



**Jefferson County
Public Utility District**

February 2024 Newsletter

Looking Back & Looking Forward

As I begin my tenth year as a PUD commissioner, I can't help but reflect on how much has changed since I first took the oath of office. Back in 2015, the PUD was meeting in the old Post Office building in Port Hadlock. The rugs were worn out, the walls needed paint, and the restrooms were frequently out of order.

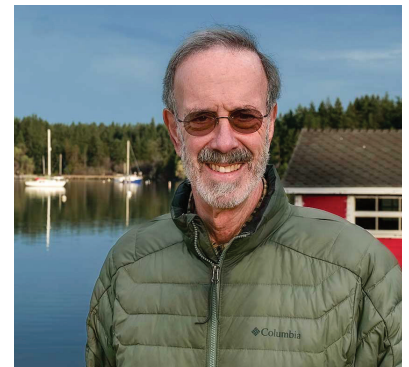
The PUD was seriously understaffed, the electrical infrastructure antiquated, and the financial software deficient to the point that it could not be audited.

Ten years from now, the PUD will have spent more than \$50M building out

fiber optic broadband across the county, primarily with federal and state grants. The PUD will have upgraded the Port Ludlow, Quilcene, Hastings, and Discovery Bay substations, investing more than \$12M on transmission and distribution system upgrades. The PUD will also have made improvements in leak detection and water delivery, as well as likely taken over the operation of the Port Hadlock wastewater system.

But the greatest accomplishment of the PUD has been to create a culture that cares about and inspires its employees.

So much has been achieved and will be achieved going forward.



Ken Collins
Commissioner, District 2

Meter Upgrades - 2/3 Complete

During the recent cold snap, AMI meters provided a real-time view of energy usage. Our crews use the data to help decide how to balance supply and demand to keep customer lights on or get them back on faster. Meter upgrades are nearly complete in Gardiner and Discovery Bay, and are 75% complete in parts of PT, Cape George Colony, Hadlock, Irondale, and Port Ludlow. Work remains mid-county from Oak Bay Rd to Hwy 101 in Quilcene. Postcard notifications have been sent to remaining services. Learn more about the PUD's AMI program on jeffpud.org/meterprogram. Meter opt-out information is also available.



More than 12,000 AMI meters have been installed to date.

Sewer	January 5 2023	January 5 2024
Base Rate:		
Standard ¹	\$ 61.99	\$ 72.39
Beckett Point ²	-	-
Kala Point ¹	\$ 36.79	\$ 42.38

Water	Jan 5 2023	Jan 5 2024
Basic Charge:		
5/8" - Meter	\$ 40.83	\$42.61
1" - Meter	97.74	102.00
1.5" - Meter	191.02	199.36
Rate Per 100 Gallons:		
Tier 1 (0-5,000)	\$ 0.36	\$ 0.38
Tier 2 (5,001-10,000)	0.50	0.52
Tier 3 (10,000-30,000)	0.68	0.70
Tier 4 (> 30,000)	1.25	1.31

Water/Sewer Rate Increases

For water services, 2024 is the final of a 4-year slate of increases approved by the PUD board in 2021. Sewer rates are halfway through the rate increase cycle and are dependent upon location. Service rates, water quality reports, and water studies are all available on jeffpud.org.

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2024 AND BEYOND

As we traverse our way through 2024, Jefferson PUD will grow and our budgetary needs entering 2025 will reflect our expansion of services, increased operational and maintenance requirements, and an increase in the number of critical projects needed for the continued success of the utility.

The impacts of Covid-19 over the past three years, coupled with other economic stresses, have hampered our ability to update or replace critical infrastructure and to adequately increase our workforce at a pace needed to supply reliable and vital services. We have reached a juncture in our evolution as a PUD, requiring an assessment of every aspect of PUD business lines. Our mission and goal is to provide reliable, affordable, and needed services as we expand as a utility.

I urge the community to engage and participate with PUD management and the Board of Commissioners in 2024 as we launch a cost of service/rate study, prioritize projects, and provide broadband service throughout our service area.

The challenges we face are many. It is likely that the PUD will participate in new sewer operations and the consolidation and/or acquisition of water systems. We must accelerate the undergrounding of our infrastructure as electric grid upgrades and broadband buildouts progress. Providing the tools, equipment and workspace for current and incoming employees must be a priority if we are to meet the demands of supplying the level of customer service that our customer-owners expect.

The board of commissioners and the PUD management team have been and will continue to communicate with state and federal agencies while coordinating with lawmakers to obtain funding that will provide affordable and reliable services in Jefferson County.

Funding opportunities are extremely competitive, and many come with requirements that are hard to meet. We find ourselves in a time when supply chain shortages still exist, inflation is up and higher interest rates continue to have an impact on the cost of our projects before, during, and after we can secure funding. Our staff put in a lot of time and

effort to obtain financial support for the utility in this challenging environment.

The Commission is always aware and sensitive to the impacts that policy and rate decisions have on low and fixed-income households and small businesses. We will continue to be mindful of the impacts our decisions will have on those customer-owners as we determine our path in 2024.

During 2024, and in the years to come, there are several factors impacting our utility.

How we deal with growth in Jefferson County from a utility perspective is going to prove challenging. The capacity and size of our electric grid needs to be expanded. Determining where growth will occur is critical to plan for necessary projects. How should the cost of new construction be apportioned or funded? Should projects be funded through loans, cash, usage rates, grants or potentially through bonds? What effect will state, and federal carbon reduction or climate policies have on our ability to keep costs of service low? These are a sampling of the challenges and decisions that must be addressed in 2024.

As a preference customer of BPA and the recipient of 96% clean energy, we are currently in power contract

negotiations that will determine our energy costs and the size of our power allocation to meet our load demands for the next two decades. This is a vital component in determining where we need to focus our projects and dollars for the electric division. As the economy in general and the transportation sector become more electricity centric, what effect will those shifts have on our expenditures, our load demands, and our grid reliability? Yet another challenge that we must account for when planning or financing for the long term.

Commissioners and the General Manager must set goals and prioritize pathways forward for the PUD. We must weigh how to utilize revenues, cash reserves and multiple funding sources to keep rate impacts acceptable for all classes of customers against the risk of potential negative outcomes around service affordability and systems reliability. It is imperative that our customer owners engage in the process by providing input and feedback on the decisions made this year that will affect us for decades.



Dan Toepper
Commissioner, Dist 3
Board Vice President

Check out the new & improved SmartHub for desktop! Same convenient tools and even more functionality!

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