consultant Don McDaniel.
- 2/03 Met with General Manager Kevin Streett.
- 2/10 Will meet with General Manager Kevin Streett.
- 2/14 Will attend PUD BOC Special meeting.
- 2/15 to
- 2/17 Will participate remotely in WPUA meetings.
- 2/16 Will attend remotely the ICG meeting.
- 2/17 Will meet with General Manager Kevin Streett.

**7. CONSENT AGENDA.** There was consensus among the commissioners to approve a correction to the September 20, 2022 minutes to change the reference to Senator Sheldon Whitehouse to Senator Tim Sheldon. The minutes were not pulled from the agenda.

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

**7.1 Prior Minutes.**

PUD BOC Special Meeting 08-23-2022 Minutes Draft.  
PUD BOC Special Meeting 08-25-2022 Minutes Draft.  
PUD BOC Special Meeting 09-13-2022 Minutes Draft.  
PUD BOC Regular Meeting 09-20-2022 Minutes Draft.  
PUD BOC Special Meeting 10-13-2022 Minutes Draft.

**7.2 Vouchers**

Voucher Certification with Supporting Warrant Register and Payroll for Meeting.  
Voucher Approval Form for the Commissioners.

**7.3 Financial Report.**

December 2022 Financials.

**PAYMENTS TO BE APPROVED**

<b>WARRANTS</b>	<b>AMOUNT</b>	<b>DATE</b>
Accounts Payable: #130792 to #130887	\$ 677,984.10	01/12/2023
Accounts Payable: #130888 to #130917	\$ 799,987.74	01/19/2023
Accounts Payable: #130918 to #130942	\$ 248,595.10	01/26/2023
Payroll Checks: # 71056 to # 71058	\$ 5,907.34	01/20/2023
Payroll Direct Deposit	\$ 156,857.28	01/20/2023

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Jefferson County PUD  
Board of Commissioners  
Regular Board Meeting 3:00 p.m.  
February 7, 2023  
Draft Minutes



**TOTAL INVOICES PAID: \$1,889,331.56**

<b>WIRE TRANSFERS PAID</b>	<b>AMOUNT</b>	<b>DATE</b>
BPA – purchase power for November 2022	\$1,469,538.00	01/10/2023

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**GRAND TOTAL \$3,358,869.56**

**7.4 Calendar.**

PUD Calendar February 7, 2023.

**7.5 Correspondence Log.**

No applicable public correspondence.

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**END OF CONSENT AGENDA**

**8. OLD BUSINESS.**

**8.1 COLA Increase for Non-Represented Employees.** General Manager Kevin Streett gave a report. Financial Director Mike Bailey gave a report.

**MOTION:** Commissioner Jeff Randall made a motion to approve a resolution of the Board of Commissioners of Public Utility District No. 1 of Jefferson County, Washington, establishing a salary cost of living adjustment (COLA) for Non-Represented employees for 2023. Commissioner Dan Toepper seconded the motion. Motion carried unanimously.

**8.2 South County Broadband Support.** For discussion only.

**8.3 Broadband Rates and Policies.** Communications Director Will O'Donnell gave a presentation.

**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 rescinding previous rates and policies and adopting new and revised rates, charges and policies for Retail and Wholesale Broadband Services, and authorizing a Privacy Policy for customers using certain applications on the PUD's network. Commissioner Dan Toepper seconded the motion. Motion carried unanimously.

There was some public comment on costs to the ISP passed on to the customers.

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Jefferson County PUD  
Board of Commissioners  
Regular Board Meeting 3:00 p.m.  
February 7, 2023  
Draft Minutes

**8.4 Low Income Policy Resolution.** Customer Service Director Jean Hall gave a report.

**MOTION:** Commissioner Jeff Randall made a motion to approve a resolution of the Board of Commissioners of Public Utility District No. 1 of Jefferson County, Washington amending the Customer Service Policy Section 10.6.2 – Senior Low-Income Rate Reduction Program, to raise the income eligibility limit for senior customer-owners. Commissioner Dan Toepper seconded the motion. Motion carried unanimously.

**9. NEW BUSINESS.**

**9.1 Consulting Costs to Review Rates, Policies, Procedures.** This item was tabled until the next regular meeting of the Board of Commissioners on February 14, 2023. All three commissioners agreed to table this item.

**10. ADJOURN.** Commissioner Kenneth Collins adjourned the February 2, 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

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Jefferson County PUD  
Board of Commissioners  
Regular Board Meeting 3:00 p.m.  
February 7, 2023  
Draft Minutes



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

**February 14, 2023  
Board of Commissioners  
Special Meeting**

**Draft Minutes**

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**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  
Josh Garlock, Electric Superintendent  
Jameson Hawn, Digital Comm. Specialist  
Samantha Harper, Engineering Director  
Annette Johnson, Executive Assistant/Records Officer  
Don McDaniel, PUD Consultant

Cammy Brown, Recording Secretary

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**1. CALL TO ORDER.** Commissioner Kenneth Collins called the Special Meeting of the Jefferson County PUD No. 1 Board of Commissioners for February 14, 2023, to order at 9:00 a.m. Commissioner Kenneth Collins read proclamation ESHB 1329. Roll call was taken. All three commissioners were present. It was determined there was a quorum.

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Jefferson County PUD  
Board of Commissioners  
Special Meeting – Meter Reading and  
Meter Replacement Planning  
February 14, 2023  
Draft Minutes

**2. AGENDA REVIEW.**

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

**3. EXECUTIVE SESSION. RCW 42.30.110(1)(i) to discuss with legal counsel potential litigation to which the PUD is likely to become a party.** Forty-five minutes was requested. Executive session convened at 9:03 a.m. Commissioner Kenneth Collins came out of Executive Session at 9:48 a.m. and requested an additional twelve minutes. Executive Session ended at 10:00 a.m. No action was taken.

The regular meeting of the Jefferson County Public Utility District No. 1 Board of Commissioners reconvened at 10:02 a.m.

**4. PUD FINANCIAL UPDATE.** Finance Director Mike Bailey gave a presentation.

**Public Comment:** Suggestion was made that Power Points be posted ahead of time on the website and Power Points be filed with minutes of the meeting.

**5. PUD PRIORITIES.** General Manager Kevin Streett gave a report. There was a discussion between staff and the BOC.

**6. CONSULTING COSTS TO REVIEW, POLICIES AND PROCEDURES.** General Manager Kevin Streett gave a report.

**MOTION:** Commissioner Dan Toepper made a motion to have the manager and staff contract with EES to do a review of broadband focused on the financial aspects. There was no second on the motion. Motion dies.

There was some discussion on providing monthly updates on broadband. EES will do a review of broadband focusing on financial aspects.

**7. PUD MINUTES DISCUSSION.** General Manager Kevin Streett gave a report. There was some discussion on the format of minutes, timeliness of preparation in getting the minutes to the Board of Commissioners and overall framework of the minutes.

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Jefferson County PUD  
Board of Commissioners  
Special Meeting – Meter Reading and  
Meter Replacement Planning  
February 14, 2023  
Draft Minutes

**Public comment:** Definition of action in the Open Public Meeting Act includes discussion. Important to state what was discussed not just votes taken.

There was a discussion on providing presentations in the packets.

**8. ADJOURN.** Commissioner Kenneth Collins declared the February 14, 2023, Special Meeting of the Board of Commissioners of the Jefferson County Public Utility District No. 1 adjourned at 11:33 a.m.

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Minutes prepared by Recording  
Secretary Cammy Brown

**Approved:**

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

\_\_\_\_\_  
Date

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

\_\_\_\_\_  
Date

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

\_\_\_\_\_  
Date

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

**February 21, 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  
Scott Bancroft, Operations Director  
Josh Garlock, Electric Superintendent  
Jameson Hawn, Digital Comm. Specialist  
Jimmy Scarborough, Electrical Engineering Manager  
Samantha Harper, Engineering Director  
Melanie Des Marais, HR Manager  
Annette Johnson, Executive Assistant/Records Officer  
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 February 21, 2023, to order at 3:00 p.m.

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Jefferson County PUD  
Board of Commissioners  
Regular Board Meeting 3:00 p.m.  
February 21 2023  
Draft Minutes

Roll call was taken and all three commissioners were present. It was determined there was a quorum. Commissioner Kenneth Collins read the ESHB 1329 proclamation.

**2. AGENDA REVIEW:** No changes to agenda.

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

**3. EXECUTIVE SESSIONS.**

**FIRST EXECUTIVE SESSION. RCW 42.30.110(1)(g) to review the performance of a PUD Employee.** Thirty minutes was requested. Executive session convened at 3:04 p.m. Executive session ended at 3:34 p.m. No action was taken.

The regular meeting of the Jefferson County Public Utility District No. 1 Board of Commissioners reconvened at 3:34 p.m.

**SECOND EXECUTIVE SESSION. RCW 42.30.110(1)(i) to discuss with legal counsel potential litigation to which the PUD is likely to become a party.** Thirty minutes were requested. Executive session convened at 3:35 p.m. Executive session ended at 4:05 p.m. No action was taken.

The regular meeting of the Jefferson County Public Utility District No. 1 Board of Commissioners reconvened at 4:05 p.m.

**6. PUBLIC COMMENTS (out or sequence).**

- Has the PUD spoken to people who resigned or got fired for not vaccinating?
- Has the PUD offered the jobs back to those employees who were not vaccinated?
- Why are the Executive Sessions in front of the meetings on the agenda? This is not good public process and inconsiderate to people who are working. Hope it goes back to the way it was before.

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

General Manager Kevin Streett pointed out that there were other items listed on the agenda but reports were not ready to present at this meeting.

- A look back at public power fifty years ago.
- Inventory and Engineering purchasing ornate streetlights is very expensive.

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Jefferson County PUD  
Board of Commissioners  
Regular Board Meeting 3:00 p.m.  
February 21 2023  
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- Need to look at standardization of streetlights.
- Operations Director Scott Bancroft gave a report on solar panel installers.
- Communications Director Will O'Donnell gave an AMI meter project report.

## **5. COMMISSIONERS' REPORTS.**

### **Commissioner Dan Toepper.**

- 2/8 Attended NoaNet meeting in Spokane. Report.
- 2/9 Attended WPUDA legislative update.
- 2/13 Met with Mike Henson of NoaNet. Report.
- 2/14 Attended PUD BOC Special Meeting.
- 2/15 Attended WPUDA commissioners' training Report.
- 2/15 Attended WPUDA Day on the Hill activities. Report.
- 2/15 Attended WPUDA telecom and energy meetings. Report.
- 2/15 Attended local ICG meeting via Zoom.
- 2/17 Attended WPUDA Board of Directors' meeting. Report.
- 2/17 Attended WPUDA meeting with Legislative District 24 Representatives Chapman and Tharinger. Report.
- 2/20 Met with General Manager Kevin Streett.
- 2/21 Spoke with Craig Nelson of NoaNet. Report.
- 2/22 Will attend EDC planning workshop.
- 2/23 Will attend NoaNet meeting via Zoom.
- 2/23 Will attend EDC Team Jefferson retreat.
- 2/24 Will attend Jefferson County Infrastructure Board meeting.
- 2/25 Will leave for Washington D.C. to attend American Public Power Association legislative meetings.
- 3/6 Will meet with General Manager Kevin Streett.

### **Commissioner Jeff Randall**

- 2/9 Met with General Manager Kevin Streett.
- 2/9 Had a conversation with Ken Haines about their participation with NoaNet. Report.
- 2/10 Spoke with General Manager Kevin Streett.
- 2/10 Met with Ryan Neal of WPAG (Western Public Agency Group). Report.
- 2/11 Met with Debra Lester of Kitsap PUD.
- 2/14 Attended PUD BOC Special Meeting.
- 2/16 Attended ICG meeting.
- 2/17 Attended WPUDA Executive Committee meeting.
- 2/18 Met with PUD General Counsel Joel Paisner.

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Jefferson County PUD  
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Regular Board Meeting 3:00 p.m.  
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Draft Minutes



- 2/23 Will listen in on NoaNet meeting.
- 3/2 Will attend EDC Team Jefferson Board meeting.

### **Commissioner Kenneth Collins**

- 2/9 Listened in on legislative update.
- 2/10 Met with General Manager Kevin Streett.
- 2/14 Attended PUD BOC Special Meeting.
- 2/15 Attended WPUDA meeting. Report.
- 2/15 Attended ICG meeting.
- 2.17 Met with General Manager Kevin Streett.
- 2/18 Met with Communications Director Will O'Donnell.
- 2/22 Will attend Marrowstone Island Association meeting. Communications Director Will O'Donnell will give a presentation.
- 2/24 Will meet with General Manager Kevin Streett.
- 3/2 Will meet with General Manager Kevin Streett.

### **7. 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.

**7.1 Prior Minutes.** No minutes for this meeting.

#### **7.2 Vouchers**

Voucher Certification with Supporting Warrant Register and Payroll for Meeting.

Voucher Approval Form for the Commissioners.

### **PAYMENTS TO BE APPROVED**

<b>WARRANTS</b>	<b>AMOUNT</b>	<b>DATE</b>
Accounts Payable: #130943 to #130964	\$ 345,789.87	02/02/2023
Accounts Payable: #130965 to #131019	\$ 229,885.02	02/09/2023
Payroll Checks: # 71059 to # 71060	\$ 5,625.45	02/03/2023
Payroll Direct Deposit	\$ 154,779.72	02/03/2023
<b>TOTAL INVOICES PAID:</b>	<b>\$ 736,080.06</b>	

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Jefferson County PUD  
Board of Commissioners  
Regular Board Meeting 3:00 p.m.  
February 21 2023  
Draft Minutes

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**GRAND TOTAL**

**\$ 736,080.06**

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**7.3 Financial Report.**

Agenda Report-Written Off Accounts 2-21-2023.

Written Off Accounts Motion 2-21-2023.

**7.4 Calendar.**

PUD Calendar February 21, 2023.

**7.5 Correspondence Log.**

C Log 20230217.pdf.

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**END OF CONSENT AGENDA**

**8. OLD BUSINESS.**

**8.1 Brinnon Broadband Support Resolution.** General Manager Kevin Streett gave a report.

**MOTION:** Commissioner Jeff Randall made a motion to approve a resolution of the Board of Commissioners of Public Utility District No. 1 of Jefferson County, Washington, in Support of a Fiberoptic Project in Brinnon, Jefferson County, Washington and Amending an Interlocal Agreement to Provide Funding, Materials and Services. Commissioner Dan Toepper seconded the motion. Motion carried unanimously.

**9. NEW BUSINESS.**

**9.1 Standards of Conduct for Awarding Contracts Involving Federal Grant Funds.** Communications Will O'Donnell gave a report.

**MOTION:** Commissioner Jeff Randall made a motion that the Board of Commissioners of Public Utility District No. 1 of Jefferson County, Washington, adopt the Standards of Conduct as referenced in compliance with 2 CFR Section 200.318 and each commissioner and the PUD General Manager will each sign the document. Commissioner Dan Toepper seconded the motion. Motion carried unanimously.

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Jefferson County PUD  
Board of Commissioners  
Regular Board Meeting 3:00 p.m.  
February 21 2023  
Draft Minutes

**10. ADJOURN.** Commissioner Kenneth Collins adjourned the February 21, 2023, Regular Meeting of the Jefferson County Public Utility District No. 1 Board of Commissioners at 4:45 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

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Jefferson County PUD  
Board of Commissioners  
Regular Board Meeting 3:00 p.m.  
February 21 2023  
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## 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 **\$1,788,565.61** on this **16TH** day of **MAY** **2023** ;

---

Kenneth Collins  
President

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Jeff Randall  
Vice President

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Dan Toepper  
Secretary

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### PAYMENTS TO BE APPROVED:

	WARRANTS	AMOUNT	DATE
Accounts Payable:	# 131441 to # 131484	\$ 1,084,735.83	4/27/2023
Accounts Payable:	# 131485 to # 131485	\$ 14,714.70	5/1/2023
Accounts Payable:	# 131486 to # 131534	\$ 395,648.92	5/4/2023
Payroll Checks:	# 71071 to # 71072	\$ 6,063.25	4/28/2023
Payroll Direct Deposit:		\$ 190,693.29	4/28/2023

### TOTAL INVOICES PAID

**\$1,691,855.99**

### WIRE TRANSFERS PAID

	AMOUNT	DATE
USDA RD DCFO - Tri Area bond payment for 1st half 2023	\$ 82,381.00	4/21/2023
Peterson Lake - loan payment for May 2023	\$ 14,328.62	5/1/2023

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### PAYMENT TOTAL

**\$1,788,565.61**

VOIDED WARRANTS

## 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

5/11/2023

Date

### VOUCHER CLAIM FORMS FOR INVOICES PAID:

WARRANTS	AMOUNT	DATE
Accounts Payable: # 131441 to # 131484	\$ 1,084,735.83	4/27/2023
Accounts Payable: # 131485 to # 131485	\$ 14,714.70	5/1/2023
Accounts Payable: # 131486 to # 131534	\$ 395,648.92	5/4/2023
Payroll Checks: # 71071 to # 71072	\$ 6,063.25	4/28/2023
Payroll Direct Deposit:	\$ 190,693.29	4/28/2023
<b>TOTAL INVOICES PAID</b>	<b>\$1,691,855.99</b>	

### WIRE TRANSFERS PAID

WIRE TRANSFERS PAID	AMOUNT	DATE
USDA RD DCFO - Tri Area bond payment for 1st half 20	\$ 82,381.00	4/21/2023
Peterson Lake - loan payment for May 2023	\$ 14,328.62	5/1/2023

### GRAND TOTAL

**\$1,788,565.61**

VOIDED WARRANTS

05/11/2023 6:22:06 AM

# Accounts Payable Check Register

Page 1

04/24/2023 To 05/08/2023

Bank Account: 1 - 1ST SECURITY - AP

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
131441 4/27/23	CHK	10739	2M COMPANY LLC	GARDNER WELL PUMP & MOTOR REPLACE	8,989.40
131442 4/27/23	CHK	10447	ANIXTER INC.	WIRE #2 ACSR	1,994.49
				WIRE #2 ACSR	1,658.87
				TERMINATION KIT 1/0-CONCENTRIC	1,491.73
				TERMINATION KIT 1/0-CONCENTRIC	198.56
Total for Check/Tran - 131442:					5,343.65
131443 4/27/23	CHK	10937	ARROW LUMBER & HARDWARE LLC	WILLIAMS CT - WHITEWOOD LUMBER	42.54
131444 4/27/23	CHK	10016	ASPLUNDH TREE EXPERT CO	TREE TRIMMING W/E 03/11/2023	8,600.00
				TREE TRIMMING W/E 04/01/2023	9,052.56
Total for Check/Tran - 131444:					17,652.56
131445 4/27/23	CHK	10881	BELL LUMBER & POLE COMPANY	UTILITY POLES-65/HI,75/HI,80/HI	36,023.72
131446 4/27/23	CHK	10870	BIG BLUE PRESSURE WASHING AND L	LANDSCAPING - FOUR CRNRS & OTTO ST 4/03	109.10
				LANDSCAPING - FOUR CRNRS & OTTO ST 4/03	218.19
				LANDSCAPING - FOUR CRNRS & OTTO ST 4/03	147.29
				LANDSCAPING - FOUR CRNRS & OTTO ST 4/03	98.19
				LANDSCAPING - FOUR CRNRS & OTTO ST 4/03	16.37
				LANDSCAPING - FOUR CRNRS & OTTO ST 4/03	10.91
Total for Check/Tran - 131446:					600.05
131447 4/27/23	CHK	10940	CALIX, INC.	EXTENDED WARRANTY CAT3 FEB2028-FEB2033	109.32
				PREMIER SUPPORT 1ST YR 04/23-03/24	3,823.83
				OPERATIONS CLOUD 1ST 6 MNTH 04/01-9/23	3,261.96
				EXTENDED WARRANTY-04/01/23-03/31/2024	13,495.00
Total for Check/Tran - 131447:					20,690.11
131448 4/27/23	CHK	10979	CAPCON NETWORKS LLC	DEDICATED INTERENT ACCESS MAY 2023	5,714.50
131449 4/27/23	CHK	10038	CASCADE COLUMBIA DISTRIBUTION C	POTASSIUM PERMANGANATE&CAUSTIC SODA	4,564.24
				CONTAINER RETURN QTY 16	-1,017.48
Total for Check/Tran - 131449:					3,546.76

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# Accounts Payable Check Register

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Bank Account: 1 - 1ST SECURITY - AP

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
131450 4/27/23	CHK	10053	COMPUNET, INC	CISCO NETWORK CONVERGENCE	360,708.76
131451 4/27/23	CHK	10920	COOPERATIVE RESPONSE CENTER, INC	ANSWER SVC FOR APR 2023	1,996.56
				ANSWER SVC FOR APR 2023	1,996.56
				ANSWER SVC FOR APR 2023	443.69
Total for Check/Tran - 131451:					4,436.81
131452 4/27/23	CHK	10994	DATA BUSINESS EQUIPMENT, INC	3577 2YR CK SCANNERAGRMT 1/08/23-1/07/25	588.16
				3577 2YR CK SCANNERAGRMT 1/08/23-1/07/25	65.35
Total for Check/Tran - 131452:					653.51
131453 4/27/23	CHK	10065	DEPT OF LABOR & INDUSTRIES	WORKERS COMP - 1ST QTR 2023	18,782.06
131454 4/27/23	CHK	10070	DOUBLE D ELECTRICAL, INC	147 DEER ROAD - GENERATOR SERVICE	1,231.93
				ANNUAL GENSVC - 30KW LIQCOOLED ONAN	893.75
Total for Check/Tran - 131454:					2,125.68
131455 4/27/23	CHK	10898	EDC TEAM JEFFERSON	EDC SUPPORT FUNDING Q2 2023	9,000.00
				EDC SUPPORT FUNDING Q2 2023	1,000.00
Total for Check/Tran - 131455:					10,000.00
131456 4/27/23	CHK	10074	EMPLOYMENT SECURITY	SUTA - 1ST QTR 2023	9,815.19
131457 4/27/23	CHK	10078	ESCI	ESCI SAFETY TRAINING - APR 2023	3,600.00
131458 4/27/23	CHK	10085	FASTENAL	TAPE, YELLOW CAUT TAPE, LIME ZIP VEST	178.97
				WIPES 100 COUNT	80.25
Total for Check/Tran - 131458:					259.22
131459 4/27/23	CHK	10090	FREDERICKSON ELECTRIC, INC	ROOFTOP SOLAR PROJECT-March 2023 85%	161,360.10
131460 4/27/23	CHK	10945	TYLER R GALE	EMPLOYEE BOOT/TOOL ALLOWANCE 2023	300.00
131461 4/27/23	CHK	10094	GENERAL PACIFIC, INC	CLOVER LEAF-4 HOLE MOUNTING BRACKET	1,096.78
				5/8" x 3/4" M25 BADGER METER	5,070.97
Total for Check/Tran - 131461:					6,167.75
131462 4/27/23	CHK	10454	GLOBAL RENTAL COMPANY INC	VEH# 415-AT40G BKT RENTAL 3/22-4/18/23	2,945.70

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# Accounts Payable Check Register

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04/24/2023 To 05/08/2023

Bank Account: 1 - 1ST SECURITY - AP

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				SINGLEMAN BUCKET TRUCK# 410 RENTAL	2,727.50
				SPLICER VAN RENTAL# 421	2,727.50
				2023 MONTHLY RENTAL# 417	3,054.80
				AT40-G BUCKETRNTL VEH#416 3/29-4/25/23	2,945.70
				AA55 DBLMN BUCKET VEH#414 3/29-4/25/23	3,709.40
				<b>Total for Check/Tran - 131462:</b>	18,110.60
131463 4/27/23	CHK	10839	IRBY ELECTRICAL UTILITES	SPLICE, AUTO 336 (GREEN)	1,650.14
131464 4/27/23	CHK	10518	J HARLEN COMPANY	LEATHER/RUBBER GLOVE PROTECTORS	59.90
131465 4/27/23	CHK	10281	JEFFCO EFTPS	EMPLOYEES' MEDICARE TAX	4,363.07
				EMPLOYER'S MEDICARE TAX	4,363.07
				EMPLOYEES' FICA TAX	18,655.77
				EMPLOYER'S FICA TAX	18,655.77
				EMPLOYEES' FEDERAL WITHHOLDING	17,970.55
				EMPLOYEES' FEDERAL WITHHOLDING TAX	15,832.10
				<b>Total for Check/Tran - 131465:</b>	79,840.33
131466 4/27/23	CHK	10120	JEFFERSON CO AUDITOR	NOVEMBER 2022 ELECTION COSTS	10,825.69
				NOVEMBER 2022 ELECTION COSTS	1,202.85
				<b>Total for Check/Tran - 131466:</b>	12,028.54
131467 4/27/23	CHK	10532	JEFFERSON COUNTY PUD PAYROLL ACPR DIRECT DEPOSIT 04.28.2023		190,693.29
				PR MANUAL CHECKS 04.28.2023	6,063.25
				<b>Total for Check/Tran - 131467:</b>	196,756.54
131468 4/27/23	CHK	10972	KATIES CLEANING SERVICE	JANITORIAL SRV 4/3-4/10/2023	579.15
				JANITORIAL SRV 4/3-4/10/2023	64.35
				<b>Total for Check/Tran - 131468:</b>	643.50
131469 4/27/23	CHK	10981	KRAZAN & ASSOCIATES OF WASHINGT	PROF SERVC SHINE PLAT/BYWATER FEB 2023	311.30
				PROF SERVC SHINE PLAT/BYWATER FEB 2023	518.84
				PROF SERVC SHINE PLAT/BYWATER FEB 2023	207.53
				<b>Total for Check/Tran - 131469:</b>	1,037.67



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# Accounts Payable Check Register

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Bank Account: 1 - 1ST SECURITY - AP

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
131470 4/27/23	CHK	10042	LANDIS & GYR TECHNOLOGY INC	METER READS - MAR 2023	25,231.43
131471 4/27/23	CHK	10935	LARGE DOCUMENT SOLUTIONS	WT36CL SCANNER MAINT&SUPP 1YR THRU 2024	-49.96
				WT36CL SCANNER MAINT&SUPP 1YR THRU 2024	539.06
				WT36CL SCANNER MAINT&SUPP 1YR THRU 2024	59.90
Total for Check/Tran - 131471:					549.00
131472 4/27/23	CHK	9998	KAITLYN LIPKA	Credit Balance Refund	100.00
131473 4/27/23	CHK	10142	MASON COUNTY PUD #1	PUD 1 & HCC FIBER PROJECT - FIBER CONTRI	30,000.00
131474 4/27/23	CHK	10792	MATERIALS TESTING & CONSULTING, I	PROF SVC:INSPECTION QUILCENE WATER TANK	2,053.75
131475 4/27/23	CHK	9998	MARTI MATHIS	Credit Balance Refund	138.64
131476 4/27/23	CHK	9997	C MC QUEEN	2019 NET METER INCENTIVE PAYMENT	570.38
131477 4/27/23	CHK	10982	NATIONAL RURAL TELECOMMUNICAT	CROWD FIBER SURVEY SERVICES MAR 2023	500.00
131478 4/27/23	CHK	10187	PITNEY BOWES-RESERVE ACCT	PRE-PAID POSTAGE ACCT# 33897265	360.00
				PRE-PAID POSTAGE ACCT# 33897265	40.00
Total for Check/Tran - 131478:					400.00
131479 4/27/23	CHK	10193	PORT TOWNSEND LEADER	LEGAL: RFP NO. 23BB0501	38.00
				LEGAL: VENDOR LIST SOLICITATION	21.60
				DISPLAY-10-YEAR OF PUBLIC POWER	864.00
				MAGAZINE: HOME&GARDEN	720.00
				LEGAL: BID HUNT RD 3/01&3/08	232.00
				LEGAL: VENDOR LIST SOLICITATION	2.40
				DISPLAY-10-YEAR OF PUBLIC POWER	96.00
				MAGAZINE: HOME&GARDEN	80.00
				LEGAL: INVITATION TO BID	90.00
Total for Check/Tran - 131479:					2,144.00
131480 4/27/23	CHK	10210	RICOH USA, INC	310 CSR (8200) IMAGES MAR 2023	13.99
				310 4CRNRS (0626) IMAGES MAR 2023	874.69

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Bank Account: 1 - 1ST SECURITY - AP

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				310 4CRNRS (0626) IMAGES MAR 2023	97.19
				310 FOUR CRNRS (7427) IMAGES MAR 2023	28.66
				310 FOUR CRNRS (7427) IMAGES MAR 2023	3.18
				OTTO ST (3983)&(3982) IMAGES MAR 2023	67.73
				OTTO ST (3983)&(3982) IMAGES MAR 2023	7.53
				WORKROOM (0109) IMAGES MAR 2023	8.50
				WORKROOM (0109) IMAGES MAR 2023	0.94
				<b>Total for Check/Tran - 131480:</b>	1,102.41
131481 4/27/23	CHK	10217	SETON CONSTRUCTION INC	FLAGGING- HASTINGS AVE 2/24/23	771.80
				FLAGGING- PUD SHOP 2/15/23	671.80
				FLAGGING- HAZEL POINT RD 2/21/23	1,467.23
				FLAGGING- HAZEL POINT RD 2/22/23	1,517.00
				FLAGGING- HAZEL POINT RD 2/23/23	1,401.00
				FLAGGING- CENTER & OAK BAY RD 2/28/23	750.50
				FLAGGING- CENTER & OAK BAY RD 2/28/23	750.50
				<b>Total for Check/Tran - 131481:</b>	7,329.83
131482 4/27/23	CHK	10869	SLATE ROCK SAFETY	PUD CLOTHING	257.09
				PUD CLOTHING	391.06
				<b>Total for Check/Tran - 131482:</b>	648.15
131483 4/27/23	CHK	10255	USA BLUEBOOK	CHETECH XP PERISTALTIC PUMP 69264	1,777.97
131484 4/27/23	CHK	10260	WA STATE DEFERRED COMPENSATIONPL DEFERRED COMP EE		17,680.10
				PL DEFERRED COMP ER	7,570.58
				<b>Total for Check/Tran - 131484:</b>	25,250.68
131485 5/1/23	CHK	10767	EMPLOYMENT SECURITY DEPARTMEN	1ST QTR 2023 PFML	14,714.70
131486 5/4/23	CHK	10002	A WORKSAFE SERVICE, INC	ANNUAL RENEWAL OF RANDOM SELECTION 2023	135.00
				ANNUAL RENEWAL OF RANDOM SELECTION 2023	15.00
				DRUG & ALCOHOL TEST (6)	67.00
				DRUG & ALCOHOL TEST (6)	395.00

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Bank Account: 1 - 1ST SECURITY - AP

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
Total for Check/Tran - 131486:					612.00
131487 5/4/23	CHK	10006	AFLAC	AFLAC BILL APR 2023	198.84
131488 5/4/23	CHK	10447	ANIXTER INC.	CLOVER LEAF	1,200.10
				MESSANGER SUSPENSION CLAMP-1/4-7/16	354.58
				TERMINATION KIT 1/0-CONCENTRIC	1,206.95
				TERMINATION KIT 1/0-CONCENTRIC	556.96
Total for Check/Tran - 131488:					3,318.59
131489 5/4/23	CHK	10933	AT&T MOBILITY II LLC	CRADLEPOINT SVC FOR AMI 03/20-04/19/2023	838.08
				CRADLEPOINT SVC FOR AMI 02/20-03/19/2023	838.08
Total for Check/Tran - 131489:					1,676.16
131490 5/4/23	CHK	10295	DYLAN C BRACKNEY	WELLNESS PROGRAM REIMBURSEMENT 2023	275.00
131491 5/4/23	CHK	10763	BUILDERS EXCHANGE OF WASHINGTON	PUBLISH PROJECTS ONLINE - HUNT RD WTR EX	64.75
131492 5/4/23	CHK	10623	CARL H. JOHNSON & SON EXCAVATING	EXCAVATE&FILL - 415 WASHINGTON LN	2,413.91
				EMRGNCY WATER MAIN RPR- 120 ALDER COYLE	7,763.26
				EMRCNY WATER MAIN RPR- 81 WOLF RD COYLE	15,912.34
				EMRCNCY WATER MAIN RPR - 60 BEAR RD	6,089.42
				EXCAVATE&FILL - 415 WASHINGTON LN	2,808.12
				EMRGNCY POWER GROUND FAULT- 61 DUTCH LN	5,733.75
Total for Check/Tran - 131492:					40,720.80
131493 5/4/23	CHK	10843	CCG CONSULTING	BROADBAND NETWORK ENGINEERING-MAR-2023	3,260.40
131494 5/4/23	CHK	10041	CDW GOVERNMENT	CRADLEPOINT IBR200 ROUTER 4 YR NETCLOUD	180.44
				CRADLEPOINT IBR200 ROUTER 4 YR NETCLOUD	20.05
Total for Check/Tran - 131494:					200.49
131495 5/4/23	CHK	10044	CENTURY LINK QCC-P	SERVICE FOR PH#360-385-5800 APR 23	11.36
				SERVICE FOR PH#360-385-5800 APR 23	1.26
Total for Check/Tran - 131495:					12.62
131496 5/4/23	CHK	10045	CENTURY LINK-S	PHONE SERVICE - APR 2023	135.15

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Bank Account: 1 - 1ST SECURITY - AP

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				PHONE SERVICE - APR 2023	15.02
				<b>Total for Check/Tran - 131496:</b>	150.17
131497 5/4/23	CHK	10046	CENTURYLINK	LOW SPD DATA & 2WIRE APR 2023	35.06
				LOW SPD DATA & 2WIRE APR 2023	3.90
				<b>Total for Check/Tran - 131497:</b>	38.96
131498 5/4/23	CHK	10050	CHS	VEH# 215 - FUEL	70.24
131499 5/4/23	CHK	10051	CITY OF PORT TOWNSEND-UTILITY	KEARNEY SUBSTATION - APR 2023	208.24
				191 OTTO ST - APR 2023	118.95
				191 OTTO ST - APR 2023	13.22
				<b>Total for Check/Tran - 131499:</b>	340.41
131500 5/4/23	CHK	10057	CORRECT EQUIPMENT	BECKETT PT GRINDER PUMP	3,955.97
131501 5/4/23	CHK	10815	DANIEL ANDERSON TRUCKING&EXCA	FLAGGING & VACTOR SRVC- 3/7/23	3,512.80
				FLAGGING- COOK AVE	718.86
				EMRGNCY TREE REMOVAL- 3/16/23	10,910.00
				FLAGGING- COOK AVE/53RD 3/13-3/15-23	3,240.60
				FLAGGING- COOK AVE/53RD 3/20-3/23/23	5,464.93
				VACTOR SRVC- 4/4/23	3,492.38
				VACTOR SRVC- 4/5/23	1,991.08
				<b>Total for Check/Tran - 131501:</b>	29,330.65
131502 5/4/23	CHK	10061	DEPT OF COMMERCE	BECKETT PT SEWAGE CONTRACT#PW-05-691-024	50,775.76
				BECKETT PT SEWAGE CONTRACT#PW-05-691-024	761.64
				MARROWSTONE WATER CONTRACT#PW-05-691-025	108,806.33
				MARROWSTONE WATER CONTRACT#PW-05-691-025	1,632.09
				<b>Total for Check/Tran - 131502:</b>	161,975.82
131503 5/4/23	CHK	10068	DISCOVERY BAY GROUP, LLC	CONSULTING SERVICE APR 2023	5,500.00
131504 5/4/23	CHK	10083	EXCEL UTILITY CONSTRUCTION	WATER METER INSTL - 21 S WHITE FIR WAY 4	-107.72
				WATER METER INSTL - 21 S WHITE FIR WAY 4	1,291.50
				WATER METER INSTL - 21 S WHITE FIR WAY 4	-119.76

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Bank Account: 1 - 1ST SECURITY - AP

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				WATER METER INSTL - 21 S WHITE FIR WAY 4	1,435.85
				<b>Total for Check/Tran - 131504:</b>	2,499.87
131505 5/4/23	CHK	10773	JOSHUA D GARLOCK	WELLNESS PROGRAM REIMBURSEMENT 2023	275.00
131506 5/4/23	CHK	10094	GENERAL PACIFIC, INC	TRANSFORMER TIE DOWNS	570.05
131507 5/4/23	CHK	10802	THERESA L GIESE	TRAVEL - MILEAGE	33.96
				TRAVEL - PARKING FEE	9.00
				TRAVEL - MILEAGE	3.77
				TRAVEL - PARKING FEE	1.00
				WELLNESS PROGRAM REIMBURSEMENT 2023	71.60
				WELLNESS PROGRAM REIMBURSEMENT 2023	7.95
				<b>Total for Check/Tran - 131507:</b>	127.28
131508 5/4/23	CHK	10103	H D FOWLER	18"WATER METER RESETTER #VH42-18W-N	231.15
				CM FRIEGHT ON INV I6321310	-27.28
				5.40 x 1" SADDLE BOY/STRAP	474.89
				1"CARBIDE/PVC CUTTER 351-01-108/208	1,147.54
				<b>Total for Check/Tran - 131508:</b>	1,826.30
131509 5/4/23	CHK	10110	HENERY HARDWARE	ROPE & COAT HOOKS	58.87
131510 5/4/23	CHK	10839	IRBY ELECTRICAL UTILITES	BOLT DA 5/8 X 16	132.28
131511 5/4/23	CHK	10782	AMANDA D ISAAK	TRAVEL - LODGING	298.86
				TRAVEL - MEALS PER DIEM	266.40
				TRAVEL - MILEAGE	239.93
				TRAVEL - TOLL FEE	4.95
				TRAVEL - LODGING	33.21
				TRAVEL - MEALS PER DIEM	29.60
				TRAVEL - MILEAGE	26.66
				TRAVEL - TOLL FEE	0.55
				<b>Total for Check/Tran - 131511:</b>	900.16

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Bank Account: 1 - 1ST SECURITY - AP

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
131512 5/4/23	CHK	10117	ITRON, INC.	HW&SW MAINTENANCE 5/1/23-7/31/23	1,407.06
				HW&SW MAINTENANCE 5/1/23-7/31/23	156.35
Total for Check/Tran - 131512:					1,563.41
131513 5/4/23	CHK	10122	JEFFERSON COUNTY DEPT OF COMMU	PERMIT FOR FIBER YARD	1,392.84
131514 5/4/23	CHK	10126	JEFFERSON COUNTY PUBLIC WORKS	SOLID WASTE FEES-CLEAN UP OFFICE, ETC	37.47
131515 5/4/23	CHK	10129	JIFFY LUBE	OIL CHANGE VEH# 132	112.18
				OIL CHANGE VEH# 209	101.05
				OIL CHANGE VEH# 421	111.24
Total for Check/Tran - 131515:					324.47
131516 5/4/23	CHK	10330	KARR TUTTLE CAMPBELL	PROF SVC: EMPL ADVICE SVC - FEB 2023	520.65
				PROF SVC: EMPL ADVICE SVC - FEB 2023	57.85
				PROF SVC: EMPL ADVICE SVC - APR 2023	757.96
				PROF SVC: EMPL ADVICE SVC - APR 2023	84.22
Total for Check/Tran - 131516:					1,420.68
131517 5/4/23	CHK	10134	LEMAY MOBILE SHREDDING	SHRED OTTO ST MAR-23	65.70
				SHRED OTTO ST MAR-23	7.30
Total for Check/Tran - 131517:					73.00
131518 5/4/23	CHK	10956	MARINE SURVEYS & ASSESSMENTS	COWETLANDS CHECK PUD PARCEL#901114007 1/23	2,739.80
				WETLANDS CHECK PUD PARCEL#901114007 3/23	4,518.18
				WETLANDS CHECK PUD PARCEL#901114007 3/23	3,729.97
Total for Check/Tran - 131518:					10,987.95
131519 5/4/23	CHK	10142	MASON COUNTY PUD #1	ELECTRICITY - DOSEWALLIPSRD,PUMP-2023APR	214.84
				ELECTRICITY - 1012 DUCKABUSH,FC-2023APR	60.06
				ELECTRICITY - BPA RD,PUMP-2023APR	96.20
Total for Check/Tran - 131519:					371.10
131520 5/4/23	CHK	10153	MURREY'S DISPOSAL CO., INC.	2YD - 310 4CRNR MAR-23	187.16
				2YD - 310 4CRNR MAR-23	20.80
				2YD OCC-4CRNRS MAR-2023	164.32

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Bank Account: 1 - 1ST SECURITY - AP

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				2YD OCC-4CRNRS MAR-2023	18.26
				30YD RNTL-310 4CRNRS MAR-23	80.42
				30YD RNTL-310 4CRNRS MAR-23	8.93
				1.5YD - 21 KENNEDY MAR-23	37.65
				1.5YD - 21 KENNEDY MAR-23	37.64
				2YD - 210 4CRNR MAR-23	202.94
				2YD - 191 OTTO MAR-23	182.65
				2YD - 191 OTTO MAR-23	20.29
				2YD-210 4CRNR MAR-23	58.59
				2YD-210 4CRNR MAR-23	6.51
Total for Check/Tran - 131520:					1,026.16
131521 5/4/23	CHK	10309	NISC	ESRI 2023 ANNUAL 1Y SVC 3/29/23-3/28/24	5,727.75
				RECURRING INVOICE MAR 2023	1,124.43
				RECURRING INVOICE MAR 2023	254.97
				RECURRING INVOICE MAR 2023	1,860.78
				RECURRING INVOICE MAR 2023	545.50
				RECURRING INVOICE MAR 2023	501.50
				RECURRING INVOICE MAR 2023	501.50
				RECURRING INVOICE MAR 2023	9,564.49
				RECURRING INVOICE MAR 2023	976.18
				RECURRING INVOICE MAR 2023	114.74
				RECURRING INVOICE MAR 2023	1,617.98
				RECURRING INVOICE MAR 2023	345.65
				RECURRING INVOICE MAR 2023	25.50
				PRINT SVCS INVOICE MAR 2023	2,434.67
				PRINT SVCS INVOICE MAR 2023	7,752.17
				PRINT SVCS INVOICE MAR 2023	1,534.75
				PRINT SVCS INVOICE MAR 2023	270.52
				PRINT SVCS INVOICE MAR 2023	861.35
				PRINT SVCS INVOICE MAR 2023	170.52

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Bank Account: 1 - 1ST SECURITY - AP

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
<b>Total for Check/Tran - 131521:</b>					36,184.95
131522 5/4/23	CHK	10985	NORTHWEST SIGN & DESIGN	FRONT LOBBY SIGN - 310 FOUR CRNRS 3/23	19,547.59
				FRONT LOBBY SIGN - 310 FOUR CRNRS 3/23	2,171.96
<b>Total for Check/Tran - 131522:</b>					21,719.55
131523 5/4/23	CHK	10195	PRECISION FIBER, INC	FIBER SPLICING- 3/21/23	1,701.96
				FIBER SPLICING- 3/21/23	-141.96
<b>Total for Check/Tran - 131523:</b>					1,560.00
131524 5/4/23	CHK	10205	QUILCENE HENERYS HARDWARE	FASTENERS FOR WILLIAMS WELLHOUSE RPLCMT	9.15
131525 5/4/23	CHK	10540	JEFFREY W RANDALL	BOARD MTG/RETRT,PUD ANVSRY,INTRVW,NRCEA	1,660.54
				BOARD MTG/RETRT,PUD ANVSRY,INTRVW,NRCEA	184.50
<b>Total for Check/Tran - 131525:</b>					1,845.04
131526 5/4/23	CHK	10217	SETON CONSTRUCTION INC	FLAGGING- CROCKER LAKE 2/13-2/16-2023	5,109.07
				FLAGGING-PARADISE BAY RD 3/14/23-3/17/23	6,716.40
				FLAGGING- HAZEL POINT RD 2/16/23	1,454.90
				FLAGGING- COOK AVE 3/2/23	704.88
<b>Total for Check/Tran - 131526:</b>					13,985.25
131527 5/4/23	CHK	10249	SPECTRA LABORATORIES-KITSAP LLC	TESTING:NITRATE-N CAMP BEAUSITE 4/03	28.00
				TESTING:TOTAL COLIFORM/E.COLI P/A - BYWA	23.00
				TESTING:TOTAL COLIFORM/E.COLI P/A - BYWA	23.00
				TESTING:TOTAL COLIFORM/E.COLI P/A - BYWA	23.00
				TESTING:TOTAL COLIFORM/E.COLI P/A - BYWA	23.00
				TESTING:TOTAL COLIFORM/E.COLI P/A - BYWA	23.00
				TESTING:TOTAL COLIFORM/E.COLI P/A - QUIM	23.00
				TESTING:TOTAL COLIFORM/E.COLI P/A - QUIM	23.00
				TESTING:TOTAL COLIFORM/E.COLI P/A - QUIM	23.00
				TESTING:TOTAL COLIFORM/E.COLI P/A - QUIM	23.00
				TESTING:TOTAL COLIFORM/E.COLI P/A - QUIM	23.00
				TESTING:TOTAL COLIFORM/E.COLI P/A - QUIM	23.00



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Bank Account: 1 - 1ST SECURITY - AP

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
Total for Check/Tran - 131527:					281.00
131528 5/4/23	CHK	10234	STATE AUDITORS	ACCOUNTABILITY AUDIT 20-21	9,508.57
				ACCOUNTABILITY AUDIT 20-21	1,056.51
Total for Check/Tran - 131528:					10,565.08
131529 5/4/23	CHK	10400	DONALD K STREETT	TRAVEL - MILEAGE	87.01
				TRAVEL - MILEAGE	9.67
Total for Check/Tran - 131529:					96.68
131530 5/4/23	CHK	10965	MICHAEL P THOMAS	PUD LOGO CLOTHING	207.67
131531 5/4/23	CHK	10733	DANIEL S TOEPPER	BOC MTG,PPC,MTG W/GM,ANVS PTY,WPUDA,CONT	710.15
				BOC MTG,PPC,MTG W/GM,ANVS PTY,WPUDA,CONT	78.90
Total for Check/Tran - 131531:					789.05
131532 5/4/23	CHK	10615	US BANK	ALYSON DEAN	6,846.66
				CUSTOMER SERVICE	456.63
				DAN TOEPPER	676.97
				HR DEPARTMENT - STEPHANIE WITHERIDGE	228.04
				IT DEPARTMENT - KRIS LOTT	649.31
				JEAN HALL	304.42
				KENNETH COLLINS	247.08
				KRIS LOTT	1,452.96
				MELANIE DES MARAIS	883.24
				MELISSA BLAIR	424.38
				MIKE BAILEY	525.06
				SAMANTHA HARPER	3.30
				SCOTT BANCROFT	108.14
				WILL O'DONNELL	1,589.05
Total for Check/Tran - 131532:					14,395.24
131533 5/4/23	CHK	10947	VAN NESS FELDMAN, LLP	PROF SVC: WTR RIGHTS & RGLTN FEB 2023	10,932.00
				PROF SVC: WTR RIGHTS & RGLTN FEB 2023	1,677.50

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Bank Account: 1 - 1ST SECURITY - AP

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
Total for Check/Tran - 131533:					12,609.50
131534 5/4/23	CHK	10278	WPUDA	TELECOM WORKSHOP REGISTRATION	135.00
				TELECOM WORKSHOP REGISTRATION	15.00
				MONTHLY DUES - APR 2023	5,365.80
				MONTHLY DUES - APR 2023	596.20
Total for Check/Tran - 131534:					6,112.00

Total Payments for Bank Account - 1 : (94) 1,495,099.45

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

Total for Bank Account - 1 : (94) 1,495,099.45

Grand Total for Payments : (94) 1,495,099.45

Grand Total for Voids : (0) 0.00

Grand Total : (94) 1,495,099.45

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Bank Account: 1 - 1ST SECURITY - AP

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
210 5/1/23	WIRE	10809	PETERSON LAKE - WIRE PAYMENT	PETERSON LAKE WIRE PMT APR 2023	12,033.51
				PETERSON LAKE WIRE PMT APR 2023	2,295.11
<b>Total for Check/Tran - 210:</b>					14,328.62
211 4/21/23	WIRE	10936	USDA RD DCFO	TRI AREA BOND PAYMENT	33,123.04
				TRI AREA BOND PAYMENT	49,257.96
<b>Total for Check/Tran - 211:</b>					82,381.00

**Total Payments for Bank Account - 1 :** (2) 96,709.62

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

**Total for Bank Account - 1 :** (2) 96,709.62

**Grand Total for Payments :** (2) 96,709.62

**Grand Total for Voids :** (0) 0.00

**Grand Total :** (2) 96,709.62

## JEFFERSON COUNTY PUD NO 1

**ISSUED PAYROLL CHECKS**  
**PAY DATE: 4/28/2023**

<b>Empl</b>	<b>Position</b>	<b>Check #</b>	<b>Check Date</b>	<b>Amount</b>
2003	WATER TREATMENT PLANT OPERATOR III	71071	4/28/2023	3,036.22
2004	WATER TREATMENT PLANT OPERATOR III - LEAD	71072	4/28/2023	3,027.03
				<b>\$ 6,063.25</b>

## JEFFERSON COUNTY PUD NO 1

<b>DIRECT DEPOSIT PAYROLL</b> <b>PAY DATE: 4/28/2023</b>
---

Empl	Position	Pay Date	Net Pay
3046	ACCOUNTING ASSOCIATE	4/28/2023	\$ 2,247.01
3062	ACCOUNTING ASSOCIATE	4/28/2023	\$ 2,446.01
3039	ACCOUNTING SPECIALIST	4/28/2023	\$ 2,215.41
3065	ADMINISTRATIVE ASSISTANT	4/28/2023	\$ 2,474.20
4006	COMMISSIONER DIST 1	4/28/2023	\$ 2,292.14
4004	COMMISSIONER DIST 2	4/28/2023	\$ 1,020.99
4008	COMMISSIONER DIST 3	4/28/2023	\$ 906.50
3034	COMMUNICATIONS DIRECTOR	4/28/2023	\$ 3,731.72
3002	CUSTOMER SERVICE COORDINATOR	4/28/2023	\$ 1,631.61
3022	CUSTOMER SERVICE REP	4/28/2023	\$ 1,720.16
3032	CUSTOMER SERVICE REP	4/28/2023	\$ 1,643.43
3048	CUSTOMER SERVICE REP	4/28/2023	\$ 1,735.13
3056	CUSTOMER SERVICE REP	4/28/2023	\$ 1,453.54
3066	CUSTOMER SERVICE REP	4/28/2023	\$ 1,315.75
3068	CUSTOMER SERVICE REP	4/28/2023	\$ 1,285.25
3069	CUSTOMER SERVICE REP	4/28/2023	\$ 1,298.06
3060	DIGITAL COMMUNICATIONS SPECIALIST	4/28/2023	\$ 2,420.17
1027	ELECTRICAL ENGINEERING MANAGER	4/28/2023	\$ 3,443.10
1041	ELECTRICAL SUPERINTENDENT	4/28/2023	\$ 4,717.20
2007	ENGINEERING DIRECTOR	4/28/2023	\$ 3,844.27
3005	EXECUTIVE ASSISTANT/PUBLIC RECORDS OFFICER	4/28/2023	\$ 2,354.94
3033	FINANCE DIRECTOR	4/28/2023	\$ 4,991.11
3029	FINANCE SERVICES MANAGER	4/28/2023	\$ 2,881.59
1046	FLEET/WAREHOUSE HELPER	4/28/2023	\$ 2,818.58
1012	FOREMAN LINEMAN	4/28/2023	\$ 7,884.52
1011	GENERAL MANAGER	4/28/2023	\$ 5,266.37
1042	GIS SPECIALIST	4/28/2023	\$ 2,659.71
1017	HEAD STOREKEEPER	4/28/2023	\$ 2,661.72
3063	HUMAN RESOURCES COORDINATOR	4/28/2023	\$ 2,946.96
3047	HUMAN RESOURCES DIRECTOR	4/28/2023	\$ 4,027.82
3008	INFORMATION TECHNOLOGY MANAGER	4/28/2023	\$ 3,580.16
3028	IT SUPPORT TECHNICIAN	4/28/2023	\$ 1,912.73
1000	LINEMAN	4/28/2023	\$ 6,444.02
1034	LINEMAN	4/28/2023	\$ 6,129.62
1055	LINEMAN	4/28/2023	\$ 2,753.66
1061	LINEMAN	4/28/2023	\$ 4,349.14
1063	LINEMAN	4/28/2023	\$ 2,235.68
1060	LINEMAN	4/28/2023	\$ 4,707.84
1062	LINEMAN	4/28/2023	\$ 5,004.80
1059	LINEMAN APPRENTICE	4/28/2023	\$ 3,493.71
1043	METER READER	4/28/2023	\$ 1,844.72
1047	METER READER	4/28/2023	\$ 2,442.61
1056	METER READER	4/28/2023	\$ 1,791.02
1057	METER READER	4/28/2023	\$ 2,192.23
2008	METER READER	4/28/2023	\$ 1,665.04
3067	NETWORK/BROADBAND ENGINEER	4/28/2023	\$ 3,624.51
1037	OPERATIONS DIRECTOR	4/28/2023	\$ 3,729.66
1050	PRE-APPRENTICE	4/28/2023	\$ 3,103.13
3004	RESOURCE MANAGER	4/28/2023	\$ 2,838.63
1010	SCADA ENGINEER II	4/28/2023	\$ 2,685.93
1003	SCADA TECH APPRENTICE	4/28/2023	\$ 4,481.26
3020	SERVICES DIRECTOR	4/28/2023	\$ 3,476.69
1026	STAKING ENGINEER	4/28/2023	\$ 2,425.48
1031	STAKING ENGINEER	4/28/2023	\$ 2,861.42
1014	STOREKEEPER	4/28/2023	\$ 2,420.99
1015	SUBSTATION/METER FOREMAN	4/28/2023	\$ 5,782.25
1033	SUBSTATION/METERING TECH	4/28/2023	\$ 4,810.14
3003	UTILITY BILLING CLERK	4/28/2023	\$ 1,751.12
3027	UTILITY BILLING CLERK	4/28/2023	\$ 1,720.17
3000	UTILITY BILLING COORDINATOR	4/28/2023	\$ 2,070.53
2000	WATER DISTRIBUTION MANAGER II	4/28/2023	\$ 2,002.18
2001	JOINT UTILITY SPECIALIST	4/28/2023	\$ 3,283.73
2002	WATER DISTRIBUTION MANAGER II	4/28/2023	\$ 2,553.52
2005	WATER DISTRIBUTION MANAGER II	4/28/2023	\$ 2,190.00
			<b>\$ 190,693.29</b>



## **AGENDA REPORT**

**DATE:** May 16, 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 5 inactive accounts in the Active Accounts Receivable Data Base who owe the PUD \$1,229.40 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 5 inactive accounts owing \$1,229.40 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 May 16, 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:

<b>Uncollectible Amount Range</b>	<b>Number of Accounts</b>	<b>Write-Off Amount</b>
<b>Up to \$50</b>	0	\$0.00
<b>\$51 - \$100</b>	1	\$51.59
<b>\$101 - \$200</b>	1	\$140.70
<b>\$201 - \$300</b>	1	\$230.43
<b>Over \$300</b>	2	\$806.68
<b>TOTAL</b>	<b>5</b>	<b>\$1,229.40</b>

Approval, Board of Commissioners

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Dan Toepper  
Secretary



## **PUD Calendar**

**May 16, 2023**

**May 18, 2023, ICG Meeting, 5:00pm, 355 Hudson, Port Townsend**

**May 20, 2023, Rhody Festival Grand Parade, 1:00pm, Port Townsend**

**May 29, 2023, Memorial Day Observed, PUD offices Closed**

**June 6, 2023, BOC Regular Meeting, 3:00 PM, 310 Four Corners Rd and per ZOOM**

**June 19, 2023, Juneteenth Holiday Observed, PUD offices Closed**

**June 20, 2023, BOC Regular Meeting, 3:00 PM, 310 Four Corners Rd and per ZOOM**

**June 27, 2023, Special Meeting, 2:00-4:00, TBD**

**From**

## Subject

## Size

### Last Week

Tue 5/2

Tom Thiersch

## Setting the record straight about EVs and rare minerals

29 KB

## NoaNet Strategic Planning 2023 (Draft)

### Agenda:

#### Operating Company Overview:

- ? What is it and how does it work?
- ? What does the customer base look like?
- ? Where we are today?
  - o What is our current state including market (maturity of markets and forecast of growth) and funding.
  - o Wholesale Projections
    - ? Carrier-carrier
    - ? Churn
    - ? Margin compression
    - ? Pricing

#### What's next:

- ? Marco Plan- alignment to members, local interests
  - o Integration
  - o Retail Strategy (where and how will it work)
  - o Public-private (where and how will it work)
  - o NG911
  - o Sustainability
  - o Affiliate memberships/New members
  - o Member value
  - o Member revenue vs equity
  - o Retail Strategy
  - o Public-private
  - o Government Relations
- ? Proforma
- ? Resource plan (will need to invest in Opex growth)



## **AGENDA REPORT**

**DATE:** May 16, 2023  
**TO:** Board of Commissioners  
**FROM:** Kevin Streett  
**RE:** Transformer bid specification

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**BACKGROUND:** The transformer at Quilcene substation needs to be replaced.

**ANALYSIS/FINDINGS:** The PUD has developed a new substation transformer specification and bid documentation.

**FISCAL IMPACT:** The estimated cost for the new substation transformer is \$700,000 to \$1,000,000.

**RECOMMENDATION:** PUD staff is requesting a motion to proceed with the bidding process.

# **Bid Document and Specification**

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## **Jefferson County PUD Quilcene Substation 115.0 kV-12.47 kV, 12 MVA Power Transformer**

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***DRAFT***

**May 2023**

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## NOTICE TO BIDDERS

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### NOTICE TO BIDDERS:

Sealed Bids will be received by Jefferson County PUD #1 for the furnishing of one (1) **115.0/66.395 Y-12.47 GndY/7.2 kV, 12/16/20/22.4 MVA**, Power Transformer for the Jefferson County PUD #1 Quilcene Substation.

Bid Documents prepared by Intermountain Consumer Professional Engineers, Inc. ("ICPE"), (hereinafter referred to as "Engineer").

Sealed proposals are to be delivered to:

Attention: Alyson Dean, Purchasing Agent  
Jefferson County PUD  
310 Four Corners Road  
Port Townsend, WA 98368

e-mail: [adean@jeffpud.org](mailto:adean@jeffpud.org)

**before 3:00 pm on June 15, 2023.** Bids will be privately opened and evaluated. Purchaser shall enter into only one contract for the equipment to be provided under this specification.

The project schedule is as follows:

Bid due date: **June 15, 2023**

Bid award date: **July 1 through July 31, 2023**

Power Trasnfomer delivered to the project site on or before: **August 31, 2024** (other dates considered )

Purchaser shall enter into only one contract for the **12/16/20/22.4 MVA , 115 /66.395 Y -12.47 GndY/7.2 kV** Power Transformer.

Jefferson County PUD reserves the right to reject any or all bids or to waive any formality or technicality in any bid in the interest of Jefferson County PUD.

Instructions, specifications and proposal blanks will be on file in the office of Intermountain Consumer Professional Engineers, Inc., ("Engineer") 1145 East South Union Avenue, Midvale, UT 84047, where they may be consulted or secured for the purpose of bidding



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## INSTRUCTIONS TO BIDDERS

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### 1. SCOPE OF CONTRACT

- a. Bidder shall be fully responsible for all labor, material, and equipment necessary for complete construction of the equipment as required in the Contract Documents.

### 2. SECURING AND COMPLIANCE WITH BIDDING DOCUMENTS

- a. Specifications and other bidding documents may be obtained at the time and place indicated on the Notice to Bidders. Bidders shall comply with all conditions stipulated in such bidding documents.

### 3. INTERPRETATION OF DRAWINGS AND DOCUMENTS

- a. If any bidder is in doubt as to the true meaning of any part of the Contract Documents, or finds errors, discrepancies, or omissions in them, he shall at once request interpretation or correction from the Engineer.
- b. The Engineer will promptly clarify the area in question and issue written instructions to all prospective bidders. Verbal instructions or interpretations will have no validity, regardless of source.
- c. Request for such clarifications must be in the office of the Engineer a minimum of three (3) days prior to bid opening.

### 4. PREPARING AND SUBMITTING BIDS

- a. Bids shall be prepared on the forms as found in this specification.
- b. Bids will bear no marks, erasures, or writing changes, other than those provided or requested.
- c. No verbal or telephone bid modifications or cancellations will be considered.
- d. The bidder guarantees there shall be no revisions or withdrawal of bid amount for a period of 45 days after bid opening.
- e. Bid shall be signed by a Principal duly authorized to make contracts.
- f. Bid proposals shall reflect the cost of all work required by the bidding documents, plus additions, deletions, or modifications required by addenda issued prior to bid opening.
- g. Bids shall be submitted in opaque envelopes that bear bidders name, and be sealed and addressed as indicated in Part 1 of the specifications.
- h. It is bidder's sole responsibility to see that his bid is received at the proper time and place. Any bid received after scheduled bid opening will be considered non-responsive.

### 5. BID WITHDRAWALS

- a. Prior to the bid opening, bidders may withdraw a bid by written request or by reclaiming bid envelopes.

### 6. BID OPENING AND DATE

- a. Bid opening time and date is as per the Notice to Bidders found in this Contract Document.

## PART 1 - GENERAL REQUIREMENTS

### 1.1 SCOPE

- A. The purpose of this specification is to furnish the specific data and requirements pertaining to the purchase, design, inspection, shipment, service engineering, and the testing of one (1) power transformer as specified herein to be purchased by Jefferson County PUD #1. This transformer will be used in Jefferson County PUD #1 Quilcene Substation.

### 1.2 CORRESPONDENCE

- A. All proposals shall be addressed to:  
  
Ms. Alyson Dean, Purchasing Agent  
Jefferson County PUD  
310 Four Corners Road  
Port Townsend, WA 98368  
  
E-Mail: [adean@jeffpud.org](mailto:adean@jeffpud.org)  
Telephone: (360)-385-8349

Technical questions shall be addressed to:  
Mr. Mike Velarde, P.E.  
ICPE  
1145 East South Union Avenue  
Midvale, UT 84047

E-Mail: [Mike.Velarde@icpeinc.com](mailto:Mike.Velarde@icpeinc.com)  
Telephone: (801) 255-1111

### 1.3 BID PROPOSAL

- A. Firm prices shall be quoted. **The Bidder's proposal shall not include sales or use taxes.** Any price escalation factors employed to establish an invoice price are to be clearly stated and fully explained on the "Price Data" form.
- B. All bids shall be marked "Transformer Bid for the Jefferson County PUD #1 -- 115.0/66.4 kV Wye - 12.47/7.2 kV Gnd-Y, 12 MVA, Power Transformer – Quilcene Substation."
- C. The Purchaser reserves the sole right without cause to accept or reject any or all bids, or any portion thereof.
- D. The Purchaser reserves the right to waive minor irregularities or minor errors in any proposal if it appears to the Purchaser that such irregularities or errors were made inadvertently. Any such irregularities or errors so waived must be corrected in the Proposal in which they occur prior to the execution of any contract which may be awarded thereon.
- E. Bidder shall supply three (3) copies of proposals (one [1] original, two [2] copies).
- F. All Bidders will be notified of any changes in the specifications in addendum letters. Receipt of addendum letters must be acknowledged in the bid proposal.

### 1.4 BID EVALUATION

- A. The Purchaser will consider the prices and delivery dates as only two elements making up the total value of the material to be purchased. In order to properly evaluate other factors, we request the Supplier to provide answers to the following questions in his proposal:

1. Where is the nearest factory authorized repair shop capable of repairing equipment of the size and type proposed?
2. Where are the nearest factory trained Service Engineers located who can provide field service for the proposed equipment?
3. How much (if any) of the Service Engineer's service are included in the quoted price for the equipment proposed? If not included in the quoted price, the Field Engineering Service cost should be given in paragraph 4.5.B.

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

1. The transformer losses will be used in the evaluation process as outlined in Section 3.16.
2. The Bidder's past performance(s) in providing substation equipment and meeting quoted deliveries.
3. The Bidder's past ability and willingness to solve problems that have arisen in a satisfactory and complete manner.
4. The Bidder's deviations from the specifications.
5. Warranties available and cost for 12 months, 18 months, 24 months, 36 months, 48 months, and 60 months. Also, the Bidder is to indicate if in/out and transportation costs are included in the warranty. Warranty coverage will be included in the bid evaluation process.
6. Manufacturer's cancellation policy.

### 1.5 PURCHASE ORDER

- A. It is anticipated that a purchase order will be issued to the successful Bidder(s) **within forty-five (45) days** after the due date for the receipt of the proposals. All bids shall be valid for this period of time.

### 1.6 DELIVERY AND SHIPPING

- A. The Purchaser prefers delivery during the month of **July – August 2024** or as otherwise mutually agreed to by both parties. Firm delivery dates shall be of prime concern during the bid evaluation. Date of shipment shall be as promised by the Bidder, based upon prompt receipt of all necessary information. The date of shipment shall be defined as the date the bill of lading is signed by the carrier.
- B. 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.
- C. The transformer shall be delivered FOB job site (Quilcene, Washington). The title to the material and apparatus furnished hereunder shall pass to the Purchaser at the destination point; unless, acceptance by the purchaser of the suppliers bid adder to unload and dresses the transformer ( 1.6.D and 1.6.E). If the supplier becomes responsible for unloading and dressing the transformer, title of the material and apparatus is to occur after the transformer is set, dressed, oil filled, and tested. Access to the Powell Substation site is across paved road.
- D. As part of his proposal, the Supplier shall provide, as a separate cost item, the cost for the supplier to place the transformer on the Owner supplied pad and to assemble any parts not shipped attached to the transformer ( i.e., bushings, radiators, fans, etc.). See paragraph 2.7 for additional shipping delivery and transformer dressing requirements.
- E. The apparatus shall be shipped in assembled units insofar as is consistent with good shipping practice. The apparatus shall be carefully packed for shipment. If items must be disassembled for shipment, they shall be "match-marked". All units and their containers shall be "piece-marked" and shall show the purchase order number. The Supplier shall indicate if the unit will be shipped completely assembled or will require on-site assembly. If on-site assembly is required please indicate parts requiring assembly.
- F. On the same day that any shipment to the Purchaser is originated, a transmission, including the following, shall be forwarded to the Purchaser:
1. Packing List - Two (2) copies.
  2. Bill of Lading - Original and two (2) copies.
  3. Packing list shall also accompany each shipment.

- G. Purchaser shall be notified as to the whereabouts of the transformer 48 hours prior to their schedule arrival at the destination point. Bidder shall pay any costs associated with unloading in the event that the transformer is not on site at this notified time.
- H. 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 Supplier.

#### 1.7 INDEMNIFICATION

To the fullest extent permitted by law, the Seller shall indemnify and hold harmless Jefferson County PUD from and against any claims and all liabilities, liens, costs, damages, citations, penalties, fines, attorney's fees, losses, or expenses from whatever nature (collectively "claims") arising out of or resulting from performance of (or failure to perform) the Work under this agreement, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of property (other than to the Work itself) including loss of use resulting there from, but only to the extent caused in whole or in part by negligent acts or omissions of the seller, the seller's sub-contractors, anyone directly or indirectly employed by them or anyone for whose acts that they may be liable, regardless of whether or not such claims, damage, loss or expense is caused in part by a party indemnified there under. Such obligations shall not be construed to negate, abridge, or otherwise reduce other rights or obligations if indemnity which would otherwise exist as to a party or person described in this paragraph.

#### 1.8 INVOICING

- A. Invoices shall be submitted in triplicate form to:

Ms. Alyson, Purchasing Agent  
Jefferson County PUD  
310 Four Corners Road  
Port Townsend, WA 98368

#### 1.9 LIQUIDATED DAMAGES

The Vendor agrees to deliver product as quoted in the vendors proposal. Failure to deliver as quoted constitutes an event of default. The actual damage to the Owner for the delay will be difficult or impossible to determine. Therefore, in lieu of actual damages, the bidder shall pay to Owner, liquidated damages for each calendar day of delay beyond a thirty (30) day grace period, an amount of \$500.00 per day, up to a maximum of ninety (90) calendar days beyond the stated delivery date. Should the vendor be unable to complete the delivery at the end of the ninety (90) day period, Owner, at its sole discretion, may treat the contract as breached, terminate the contract, purchase substitute product else-where, and charge the full increase, if any, in cost and handling for such purchase to the defaulting vendor, and seek such additional relief as provided by law. The vendor shall not be charged for liquidated damage when delay arises out of causes beyond control and without the fault or negligence of the vendor.

#### 1.10 TITLE

- A. The title to the material and apparatus furnished hereunder shall be listed as follows:

Jefferson County PUD  
310 Four Corners Road  
Port Townsend, WA 98368

#### 1.11 PAYMENT

- A. Upon the shipment of any equipment hereunder, the Seller shall submit to the Purchaser a detailed invoice in duplicate of the equipment shipped. After delivery of the equipment the Purchaser shall make payment therefore to the Seller.

#### 1.12 CANCELLATION

- A. In the event the Purchaser shall be required, or deems it advisable, to suspend or terminate the work being performed pursuant to this Specification, the Purchaser may do so at any time by written notice to the Seller. In such cases, the Seller would take whatever action with respect to work in process as would minimize its claim against the Purchaser. The Purchaser would pay the Seller a reasonable suspension or termination charge for all disbursements or expenses which the Seller has incurred or become obligated for prior to the date of notice of cancellation, less the reasonable resale value of the materials, equipment, and apparatus which shall have been obtained or ordered to become an integral part of the work, and excluding any allowance for anticipated profits on the unperformed portion of the work. Reimbursement portions of this section would not apply to cancellations caused by design changes by the Manufacturer not authorized by the Purchaser or caused by delivery of material beyond the quoted delivery date(s) not authorized by the Purchaser.

#### 1.13 EXCEPTIONS

- A. Any exceptions to this Specification shall be clearly stated in the Bidder's proposal and as provided for in Section 4.7. The fact that there are exceptions will not necessarily preclude the selection of the Bidder's proposal. Any exceptions will be itemized in the evaluation of the proposal. If no exceptions to this Specification are taken by the Bidder, this shall also be clearly stated.
- B. Alternative offerings will be considered, but they must clearly be indicated as alternatives.

#### 1.14 WARRANTY

- A. Manufacturer shall warrant to Purchaser that the apparatus or services to be furnished hereunder shall be newly manufactured and of the highest quality and free from defects in material, workmanship, and title and will be of the kind designated in the pertinent purchase order. The Manufacturer's minimum warranty shall be effective for a period of twelve (12) months after date of energization or eighteen (18) months after the date of shipment to Purchaser, whichever is less. As indicated in Section 1.4.B.5, detailed terms of Manufacturer's warranty shall be included in the bid proposal and will be a criterion for evaluation of the proposal. Extended warranties available and their costs shall be supplied with the bid as provided for in Section 4.5. Any on site pre-energization tests or inspections required by the manufacturer for warranty purposes shall be performed by the manufacturer or its representative. The associated cost for required on-site inspections or testing shall be included in the Bidders' proposal.

#### 1.15 STANDARDS

- A. Unless otherwise stated, the latest revisions of the standards of ANSI, NEMA, IEEE, ASTM, NEC, and UL, shall be met in design, testing, and manufacture of the equipment covered by this Specification. In the event a conflict occurs between these codes and the specifications which will follow, the more stringent requirements shall govern.
- B. The transformer shall be designed, fabricated, and tested in accordance with ANSI C57.12 series, NEMA TR 1, and this specification.
- C. In case of conflict between the requirements of the various parts of this specification, the requirements of the different parts shall govern to the extent of such conflict in the following sequence: mandatory governmental regulations, codes, and standards; Transformer Specification and Data Sheets; this section; and the referenced industry codes and standards.

#### 1.16 INSPECTION

- A. A representative of the Purchaser shall be allowed free access at all reasonable times to the Manufacturer's shops and those of his suppliers for inspection of the equipment, or any of its parts, and to obtain information on the progress of the work. Any work or material found to be defective or which does not meet the requirements of this Specification may be rejected and shall be replaced by the Manufacturer at his own expense. Such inspection, however, shall not relieve the Manufacturer from responsibility for the quality and correctness of the work.

- B. At the cost of the manufacturer, two representatives of the Purchaser will travel to the plant to witness final testing of the transformer. The Manufacturer shall notify the Purchaser of the planned testing dates and any changes of testing dates to allow sufficient time to make necessary travel arrangements. The Manufacturer shall make every effort to schedule testing dates which coincide during a single work week to eliminate unnecessary delays. The associated travel costs are to be included in the transformer base bid price.

#### 1.17 FIELD ENGINEERING AND TESTING

- A. The power transformer shall be assembled and tested at the factory for satisfactory alignment, operation, and electrical integrity. Four (4) certified copies of the test reports shall be mailed to the Purchaser following testing of the power transformer including oscillography of transformer in rush current, or in rush calculations, oscillography of harmonic distortion at 105% and 110% applied voltage of base rate, and positive and zero sequence impedance values, expressed in percent impedance (%Z) with resistance and reactance components values indicated.
- B. The costs and expenses associated with the Sellers required standard field engineering services at the time of installation shall be included in the firm price quoted for the transformer.
- C. At the owners option, field tests at time of installation shall be made at the expense of the Purchaser. If for any reason whatsoever the equipment furnished and installed hereunder, does not meet in any respect the warranties hereof and/or the performance specified by the Bidder in the proposal, and it becomes necessary for the Manufacturer to make alterations for the purpose of meeting those warranties and/or performances, additional tests required to show the effects of such alterations shall be performed at the expense of the Manufacturer. Any costs and expenses associated with field service personnel required, by the manufacturer, for warranty purposes shall be included in the transformer price.

#### 1.18 DRAWINGS AND DESCRIPTIONS

- A. The following drawings and descriptions **shall accompany the Bidder's proposal:**
1. General arrangement drawings showing the overall dimensions and relative location of all principal parts.
  2. General description of type of materials used for the principal parts.
  3. General description of the construction including drawings, photographs, or cuts which show the general construction.
  4. General description and diagrams showing the equipment mounting and handling facilities and clearance requirements.
  5. Base drawings in sufficient detail to assist the Purchaser's Engineer in making preliminary foundation layout plans.
- B. Following award of the contract and prior to fabrication or manufacture of equipment, the contractor shall submit drawings in accordance with 1.18 E (below), to the Owner/Owners engineer for verification of general conformity to the specification. No work shall be performed in connection with the fabrication or manufacture of equipment and materials until the drawings and data therefore have been reviewed by the Owner/Owners engineer except at the contractor's own risk and responsibility. Work may proceed when the drawings have been returned marked with "No exceptions" by the owner or owner's engineer. Final construction drawings (in electronic AutoCad files format) shall be provided to the Owners engineer when completed.
- C. Within two weeks prior to the shipment of the equipment, the Manufacturer shall furnish to the Owners Engineer:
- ICPE  
Mr. Mike Velarde, P.E.  
1145 East South Union Ave.  
Midvale, Utah 84047
1. One (1) set of certified, reproducible electronic drawings files in AutoCAD 2015 format.
  2. Four (4) sets of Installation, Operations and Maintenance Manuals.
  3. Four (4) sets of Equipment Specification Sheets and Parts Lists.

- D. In addition, Manufacturer shall ship one (1) complete set of equipment drawings; Installation, Operations and Maintenance Manuals; and Specifications Sheets and Parts Lists with the transformer. This material shall be enclosed in a weather-proof package securely attached to the unit and protected from loss or damage.
- E. The drawing and information list shall include, as a minimum, the following:
1. Transformer outline drawing including complete materials list which contains bushing stud size, lightning arresters and terminal description.
  2. Base.
  3. Diagrammatic Name Plate.
  4. HV Bushing.
  5. LV Bushing.
  6. Accessory Schematic Diagram AC & DC.
  7. Control Cabinet Wiring Diagram AC & DC.
  8. Point to Point Wire Charts.
  9. Location of Bushings and Lightning Arresters.
  10. Bushing Outline Drawings.
  11. Current Transformer Excitation and Error Correction Curves.
  12. Current Transformer Name Plate Drawings.
  13. Completely dimensioned transformer detail.
  14. Arrester Outline Drawing and Performance Characteristic.
  15. Nitrogen System.
- F. Wiring Diagrams. Each device connection shall have near each termination, conductor identification consisting of the opposite end destination. The wiring diagrams shall be drawn with all devices indicated in their relative physical locations and shall represent the equipment and terminals arranged as they would appear to a person wiring the equipment.

Wiring diagrams shall be prepared on 11 inch by 17 inch layout. Where interconnecting wiring from different items of equipment or sectional wiring diagrams of the same item of equipment appear on different wiring diagram sheets, all interconnections shall be clearly identified. Where sectional wiring diagrams are required for a single item of equipment, that section of the panel which is represented by each individual wiring diagram sheet shall be keyed on that sheet in a manner acceptable to the Purchaser.

Information indicated on the Manufacturer's drawings shall include wiring of the individual panel items as they actually will appear in the control cabinet, contact arrangements of switches, and internal wiring of relays and instruments.

Elementary diagrams shall be cross-referenced to terminal markings on the connection and interconnection diagrams, but need not indicate complete details of circuits external to the panels. Each item of panel mounted equipment indicated on the diagrams shall be identified by item number and name.

Sufficient space shall be left on the Purchaser's side of outgoing terminal blocks for adding field cables.



## PART 2 - SPECIFICATIONS – SPECIFIC

### 2.1 TRANSFORMER RATINGS

- A. The power transformer shall be designed and manufactured for installation outdoors in a non-hazardous area over an ambient temperature range of -10°F to 100°F at an altitude of 100 feet above sea level. The ratings to follow apply at 100 feet above sea level.

1. Number of transformers required .....	1
2. Transformer type .....	Wye-Delta-Wye) (delta stabilizing winding)
3. Number of phases .....	3
4. Frequency.....	60 Hz
5. High voltage (Wye) <sup>14</sup> .....	115.0/66.395 kV Y
6. High voltage BIL .....	450 kV
7. Low Voltage (Gnd- wye) .....	12.47/7.2 kV Gnd-Y
8. Low Voltage BIL .....	110 kV
9. Buried Tertiary Stabilizing winding (delta) .....	(Voltage As Required)
10. Coolant .....	Oil
11. kVA rating*:	
(a) (ONAN) at 55°C rise @ 100 ft. ....	12,000 kVA
(b) (ONAN/ONAF) @ 55°C rise @ 100 ft. ....	16,000 kVA
(c) ONAN/ONAF/ONAF at 55° rise @ 100 ft. ....	20,000 kVA
(d) (ONAN/ONAF/ONAF) at 65°C rise @ 100 ft. ....	22,400 kVA
12. The transformer is to be furnished with a thermally stabilized system of insulation which shall permit the transformer to be continuously loaded to 112 percent of rated capacity with a temperature rise of 65°C and normal loss of life as determined in IEEE C57.91.	
13. The low side shall be suitable for low impedance neutral grounding.	
14. The high side winding shall be suitable for ungrounded or grounded operation consistent with existing system transformers.	

Note: For reference, Appendix contains typical system transformer nameplate depicting configuration.



## 2.2 HIGH VOLTAGE TAP CHANGER

- A. A full capacity HV Tap Changer for de-energized operation, with an operating handle brought out through the side of the tank at a convenient height, is to be supplied.

Tap voltages shall be:

-----	120.75 kV
-----	117.875 kV
-----	115.0 kV
-----	112.125 kV
-----	109.25 kV

## 2.3 BUSHINGS

- A. The bushings are to be supplied with terminals and are to be rated as shown below:

1. HIGH VOLTAGE	<u>Std. AMPS</u>	<u>Std. kV</u>	TERMINALS FOR <u>4 Hole NEMA Pad</u>
2. LOW VOLTAGE	<u>Std. AMPS</u>	<u>Std. kV</u>	TERMINALS FOR <u>4 Hole NEMA Pad</u>
3. NEUTRAL(S)	<u>Std. AMPS</u>	<u>Std. kV</u>	TERMINALS FOR <u>250 MCM Copper</u>

- B. The bushing terminal STUD size shall be 2-inch diameter 12 thread/inch. Exceptions to the STUD size shall be indicated.

## 2.4 LIGHTNING ARRESTORS

- A. Lightning arrestors in accordance with the following table are to be supplied with, mounted on, and connected to the transformer.

		Rating			
	No.	Class	kV	MCOV	System Voltage kV
1. HV	3	Station	96	76 kV	115.0
2. LV	3	Station	10	8.4 kV	12.47

## 2.5 CURRENT TRANSFORMERS

- A. Each bushing shall be furnished with multi ratio current transformers (CT's) as follows:

1. HIGH VOLTAGE	No. <u>Two</u>	Ratio <u>800/5</u>	Accuracy <u>C800</u>
2. LOW VOLTAGE	No. <u>Two</u>	Ratio <u>2000/5</u>	Accuracy <u>C800</u>
3. NEUTRAL (X0 and H0)	No. <u>One</u>	Ratio <u>1200/5</u>	Accuracy <u>C400</u>

## 2.6 IMPEDANCE

- A. The transformer shall be designed with the impedance as stated in 2.6.B and required to make the transformer self-protected, in accordance with ANSI Standards and IEEE C57.12, Section 7 (fault conditions to assume an infinite source). The transformer shall be used on circuits having reclosing features.
- B. The transformer shall be designed for a impedance of approximately **7.8% at 12 MVA** (plus or minus Standard tolerances – C57.12)
- C. The Manufacturer shall provide the guaranteed values of impedance with the quotation.

## 2.7 SHIPPING DATA

- A. The transformer shall be shipped to the project site by: truck and/or rail. A three dimensional impact recorder shall be attached to the transformer and shipping car (if by rail) carrying the transformer from the factory. If shipped by rail, the car shall be equipped with hydraulically cushioned couplings. A transformer shipped and received where the impact recorder failed to record the entire shipment period will require an immediate on-site inspection by a factory field service engineer at the Manufacturer's expense.

The recorder shall be Manufacturer owned or leased impact recorders. Railroad owned meters shall not be used. All impact meter charts, and/or data, shall become the property of the Owner at time of delivery of the transformer. If shipped without oil the manufacture is responsible for supplying and filling the transformer with oil on site.

- B. The transformer may be shipped without oil and, if so, will be shipped filled with dry air with adequate provision for maintaining a positive pressure for all ambient conditions which will be encountered during shipment. The shipping notification shall have the pressure and temperature at charging noted on it.
- C. All bushings, radiators, fans, and other transformer accessories shall be shipped with the transformer.
- D. All terminal boards, insulators, current transformers and other attachments shall be so fastened to the main structure that they will withstand normal rough handling in transit.
- E. Radiators, packed separately for shipment, shall be blind-flanged and gasketed to prevent entrance of moisture. Blind flanges shall be bolted, not welded, to the radiators.
- F. The transformer will be delivered to the job site by the transformer manufacturer.
- G. The Manufacturer shall indicate the costs for off-loading and assembly of the transformer at the Owner's substation as part of the proposal.

### PART 3 - SPECIFICATIONS - GENERAL

#### 3.1 TANK

- A. The transformer tank shall be manufactured from heavy steel plates with welded seams capable of withstanding, without injury, the stress associated with shipment and operation. It shall conform to the requirements of ANSI C57.12.10 (latest revision) Section 5.8.
- B. The tank shall have bent corners. All tank seams shall be double welded (inside and outside) and shall be a minimum of six (6) inches from the corner. Corner welds are NOT acceptable.
- C. The transformer tank shall be provided with a welded on cover with lifting eyes for lifting cover only. Cover to contain manholes, minimum diameter of 20 inches in sufficient quantity to allow access to the complete top of the core and coils and to facilitate the removal and installation of bushings and current transformers, and to provide access to the terminal board without disturbing the leads, detanking the transformer, or removing the cover. Cover mounted manholes shall have  $\frac{3}{4}$ " raised flanges to prevent moisture and containment ingress. All tank bolts to have standard threads.
- D. All gaskets shall be of nitrile rubber with gasket retainers provided on all oil tight gasketed joints. Stops shall be provided so that over compression of the gaskets cannot occur. One (1) set of spare gaskets shall be provided for the manhole covers and all bushings and openings.
- E. Suitable devices shall be provided to facilitate tanking and de-tanking without damage to the windings, core, or tank. Devices shall also prevent movement of the core assembly when in transit or during seismic disturbances. On multiple section tanks, alignment guides shall be provided on each section to facilitate field erection.
- F. The center of gravity of the transformer with and without oil shall be permanently and plainly marked on two adjacent sides of the tank. Metal plates shall be used for this purpose.
- G. Secondary bushing spacing shall be maximized within constraints of normal transformer tank design. This is intended to provide the maximum phase to phase, and phase to neutral spacing available, without requiring a non-standard tank design.
- H. The tank cover shall be designed to shed water.
- I. The tank base shall be designed to prevent damaging corrosion of the exterior of the bottom of the transformer tank and provided with skid beams.
- J. The transformer base shall be designed to allow for anchoring the transformer to the transformer pad.

### 3.2 GROUNDING

- A. Grounding pads shall consist of two copper-faced steel pads, which are drilled, tapped, and attached to the tank per ANSI C57.12.10 (latest revision) Section 5.5.
- B. In addition:
  - 1. A ground bar shall be installed from each ground pad at the base up to and connected each arrester and neutral bushing. The ground bar shall be sized a minimum ampacity rating of three times (3x) transformer full rate load current (secondary side).
  - 2. Ground bar shall be supported every three (3) feet.
  - 3. A ground pad shall be welded to the tank near the neutral bushing.

### 3.3 FACILITIES FOR LIFTING, MOVING, JACKING, AND ANCHORING

- C. Facilities for lifting, moving, jacking, and anchoring the complete transformer (with oil), as well as for separately lifting the cover, and for lifting the core and coil assembly from the tank, shall be provided in compliance with ANSI C57.12.10 (latest revision) Section 5.3.
- D. Minimum dimensions and clearances for jacking provisions shall be specified in the Manufacturer's drawings.
- E. The transformer base shall be designed to permit anchoring, for seismic conditions to a concrete foundation and to prevent damaging corrosion of the exterior of the bottom of the transformer tank.. The Manufacturer shall indicate on its outline drawing the dimensions of the transformer base in order that the Purchaser's Engineer may complete his foundation design in advance of shipment. The transformer base shall be designed to allow for skidding or rolling in a direction paralleled to either center line.
- F. The transformers shall be designed for forces consistent with the following site (Jefferson County Washington) seismic parameters:
  - 1. SDS – 1.1
  - 2. Importance Factor I – 1.5

### 3.4 CORE

- A. The core shall be circular and constructed of the highest quality, non-aging, cold-rolled, grain-oriented, stress-free, thin-silicone-steel or amorphous metal laminations having high permeability and low hysteresis loss. The steel shall be manufactured with the laser scribed process. Each sheet shall have an insulated surface which is impervious to hot transformer oil. The core shall be rigidly clamped and blocked to prevent deteriorating vibrations, interference with oil circulation, short circuits, objectionable noise levels, and shipment distortions. Any internal blocking or bracing used which is to be removed from the transformer at its destination shall be painted a bright color, such as red or yellow, clear external markings indicating their presence shall be provided. The core shall be securely grounded to the tank in a location accessible from the cover without lowering the oil. A means shall be provided for properly handling the core assembly when it is untanked.
- B. The core shall be designed such that total harmonic distortion at 110% of rated voltage does not exceed 2.5%, wave distortion at 105% applied voltage should not be evident through oscillography and total harmonic distortion at less than 1.25% to obtain the desired results, the ratio of the percent exciting current between 110 and 100% applied voltage shall not exceed 3.0:1. Maximum excitation current at 110% voltage shall be 1.0%.
- C. If actual test data indicates wave shape distortion or total harmonic distortion greater than the specified values, a penalty of up to 10% of total bid value will be assessed based on percent deviation from specified values. No penalty for 1% deviation from specified voltage wave distortion; 1% penalty for each 5% deviation thereafter, up to a total of 10% penalty.

### 3.5 WINDING

- A. Transformer windings, including all core and coil assemblies, shall be power class, round core/circular coil design and construction. High voltage and low voltage windings for the main core/coil assembly shall be either disk or helical construction, layer/barrel windings are not acceptable. All windings shall be copper conductor and either rectangular magnetic wire or continuously transposed cable (CTC).
- B. The windings shall be capable of withstanding the dielectric tests specified in Section 3.14 of this Specification.
- C. The conductors and insulation shall be designed so that the formation of corona will be prevented, not only at the operating voltage, but also during the dielectric tests.
- D. Conductors shall be made of copper and shall be designed to assure mechanical strength and also to minimize electrostatic flux concentration. The conductors shall be smooth and free of scale, burrs and slivers. Joints in conductors shall be brazed or welded. Joints shall be properly formed and finished, and carefully insulated to conform to the basic insulation.
- E. To meet 65°C rise and 80°C hot spot rise, thermally upgraded paper insulation is required, as indicated in IEEE Standard C57.12.00-2010. Thermally upgraded crepe paper shall be used on CTC conductor, and preferable on all winding conductors. Insulation material type shall be indicated in Bid Proposal.
- F. All coils shall have each turn supported at frequent intervals by means of insulating spacers which shall be permanently secured in place and so arranged as to assure positive and effective oil circulation. To assure that the coil stacks remain permanently tight, all such insulation spacers shall be dried and compressed at high pressure before placing them in the coil stacks.
- G. There shall be no deformation to the completed winding assembly by the stresses incident to shipment or short circuits with values limited only by the transformers impedance per IEEE C57.1200. The Manufacturer shall state in detail the steps taken in the design to overcome the effects of shipping and short circuit forces on both core and coils.
- H. If the coils are impregnated, the insulating compound used shall be nonhygroscopic, insoluble in, and not acted upon by, the transformer oil at overload temperatures. All varnish and other insulating materials used shall be unaffected by ordinary petroleum distillates having flash points above 170°C.
- I. The assembled core and coils shall be dried using a vapor phase system to assure proper moisture removal as reflected by the best insulation resistance or lowest power factor obtainable. Immediately after drying, the assembly shall be immersed in dry oil, or if the assembly is to be impregnated, it shall be done immediately after drying and then immersed in dry oil.
- J. Winding temperature rise by resistance and hottest-spot winding temperature rise shall be in accordance with ANSI C57.12.90 (latest revision) for a 55°/65°C insulating system.
- K. Winding Leads shall be readily accessible from a manhole in the tank cover.

### 3.6 BUSHINGS

- A. All bushings shall be in accordance with IEEE Standards C57.19.0 and C57.19.01. All bushings shall safely withstand transformer test levels.
- B. All bushings shall be removable without removal of the tank cover. Primary bushings shall be cover mounted in accordance with ANSI C57.12.10 (latest revision). All bushings shall be so designed that there will be no undue stressing of any parts due to temperature changes.
- C. Both high and low voltage bushings shall be of the oil impregnated and paper insulated type.
- D. All oil filled bushings shall have a sealed reservoir with magnetic oil gauge, Lapp or General Electric glass bowl reservoir, Ohio Brass oil level indicator, or General Electric prismatic sight gauge.
- E. All bushings shall be furnished with silver-plated external contact surfaces.
- F. The color of all bushings shall be ANSI No. 70 grey.

- G. Current ratings of all bushings shall be suitable for the ratings specified.
- H. Standard threaded terminal studs and specified NEMA pads suitable for overhead cable connection shall be in accordance with NEMA standards.
- I. Bushings shall be one piece porcelain under compression only. Porcelain used in the bushings shall be manufactured by the wet process and shall be homogeneous, free from laminations, cavities, or other flaws affecting its mechanical strength or dielectric quality; it shall be well vitrified, tough, and impervious to moisture. The glazing of the porcelain shall be free from imperfections, such as blisters or burns.
- J. All bushings of like voltage shall be interchangeable.
- K. Bushings shall be rated for operation at an altitude of 100 feet above sea level.
- L. All primary bushings shall be mounted such that the distance from the live parts to the bottom of the transformer tank shall meet or exceed the minimum clearance requirements as specified in ANSI C2 (latest revision) Section 12 Paragraph 124.
- M. The bushings shall be equipped with multi-ratio bushing current transformers as specified in paragraph 2.5.

### 3.7 DE-ENERGIZED HIGH VOLTAGE TAP CHANGER

- A. The transformer shall be furnished with five (5) full capacity taps on the high voltage winding. Two taps shall be provided above and below 115.0 kV. Each tap shall represent a voltage change of approximately 2½ percent. The tap representing the greatest transformation ratio shall be designated by the number 1 or the letter A. actual tap voltages shall be as indicated in Section 2.2.
- B. The tap changer shall be capable of operating only while the transformer is de-energized. It shall be hand-wheel operated with a position indicator and located on the transformer tank at a level so it may be operated from the transformer base. Facilities for locking in any tap position shall be provided.
- C. The tap changer shall be capable of withstanding transformer short circuits.

### 3.8 INSULATING AND COOLING SYSTEM

#### A. Oil

- 1. The Manufacturer is responsible for filling the transformer with oil. The Manufacturer shall provide certified test results verifying that the transformer oil is free from all polychlorinated biphenyl (PCB) fluids.
- 2. Oil shall be pure, unadulterated, mineral oil obtained by the fractional distillation of petroleum. Oil shall be prepared and refined especially for use in transformers, having a minimum flash point of 145°C. It shall be free from moisture, acid, alkali, and injurious sulphur compounds. The oil shall not form a deposit under normal operating temperatures. The minimum allowable dielectric strength of the oil shall be 35 kV when measured in accordance with American National Standard Methods of Testing Electrical Insulating Oils, C59.2 (latest revision).
- 3. If filled on site, a sufficient quantity of oil shall be furnished with the transformer for filling each tank and radiator to the proper level.
- 4. If required, the transformer oil shall be shipped in tank trucks having sealed oil pumps and hoses. The tank trucks shall be certified clean and dry.
- 5. If shipped without oil, the manufacturer shall coordinate with the owner a schedule for delivery of the oil and tank filling.

#### B. Valves

- 1. A combination drain and lower filter valve shall be provided on the tank. This valve shall provide for drainage of oil to within one inch of the tank bottom and for outlet of the oil to a filtering means. The size of the drain valve shall be two inches and have two inch NPT threads with a pipe plug in the open end. The drain valve should have a built-in 3/8 inch sampling device which should be located in the

- side of the valve between the main valve seat and the pipe plug. This sampling device shall have a 5/16 inch - 32 male thread and be equipped with a cap.
2. An upper filter valve of the globe type shall be located below the 25°C liquid level and shall be suitable for the return of filtered oil. The size of the upper filter shall be one inch and have one-14-inch NPT threads with a pipe plug in the open end.
  3. There shall be a filling valve with a minimum size of two inches.
- C. Oil Preservation System. The Manufacturer's shall supply an Automatic Inert Gas Oil Preservation System. The system shall automatically maintain inert gas pressure to provide a dry nitrogen gas atmosphere above the oil. Gas system shall maintain the pressure within an acceptable range and shall be fully automatic. The complete gas system shall include an alarm device with alarm contacts arranged for remote indication of low gas supply. A bleed tube for gas blanket dew point measurement shall be provided.
1. The nitrogen control equipment, including adequate space for nitrogen bottles shall be protected by an easily accessible weatherproof enclosure mounted on the transformer tank and provided with a viewing window.
  2. Valves shall be provided to permit purging the gas space and testing the seal on the tank by admitting dry nitrogen under pressure.
  3. A combination drain and lower filter valve shall be provided on the tank. This valve shall provide for drainage of oil to within one inch of the tank bottom and for outlet of the oil to a filtering means. The size of the drain valve shall be two inches and have two inch NPT threads with a pipe plug in the open end. The drain valve should have a built-in 3/8 inch sampling device which should be located in the side of the valve between the main valve seat and the pipe plug. This sampling device shall have a 5/16 inch - 32 male thread and be equipped with a cap.
  4. An upper filter valve of the globe type shall be located below the 25°C liquid level and shall be suitable for the return of filtered oil. The size of the upper filter shall be one inch and have one-14-inch NPT threads with a pipe plug in the open end.
  5. There shall be a filling valve with a minimum size of two inches.
- D. Cooling System. The transformer cooling fans shall be operated in stages as required, controlled from winding temperature devices and from a manual switch (Auto / ON). All auxiliary relays, devices, etc., required for the operation shall be furnished.
1. A transfer switch shall be provided in the transformer control cabinet to permit a choice of which cooler set to operate in the first stage (if appropriate).
  2. Each tank shall be provided with radiators and each bank of radiators shall be connected to the tank through upper and lower indicating shut-off valves welded to the tank. Radiators shall be hot dipped galvanized. Remotely mounted radiators will not be acceptable.
  3. The radiator shut-off valves shall be supplied by the Manufacturer with properly gasketed, oil-tight flanges to permit removal of any radiator while the transformer is in service and to permit easy access to all gasketed joints without requiring the transformer tank to be drained. Each valve-operating stem shall be provided with an adjustable stuffing gland and designed so that packing glands can be serviced without removing the valves.
  4. Lifting eyes shall be provided on each radiator to facilitate removal of the radiator without interfering with the operation of the transformer.
  5. Brass Drain plugs shall be provided in each radiator.
  6. Vent plugs shall be provided in radiator headers to positively assure against any air being injected into the transformer tank.
  7. Radiators shall be braced to withstand the vibrations and impacts which occur during shipment, and also to withstand the vibrations which prevail during operation. The bracing of the radiators shall not interfere with or present hazards to personnel engaged in reading meters or gauges.
  8. The arrangement of radiators shall be such as to permit easy installation of the fans and pumps.
  9. All groups of cooling equipment shall operate in parallel from the same power source, but means shall be provided for de-energizing and isolating the individual groups while the other or others continue in operation. The groups shall be arranged so that the controls may be interchanged among like cooling elements to allow for varying the sequence in which the groups are energized. This arrangement is intended to ensure continuity of service of the equipment and to facilitate maintenance and equalize wear and life of its component parts. The transformer cooling equipment control system shall

incorporate the control contacts furnished on the winding temperature indicators specified hereinbefore. Where multiple thermal relays are provided, thermal relay temperature control contact shall be wired for parallel control of transformer cooling equipment. Cooling equipment controls shall be arranged so that no single fault in the control circuitry will cause a loss of more than one half of the cooling system capability. Manual control switches shall be provided in the control cabinet to allow testing and maintenance of the cooling fans and pumps. Controls shall provide for changing the sequence of cooler groups.

10. Cooling equipment motors shall be 120/240 volt, 1-phase, 60 Hz. The fan motors and motor overload protection provided shall be totally enclosed and weatherproof. Motor bearings shall be designed for a continuous as well as intermittent duty. Provisions shall be made for suitable lubrication and, where required, for bearings to withstand end thrust. Manual-resetting overload protection shall be supplied for each individual motor unless the motors are capable of withstanding full-stalled rotor current continuously without damage. The fan leads shall be weatherproof, or totally enclosed in a weatherproof flexible conduit. The leads or conduits shall be terminated at one end with a suitable waterproof connector and, on the other end, with a waterproof plug to be inserted into a receptacle mounted on the transformer tank. Fan blades shall be of aluminum alloy, stainless steel or other corrosion-resistant material and shall have surfaces designed to keep fan noise to a minimum. The fan unit, including motor and fan blades, shall be dynamically balanced so that the operation of the fan assembly will be essentially free of vibration and thereby safeguard the motor bearings against excessive wear. All fans shall be provided with adequate guards.

### 3.9 SURGE ARRESTORS

- A. Station Class "Metal Oxide" type surge arrestors shall be provided. They shall be sized as previously stated at pertinent nominal system kV. Arrestors shall be adequate for transformer protection at an altitude of 100 feet above sea level.
- B. Surge arrestors for installation on the transformer shall meet the requirements specified in the NEMA Publication LA1 and ANSI C62.1. The completely assembled base-mounted surge arresters shall be fully self-supporting without the use of additional suspension, bracing or supporting insulators. All arrestors shall be of station class type. Surge arresters will be provided one per bushing on the high side and one per bushing on the low side. The arresters will be mounted on base mounting brackets attached to the transformer tank. The color of all surge arresters shall be ANSI No. 70 Light Grey.
- C. All arrestors shall be mounted to meet or exceed the clearance requirements of ANSI C2 - (latest revision), section 12, paragraph 124. The distance to live parts shall be measured from the bottom of the transformer tank.
- D. G.E. Tranquell, Ohio Brass Dyna Var, Siemens, or Copper Power Systems arrestors are acceptable.

### 3.10 MULTI-RATIO BUSHING CURRENT TRANSFORMERS

- A. The current transformers shall be manufactured and tested in accordance with ANSI C57.13. Each multi-ratio bushing CT shall have standard taps in accordance with ANSI C57.13 Table 10.
- B. All current transformer leads from bushing type CT's including taps shall be connected to shorting type terminal blocks inside the control cabinet housing. Current transformer leads shall be a minimum No. 10 AWG standard copper.

### 3.11 ACCESSORIES

- A. **Transformer Monitor.** The transformer shall be equipped with a SEL-2414 Transformer Monitor. The SEL-2414 shall be typical of an SEL 2414 with Part Number SEL-241422C3C9X743C1400.
  1. SEL 2414 to be mounted with in the control cabinet mounted on a swing panel providing access to the rear of the 2414.
  2. The SEL 2414 shall be externally viewable throw a view port provide on the control cabinet door.
  3. Transformer alarms shall be wired to the SEL 2414.

4. Top oil temperature and ambient temperature RTD's to be wired to SEL 2414.
  5. Along with winding temperature gauge and liquid gauge, the SEL 2414 shall be wired to allow for fan control based on winding temperature.
- B. Liquid Level Indicator. The transformer shall be equipped with a magnetic liquid-level indicator. The indicator shall have a dark-faced dial with light markings and a light-colored indicating hand. Dial markings shall show the 25°C level and the maximum and minimum levels. The words "liquid level" shall be on the dial. Low liquid level contacts for tripping and alarm shall be provided suitable for 48 Volts DC. The instrument shall be direct read. The contact wiring shall be brought to a terminal block in the control cabinet. All gauges shall be clearly marked.
- C. Liquid Temperature Indicator. A dial-type thermometer shall be mounted on the side of the tank. The thermometer shall have a dark-face dial with light markings, a light-colored indicating hand, and an orange-red maximum indicating hand with provisions for resetting. The dial markings shall cover a range of 0°C to 120°C. The words "liquid temperature" shall be on the dials. The liquid temperature indicator shall be a two switch device with contacts provided suitable for 48 Volts DC. The contact wiring shall be brought to a terminal block in the control cabinet. The indicator shall have a removable cover and shall not be located more than six feet above the transformer base line.
- D. Loss of AC and DC Voltage Alarm Relays. A loss of voltage alarm relay shall be provided to indicate a loss of power condition at fan motors and DC circuits. Alarm contacts shall be suitable for 48 VDC. The loss of voltage relay shall operate on time delay and include contacts for alarming 4 minimum per relay.
- E. Alarm Contacts. Non-grounded alarm contacts (N/O and N/C) for liquid level and temperature, loss of AC or DC power, winding temperature, nitrogen system level, sudden pressure and tank high and low pressure indicators shall be furnished and be suitable for:
1. Operating protective relaying
  2. 48 DC V operation
  3. The liquid level indicator trip contacts shall be non-adjustable and shall be set to close at the minimum safe operating level of the liquid. Alarm contacts shall be set for at an appropriate alarm level.
  4. The liquid-temperature indicator trip contacts shall be set to close at the maximum safe operating temperature of the liquid. The liquid temperature alarm contacts shall be set at a suitable alarm temperature.
  5. The winding temperature trip contacts shall be non-adjustable and shall be set to close at the maximum safe operating temperature of the winding. The winding temperature indicator alarm contacts shall be adjustable over a range of 65°C to 120°C and set at a suitable alarm temperature .
  6. Loss of AC or DC power shall be normally open and close on loss of power.
  7. Sufficient contacts shall be provide for wiring to the SEL 2414 and hard wiring to external monitoring and control.
- F. Pressure Vacuum Gauge. A pressure vacuum gauge shall be furnished. The diameter of the dial (inside bezel) shall be 3 ½ inches +/- 1/4 inch. The gauge shall have a dark-faced dial with light markings and light-colored pointer. The scale range for the pressure gauge shall be between 10 psi positive and 10 psi negative. The gauge shall be direct read.
- G. Pressure Relief Device. A self-resetting mechanical type pressure relief device with alarm assembly containing SPDT switch suitable for 48 volts DC shall be provided to permit the escape of gas or oil when the internal pressure becomes abnormal. The pressure at which this device opens shall be no greater than 25% above the highest internal pressure allowed for the oil preservation system supplied. The pressure-relief device shall be such that when pressure has been relieved the relief cover will reset itself and keep out moisture. The device shall be equipped with a semaphore device which shall remain in the observable position after an operation until manually reset. A minimum of one set of N/O, N/C contacts for Owners use shall be provided. The contact wiring shall be brought to a terminal block in the control cabinet.
- H. Sudden Pressure Relay



1. A sudden pressure relay complete with auxiliary seal-in relay mounted on the transformer tank for detection of abnormal increase in transformer operating pressure shall be provided. The seal-in relay shall have two separate sets of N/O and N/C indicating contacts suitable for lockout relay operation at 48 volts DC. The relay shall not actuate due to normal pressure variations, vibration, mechanical shock or pump surge. The relay shall be capable of withstanding full vacuum and a positive pressure of at least 15 psi without damage. The relay shall be mounted and valved so that it may be removed without de-energizing the transformer. It shall not be mounted on the drain valve. The relay, auxiliary and reset switch shall be located in the transformer control panel.
  2. Power for this circuit will be 48 VDC supplied by the Owner. The Manufacturer shall provide a sudden pressure auxiliary relay with reset switch and amber light. The reset switch, and amber light shall be easily accessible. The auxiliary relay shall provide a normally open contacts for the trip function and three additional normal open contacts for the alarm function.
- I. Winding Temperature Indicator
1. Dial type indicator shall be mounted on the side of the tank. The indicators shall have a dark-faced dial with light markings, a light-colored indicating hand, and an orange-red maximum indicating hand with provisions for resetting. The dial markings shall cover a range of 0°C to 120°C. The word "temperature" shall be on the dial with nameplates indicating the appropriate winding. Indicators shall be provided for the main and secondary windings. Two (2) sets of N/O and N/C contents shall be provided for alarm and trip functions.
- J. Top of oil and ambient Temperature RTD's to be provide for interconnection to SEL 2414.
- K. Auxiliary Power Supply. The Owner will provide 120/240 volt 1-phase 60 Hz power for auxiliary equipment and controls in accordance with ANSI C84.1 (latest revision). The Manufacturer shall provide auxiliary equipment and controls in accordance with ANSI C84.1 (latest revision).
- L. Control Cabinet
1. A NEMA 3R weatherproof control cabinet shall be furnished to house the cooling control equipment and field wiring interconnection points. The cabinet shall be furnished with a hinged gasketed doors with lockable latching mechanism. The cabinet shall be installed at a location accessible to a man standing at the level of the transformer base. The door shall provide access to all control devices and have provisions for padlocking. The cabinet shall be of sufficient size to house terminal blocks for termination of each of the various leads of the various current transformers in the transformer. All devices housed within the cabinet shall be back or side panel mounted. The five major taps of each CT are to terminate on a six point shorting type terminal block (one shorting block per CT) located in the control panel. Terminal blocks shall also be provided for all alarm and relay contacts, in the control cabinet. The cabinet shall have a removable bottom plate of sufficient size for entrance of the Owner's cables. The cabinet shall be equipped with a light, breather and heaters of sufficient capacity to prevent harmful moisture condensation. Heaters shall be equipped with a guard. A thermostat shall be provided to maintain the temperature inside the cabinet at the low temperature extreme. Each heater shall be protected by a two pole or single pole single throw circuit breaker. The cabinet is to be shock mounted to reduce vibration. Other methods to prevent condensation may be acceptable to the Owner. If an alternate method is proposed, details shall be provided with the proposal.
  2. All devices and wiring within the control cabinet are to be labeled to correspond to the wiring diagram. All devices and termination block to have permanently engraved labels that corresponds to the manufacturer's drawings and devices designation.
  3. Control circuits for cooling equipment shall operate from 240/120 volts AC with at least 20% of spare capacity available supplied by the Manufacturer in the control cabinet. All AC equipment shall be suitable for continuous operation between 90 and 110 percent of rated voltage.
  4. A standard 20A GFI protected convenience outlet and interior light shall be provided in the control cabinet. The light shall have a switch operated by the control cabinet door.
  5. Wire for control and power circuits shall be rated for use in conduits as well as cabinets, and shall utilize insulation which is both fire resistant and resistant to transformer insulating oil.
  6. Interior of control cabinet shall be gloss white.

M. Enclosure. All enclosures shall be designed to prevent the accumulation of standing water or water freezing along panel doors.

N. Wiring

1. All control, auxiliary power, and alarm circuits including spare contacts, shall be completely wired by the Manufacturer. Wiring shall not be smaller than No. 12 AWG stranded copper conductor with Type MTW, 600-volt, 90°C insulation. All wiring shall be capable of passing the IPCEA Flame Resisting Test, IPCEA Publication No. S-61-402, Section 6.5. Wiring shall be run in rigid metallic raceways except that fan motor connections may include flexible, interlocked, watertight armored cable. All connections to the Purchaser's external circuits shall be brought to the control cabinet terminal blocks. Current transformer wiring shall not be smaller than No. 10 AWG.
2. The terminal blocks shall be provided with permanently engraved markings corresponding to those of the Manufacturer's wiring diagram and shall have space provided on the marking strip for inscription by the Purchaser. Terminal blocks shall have at least 20 percent spare positions.
3. Wiring shall be marked using the remote end tagging system. Tags will be permanent heat-shrink type.
4. All wiring leaving an enclosure shall leave from terminal blocks and not from other devices in the enclosure.
5. Auxiliary equipment such as terminal blocks, auxiliary relays, or contactors shall be readily accessible. Auxiliary equipment shall be located in compartments, enclosures, or junction boxes in such arrangement that a serviceman will have direct access to the equipment without removal of barriers, cover plates, or wiring.
6. Terminal blocks for external connections shall be grouped in the instrument and control compartment for easy accessibility unrestricted by interference from structural members and instruments. Sufficient space shall be provided on each side of each terminal block to allow an orderly arrangement of all leads to be terminated on the block. Arrangement of circuits on terminal blocks shall be such that all connections for one circuit plus any spare conductors shall be on adjacent terminals.
7. A shorting type terminal block shall be installed at an accessible location for each set of current transformers supplied with the equipment furnished under these specifications. The shorting terminal block shall be the one nearest the current transformers. No other shorting type terminal blocks are required unless specified otherwise.
8. Those portions of any secondary wiring in the control box, or those portions which pass through conduit, shall not be spliced. Junction boxes with terminal blocks shall be used to extend secondary wiring outside the transformer tanks.
9. All control, indicating, and signal devices including spare contacts, shall be completely wired to terminal blocks in the transformer control cabinet, using conduit as necessary for wiring protection.
10. Non-insulated ring tongue terminals shall be used for control and secondary wiring. Spade, slotted spade, flanged spade and hooked terminals are not acceptable. AMP Diamond Grip ring tongue terminals distributed by American Pamcor Incorporation (API), Burndy Hylug terminals are typical of the type of terminal desired by the Purchaser. These or other Engineer approved terminals are acceptable. The terminals shall be sufficiently strong to prevent their breakage under conditions of vibration inherent in the equipment in which they are installed. All terminals shall have nylon insulated ferrules.
11. To ensure positive electrical connections, and to avoid damage to the ferrules, it is mandatory that the proper crimping tool (ratchet type) be used in accordance with instructions for its use and that the proper terminal and crimping tool be used for each wire size.
12. The terminals shall be fastened to the contact strips of terminal boards with machine screws. The contact strips shall be separated by insulated barriers. Terminal blocks with clamp type fittings are not acceptable.
13. Each terminal block, terminal, conductor, relay, breaker, fuse block, and other auxiliary device shall be permanently labeled to coincide with the identification indicated on the drawings. All terminals provided for termination of external circuits shall be identified by inscribing circuit designations on the terminal block marking strips with black paint. All other wiring terminations shall be identified by printing on conductor identification sleeves. A conductor identification sleeve shall be provided on each end of each internal conductor. Each sleeve shall be marked with the opposite end of each internal conductor. Conductor identification sleeves shall be not less than ½ inch long. Conductor

- identification shall be machine lettered, stamped or engraved on the sleeve. Conductor identification shall be permanent, unaffected by heat, solvents, or steam, and not easily dislodged. Adhesive labels are not acceptable. All connections requiring disconnect plug and receptacle type devices shall be provided with factory terminated conductors on each plug and receptacle. Plugs and receptacles shall be factory wired into junction boxes containing terminal blocks for external connections. All conductors on the disconnect portion of plug-receptacle assemblies shall be in a common jacket. All temporary wiring installed in the factory for equipment testing shall be removed prior to shipment of the equipment.
14. Terminal blocks shall be furnished with white marking strips and, shall be without covers. Spare unused terminals shall be furnished on each terminal block for circuit modifications and for termination of all conductors in a multi-conductor control cable. Not less than two spare unused terminals shall be furnished for every 10 terminals used. Fuses shall not be mounted on terminal blocks. Neither step type terminal blocks nor angle mounting of terminal blocks will be acceptable. All terminal blocks shall be rated 600 volts minimum and shall have strap screw terminal blocks for 10 AWG. Terminal blocks for auxiliary power shall be sized for larger wire sizes or higher voltage incoming conductors as necessary.
- O. Special Tools and Spare Parts
1. A complete set of special tools necessary for installation and maintenance shall be furnished for each piece of equipment supplied. These tools and their intended use shall be identified in the assembly instructions. A special tool shall include but not be limited to the following:
    - a. Any metric tool larger than 32mm.
    - b. Any tool which is not easily purchased in the vicinity of the shipping destination.
  2. Any metric bolts, nuts, pins, washers and other similar items used in equipment assembly shall have 10 percent or one (1) spare pieces, whichever is greater, shipped as part of the equipment.
  3. The Manufacturer shall submit a recommended list of spare parts which shall be itemized with type and Manufacturer with each part individually priced by item. Any parts which are purchased by the Owner as part of this order shall be packaged for long term storage. Delivery of spare parts shall be in accordance with specifications in the purchase order.
  4. The Manufacturer shall furnish, on request, repair or replacement parts for a period of at least ten (10) years by keeping in storage all necessary spare parts or templates, gauges, patterns, records, etc., from which necessary parts may be made.
- P. Extras. Any "extras" suggested by the Manufacturer should be included in the proposal as additions to the base quote.
- Q. Inspection
1. A representative of the Owner shall be allowed free access at all reasonable times to the Manufacturer's shops and those of his suppliers for inspection of the equipment, or any of its parts, and to obtain information on the progress of the work. Any work or material found to be defective or which does not meet the requirements of this Specification may be rejected and shall be replaced by the Manufacturer at his own expense. Such inspection, however, shall not relieve the Manufacturer from responsibility for the quality and correctness of the work.
  2. A representative of the Owner will be available to witness final testing of the transformer or tanking of the core and coil assembly. The Manufacturer shall notify the Owner of the planned testing dates and any changes of testing dates to allow sufficient time to make necessary travel arrangements. The Manufacturer shall make every effort to schedule testing dates which coincide during a single work week to eliminate unnecessary delays.
  3. As indicated in Section 1.16 B, the Bidder's price shall include the necessary costs and expenses required to send two (2) representatives of the Owner to the Manufacturer's plant to witness the final testing of the transformer or inspection of the core and coil assemblies prior to tanking.
- R. Assembly Instructions. Detailed instruction shall be provided for the assembly of the equipment at the destination point. These instructions and details shall consist of, but not be limited to, the following:

1. Equipment Inspection Report and Material list to be used by Owner and/or Contractor upon receipt of the equipment to determine possible carrier damage or missing items.
2. The Material List shall include all items shipped. The list shall correspond to identification markings made in English on each separate item. The carrier's bill of material shall not qualify as this Material List.
3. Parts which are shipped in crates shall be identified by an items number for that crate and each part shall be so tagged.
4. All item numbers for parts shall be identified on the equipment outline drawing or the erection outline drawing.
5. The Installation, Operation and Testing Instruction Manual shall provide detailed information on the assembly of those items and parts identified for assembly. The procedure shall be step by step to ensure that no omissions occur.

### 3.12 NAME PLATE

- A. A stainless steel diagrammatic name plate shall be affixed to the transformer by the Manufacturer.
- B. The following information shall also be included:
  1. Maximum positive and negative operating pressures of the oil preservation system.
  2. All current transformers ratios including CT's for use with dial type and remote winding temperature recorders.
  3. Pounds of vacuum filling pressure for which the tank is designed.
  4. Oil level in inches below the top surface of the highest point of the manhole flange at 25°C. Oil level change in inches per 10°C change in oil temperature.
  5. Transformer weight (filled and empty of oil).
  6. Positive and Zero Sequence Impedance.
  7. Winding configuration, voltage, ratings
  8. Any other information which the Manufacturer deems necessary for proper installation, maintenance, and operation of the transformer.

### 3.13 FINISHING AND PAINTING

- A. The transformer tank, bushings, and control cabinets shall be ANSI No. 70, light grey. The interior of the control cabinets shall be white. The dry film thickness of the paint shall not be less than 5 mils. The manufacturer shall furnish 1 gallon of "touch up" paint or 10 spray cans of paint.
- B. Radiators shall be hot dipped galvanized.

### 3.14 TESTS

- A. Transformer tests shall be performed for the transformer in accordance with ANSI C57.12.90, and shall include all routine tests in accordance with ANSI C57.12.00. In cases where apparatus is tested at the manufacturer's factory, the Owner/Engineer shall have the right to be present at such tests and shall be given advance notice as required in Section 3.11 (O). The cost of all required material tests and factory performance tests shall be borne by the Manufacturer.
- B. Tests shall not be limited to the following; however, the Manufacturer may perform additional tests which he deems necessary under his quality control program. The Manufacturer shall furnish the Owner with four (4) copies of guaranteed performance data and test reports which define the tests and list the certified test results. The cost of all factory tests required to be performed by the Manufacturer shall be included in the firm price quoted in the Manufacturer's proposal.
  1. Resistance measurements of all windings on the rated voltage connections and the extreme DETC tap positions.
  2. Ratio tests on the rated voltage connections and on all tap connections.
  3. Polarity and phase-relation tests on the rated voltage connections.
  4. No load losses and excitation current at rated voltage and rated frequency on the rated voltage connections.
  5. Exciting current at rated voltage and rated frequency on the rated voltage connections.

6. Dielectric Tests

- a. Applied Voltage Tests
- b. Induced Voltage Tests
- c. Quality Control Impulse Tests – this should include Chopped Wave Test, Full Wave Test, and Reduced Full Wave Test.
- d. Insulation Power Factor Tests
- e. Insulation Resistance Tests

7. Impedance and load loss at rated current on the rated voltage connections and on the tap extremes.

8. Audible Sound Tests. No test will be required. The transformer shall be designed to meet the required NEMA TR1 sound level. A cost adder to perform the sound tests shall be provided with the proposal.

9. Zero Phase Sequence Tests

- a. The sequence network shall be provided as part of the certified data.

10. Temperature Test.

- a. Temperature tests shall be made at the 12 MVA ONAN 55°C rating and the 22.4 MVA ONAF 65°C rating.

11. Short Circuit Test.

- a. Without limiting in any way any obligation of the Bidder under this agreement, the Bidder shall demonstrate to the satisfaction of the Owner that the transformer proposed in regard to this Specification shall have sufficient mechanical strength to withstand without damage or failure all through-fault currents in accordance with ANSI C57.12.00- 2010 Section 7. The Bidder shall demonstrate that the transformer meets this requirement by at least one of the following methods:

- (1) Certified test data showing that a transformer with a core and coil identical in design and construction and identical or similar with respect to kVA capacity, kV ratings, BIL, impedance, and voltage taps has been tested under maximum short-circuit conditions without failure. A description of the test code under which the transformer was tested for short-circuit strength shall be provided by the Bidder to the Owner.
- (2) A history of successful experience with transformers of identical or similar ratings, design, and construction. The Bidder shall list all transformers in service with core and coils that are essentially identical in design, construction, and rating to the transformer covered by this Specification and shall provide information on the date of installation location, and failures, if any. Where such transformers have not been built or the cumulative service record is less than 20 transformer years, a list of transformers in service that represents the closest approximation to the transformers covered by this Specification shall be submitted. The information submitted shall be representative of the total experience of the Manufacturer with the design of the transformers to be furnished and shall include the dates of installation (or shipment, if not installed), the ratings of the transformers, and a list of failures and causes of failures, if any have been experienced.

- C. The Manufacturer may perform additional tests deemed necessary under its quality control program. The Manufacturer shall furnish the Purchaser with four (4) copies of guaranteed performance data and test reports which define the tests and list the certified test results. The cost of all factory tests required to be performed by the Manufacturer shall be included in the firm price quoted in the Manufacturer's proposal.

- D. The Owner shall be immediately notified of any unusual damage occurring during construction of the transformer and all tests which do not meet specified or standard values. The Owner shall be permitted, at his option, to personally inspect such damages and/or test failures.

3.15 PHOTOGRAPHS

- A. Three complete sets of photographs of the core and coil assembly shall be furnished. The photographs shall be taken just prior to placing the completed core and coil assembly into the tank. Electronic copies of the photographs shall be provided with the prints.
- B. All photographs shall be 8-1/2 inch by 11 inch glossy prints properly labeled as to the views taken. A total of five different views shall be provided as follows:

1. Top view.
2. Front view, Segment 1
3. Left side view, Segment 2
4. Rear view, Segment 3
5. Right side view, Segment 4

### 3.16 LOSS EVALUATION

- A. Load and no-load losses will be evaluated as follows:

<u>No-load Core Losses</u>	<u>Load Losses (Copper)</u>
\$11,638/kW	\$7,460/kW

- B. Evaluated losses will be calculated by multiplying the appropriate dollars/kW values by guaranteed maximum load losses at 55°C rise at ONAN rating and no-load losses at 100 percent voltage. The products will be added to the bid price for evaluation.
- C. If the actual tested loss values exceed the guaranteed maximum loss values stated in the proposal of the Successful Bidder, the Successful Bidder will be charged a penalty value for every kilowatt by which the actual tested transformer losses exceed the guaranteed maximum losses upon which the proposal was evaluated. This penalty value will be the difference between the total actual test loss evaluation and the total guaranteed bid loss evaluation based on the evaluation factors as follows:

<u>No-load Loss Penalty</u>	<u>Load Loss Penalty</u>
\$11,638/kW	\$7,460/kW

## PART 4 MANUFACTURER'S DATA

As part of the manufacturer's proposal, the manufacturer shall complete or provide data as provided for in this section.

### 4.1 BID SCHEDULE

NO.	ITEM	UNIT	UNIT PRICE	LOSS kW	QTY	EXTENDED PRICE
1	Power Transformer	Ea.		N/A	1	
1a	No Load Loss	kW	\$11,638/kW	kW	1	
1b	Load Loss	kW	\$7,460/kW	kW	1	
2	Placement of transformer on Owner furnished pad					
3	On-site transformer assembly					

NO.	ITEM	UNIT	UNIT PRICE	LOSS kW	QTY	EXTENDED PRICE
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Items #1, #1a and #1b will be added for a total loss evaluated bid price. The actual price paid will be the base bid price given in Item #1, 2, and 3. (See Section 3.16 in the Technical Specifications for more information on the Loss Evaluation.)

TOTAL OF BID ..... \$\_\_\_\_\_

Value Analysis Factors (VAF) (To be completed by Owner/Engineer)

Technical Support	-0 - 5%	_____
Service Shop	-0 - 2%	_____
Service Engineer	-0 - 2%	_____
Short Circuit Test	-0 - 1%	_____
Product Quality and Performance	-0 - 10%	_____
Total VAF		_____

The bid prices will be evaluated by the Value Analysis Factors to insure that the Purchaser is getting the best product from a reputable manufacturer with adequate service capabilities. The bid will be awarded based on the overall evaluated price.

Total Evaluated Transformer Price (1 + 1a + 1b + VAF)= \$ \_\_\_\_\_

Transformer Delivery (from placement of order) \_\_\_\_\_ weeks

I/We acknowledge receipt of the following addenda:

Addenda No.	Date Received
_____	_____
_____	_____
_____	_____

Dated at: \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_.

Bidder \_\_\_\_\_ (SEAL)

By \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Printed or Typed)

Title \_\_\_\_\_

Attest:

\_\_\_\_\_

Complete Business Address of Bidder:

State of Incorporation:

Complete Address of Principal Offices:

Name, Address and Telephone Number of  
Person to Contact Regarding this Proposal.  
Include both Mail and Street Addresses:

Telephone:

Facsimile:



## 4.2 PERFORMANCE DATA

### A. Losses.

1. Guaranteed losses for the transformer are to be provided:

<u>Excitation</u>	<u>No Load</u>	<u>Load</u>	<u>Total</u>
100% V	kW	kW	kW
100% V	kW	kW	kW

2. The losses will be evaluated as follows:

No Load Losses \$7,500/kW (See Section 3.16)

Load Losses \$2,130/kW

- (a) Evaluated losses for each transformer will be calculated by multiplying the corresponding dollars/kW values listed above times the guaranteed load losses at the 55°C load rating and no-load losses at 100 percent voltage, with the products added to the bid price for evaluation.

### B. Efficiencies

<u>Load</u>	<u>Full Load</u>	<u>¾ Load</u>	<u>½ Load</u>	<u>¼ Load</u>
% Efficiency	%	%	%	%

### C. Percent Regulation

1. 100% PF \_\_\_\_\_ %
2. 80% PF \_\_\_\_\_ %

### D. Percent Exciting Current

1. 100% Voltage \_\_\_\_\_ %
2. 110% Voltage \_\_\_\_\_ %

### E. Percent Impedance Volts

1. %IZ Between windings H-X at \_\_\_\_\_ kVA \_\_\_\_\_ %

### F. Sound Level

1. Transformer kVA \_\_\_\_\_ db
2. Maximum kVA (with fans) \_\_\_\_\_ db

### G. Core Steel Grade

H. Winding Conductor Type: High side winding: \_\_\_\_\_ Low side winding: \_\_\_\_\_

I. Winding Insulation Paper: High side winding: \_\_\_\_\_ Low side winding: \_\_\_\_\_

## 4.3. MECHANICAL DATA

- A. Overall height ..... IN.
- B. Overall width ..... IN.
- C. Overall depth ..... IN.
- D. Height over cover ..... IN.
- E. Untanking height ..... IN.
- F. Core and coil weight ..... LBS.
- G. Tank and fittings weight ..... LBS.
- H. Liquid weight ..... LBS.



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All exceptions taken to items in this specification, are to be listed below. The paragraph number and title should be stated, followed by an explanation of the exception to be taken. (Attach additional sheets if necessary.)

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## AGREEMENT

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THIS AGREEMENT, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between Jefferson County PUD #1, hereinafter called "Owner" and \_\_\_\_\_

hereinafter call the "Bidder".

WITNESSETH:

WHEREAS: The Owner intends to have certain equipment supplied as outlined below, and

WHEREAS: the Bidder is able and willing to provide such equipment, NOW THEREFORE: The Owner and the Bidder for the consideration hereinafter provided, agree as follows:

### ARTICLE I. SCOPE OF WORK

The Bidder shall furnish all of the materials and equipment as required in the Contract Documents entitled: Jefferson County PUD 115.0 – 12.47kV, 12 MVA Power Transformer Specification for Jefferson County PUD #1 as prepared by Intermountain Consumer Professional Engineers, Inc., hereinafter referred to as "Engineer."

### ARTICLE II. THE CONTRACT DOCUMENTS

The Specifications entitled Jefferson County PUD 115.0-12.47 kV, 12 MVA Power Transformer and

Addendum No. \_\_\_\_\_ dated \_\_\_\_\_,  
Addendum No. \_\_\_\_\_ dated \_\_\_\_\_,  
Addendum No. \_\_\_\_\_ dated \_\_\_\_\_,  
Addendum No. \_\_\_\_\_ dated \_\_\_\_\_,

together with this Agreement, form the Contract and are fully a part thereof as if attached hereto or repeated herein.

### ARTICLE III. THE CONTRACT SUM

The Owner shall pay and the Bidder shall accept as full payment of the Contract, the sum of:

\_\_\_\_\_ DOLLARS (\$) \_\_\_\_\_  
subject to additions and deductions provided in the Contract.

### ARTICLE IV. TIME OF COMMENCEMENT AND COMPLETION

Work under this Contract shall commence upon written notice to proceed from Owner, and be delivered, completed, and ready for Owner's final inspection within the specified shipping and receiving dates. Time is of the essence.

### ARTICLE V. INSPECTION

The fact that any particular equipment has been inspected shall not be considered a waiver of the requirement of strict compliance with the Contract Documents.

### ARTICLE VI. CONTRACTOR NOT AGENT OF OWNER

It is expressly agreed that Bidder is not the agent or employee of Owner, but that he is an independent contractor.

## ARTICLE VII. PAYMENTS

Payments shall be made in accordance with applicable sections of the Contract Documents.

## ARTICLE VIII. ASSIGNS

Neither party to the Contract shall assign the Contract or submit it as a whole without the written consent of the other. Bidder shall not assign any moneys due or to become due to him hereunder nor shall he pledge or attempt to pledge the credit of Owner or bind the Owner to any third party.

## ARTICLE IX. ACCEPTANCE

The Equipment supplied shall be inspected for acceptance by the Owner promptly upon receipt of notification from the Bidder that all equipment is delivered to the job site and ready for inspection. The equipment supplied shall be at the Bidder's risk until accepted by the Owner in writing.

## ARTICLE X. DEFAULT AND ATTORNEY'S FEES

Should any dispute arise between the parties hereto, with regard to performance of their respective obligations under the Contract Documents, which dispute cannot be settled between the parties and litigation is commenced, then the losing party in the litigation agrees to pay all costs and attorney's fees of the prevailing party.

IN WITNESS WHEREOF, the parties have executed this Agreement, the day and year first above written, binding themselves, their heirs, successors, executors, administrators, and representatives to the full performance of the Contract.

OWNER

BIDDER

\_\_\_\_\_  
Owner's name

\_\_\_\_\_  
Name of Bidder

By \_\_\_\_\_  
Authorized Agent

By \_\_\_\_\_  
Signature and Title

\_\_\_\_\_  
License Number (if applicable)

## Appendix

DRAFT



# ALLIS-CHALMERS

## POWER TRANSFORMER

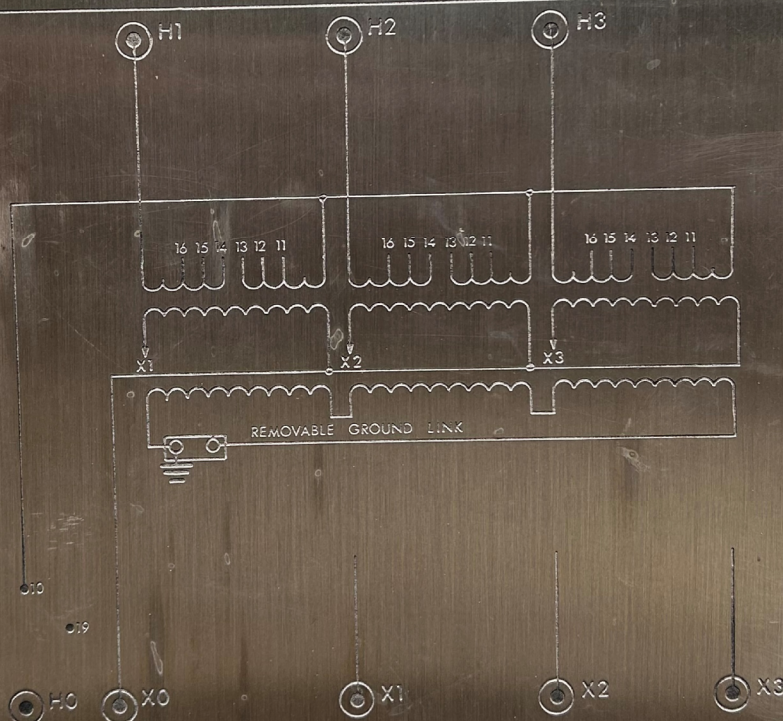
MILWAUKEE, WISCONSIN MADE IN U.S.A.

SERIAL NO. 47-8223-40915-1

THREE PHASE 60 CYCLES 65°C RISE CLASS: OA / FA / FA  
 H WDG KVA 12000 OA/16000 FA/20000 FA 115000Y/66395 VOLTS 450 BIL  
 X WDG KVA 12000 OA/16000 FA/20000 FA 13090Y/7560 VOLTS 110 BIL  
 Y WDG FOR HARMONIC SUPPRESSION ONLY

IMPEDANCE: H-X AT 12000 KVA 8.0 %

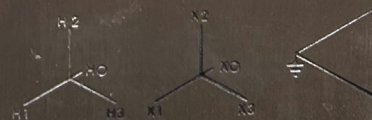
UNTANKING 33370 LBS 264 IN. OIL 3328 GALS 24960 LBS MFG DATE 12-69  
 TANK & FITTINGS 21570 LBS TOTAL WEIGHT 79900 LBS



110 BIL BUSHING  
 THE HV WINDING IS SUITABLE FOR  
 UNGROUNDED OPERATION ONLY IF  
 THE NEUTRAL LINK IS REMOVED, WITH  
 THE NEUTRAL LINK IN PLACE THE HV  
 WINDING MUST BE SOLIDLY GROUNDED  
 OR GROUNDED THROUGH AN IMPEDANCE  
 WHICH WILL LIMIT VOLTAGES FROM NEUTRAL TO GROUND  
 TO VALUES CONSISTENT WITH THE BIL OF THE HV NEUTRAL BUSHING.

H WINDING				TAP CHANGER FOR DE-ENERGIZED OPERATION	
VOLTS H1-H2 -H3	AMPERES			POS	CURRENT
	OA	FA	FA		
120750	57.4	75.5	55.6	A	13 11 14
117875	58.6	76.4	56.0	B	13 11 14
115000	60.2	80.3	56.9	C	13 11 14
112125	61.8	82.4	57.5	D	13 11 14
109250	63.4	84.6	58.0	E	13 11 14

X WINDING		
VOLTS	AMPERES	
X1-X2-X3	OA	FA
13090	529	106 832



OPERATING PRESSURES OF OIL PRESERVATION SYSTEM 15 PSI MAXIMUM TO 40.6 PSI MINIMUM.  
 TANK DESIGNED FOR 15 PSI NEGATIVE VACUUM RELIEF.  
 OIL LEVEL BELOW TOP OF MANHOLE FLANGE AT 25°F TO 12.8 INCHES. OIL LEVEL CHANGES .85 INCHES PER  
 10°C CHANGE IN OIL TEMPERATURE. USE A-C UNIVERSAL OIL NO. 3 NEVER OPERATE TRANSFORMER  
 BLEND "OW" POINT MARKED ON INDICATOR.  
 SEE INSTRUCTION BOOK BEFORE PLACING IN SERVICE.

PLATE NO. 63-306-980-001



# GENERAL ELECTRIC

TRANSFORMER

THREE PHASE

60 HERTZ

NO. C587440

CLASS OA/FA

INSTRUCTIONS GEI-57854

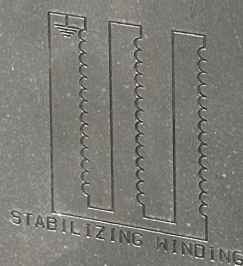
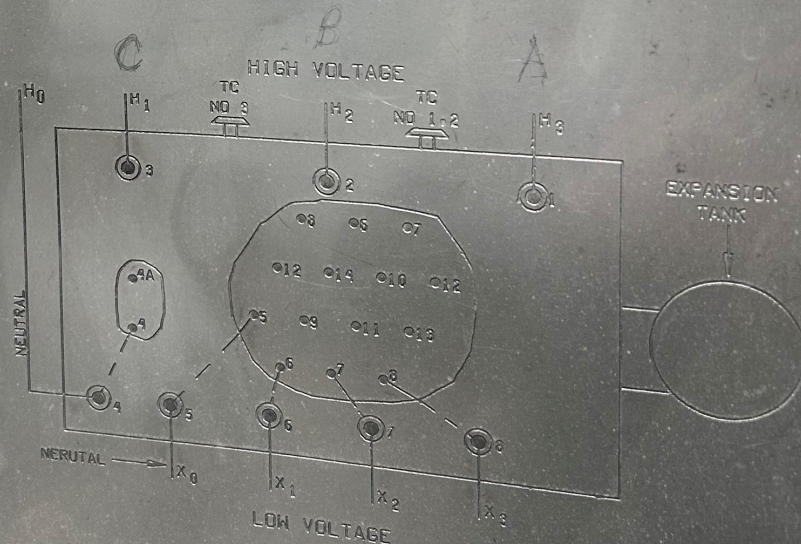
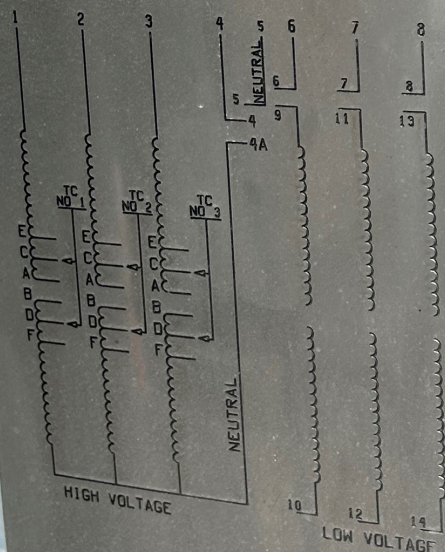
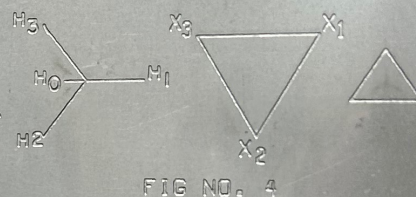
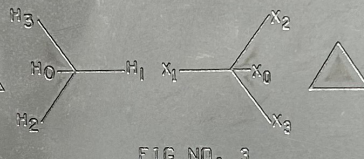
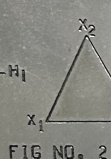
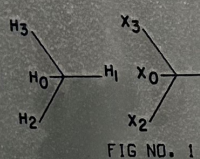
**CAUTION!** BEFORE INSTALLING OR OPERATING READ INSTRUCTIONS GEI-57854

VOLTAGE RATING 115000Y//115000GRY-7560/13090Y  
KVA RATING 5000 CONTINUOUS 55 C RISE SELF COOLED  
KVA RATING 6250 CONTINUOUS 55 C RISE FORCED AIR COOLED  
IMPEDANCE VOLTS 8.28 % 115000Y-7560 VOLTS AT 5000 KVA

HIGH VOLTAGE CONNECTIONS				
LINES ON 1,2,3			NEUTRAL ON 4	
LINE TO LINE	LINE TO NEUT	5000 KVA AMP	DIAL POS	TAP CHANGERS NO 1,2,3 CONNECT
120750	69800	29.9	1	A TO B
117900	68150	30.6	2	B TO C
115000	66450	31.4	3	C TO D
112150	64850	32.2	4	D TO E
109250	63150	33.0	5	E TO F

LOW VOLTAGE CONNECTIONS			
LINES ON 8,7,8		NEUTRAL ON 5	
LINE TO LINE	LINE TO NEUT	5000 KVA AMP	FIG NO
13090	7560	276	1
7560		477	2
13090	7560	276	3
7560		477	4

BASIC IMPULSE LEVELS			
ITEM			
IMPULSE LEVEL FULL WAVE KV			
H <sub>1</sub>	H <sub>2</sub>	H <sub>3</sub>	550
H <sub>0</sub> (BUSHING)			
X <sub>0</sub>	X <sub>1</sub>	X <sub>2</sub>	110
H <sub>0</sub> (WINDING)			
550			



LIQUID LEVEL CHANGES 1.05 INCH PER 10 C CHANGE IN LIQUID TEMPERATURE.  
LIQUID LEVEL BELOW TOP SURFACE OF THE HIGHEST POINT OF HIGHEST MANHOLE FLANGE AT 25 C IS 10.4 INCHES.  
MAXIMUM OPERATING PRESSURES OF LIQUID PRESERVATION SYSTEM 7.5 POUNDS POSITIVE TO 3.8 POUNDS NEGATIVE.  
TRANSFORMER TANK WILL WITHSTAND FULL VACUUM.  
WITH LINK 4, 4A CONNECTED. NEUTRAL MUST BE SOLIDLY GROUNDED OR GROUNDED THROUGH AB IMPEDANCE WHICH WILL LIMIT THE LOW FREQUENCY AND IMPULSE VOLTAGES FROM NEUTRAL TO GROUND TO VALUES CONSISTENT WITH THE INSULATION LEVEL SHOWN ON THIS NAMEPLATE.

APPROX. WEIGHTS IN POUNDS  
TOTAL 74400  
UNTANKING 24300  
TANK AND FITTINGS 50100  
EXPANSION TANK 1000