PUBLIC UTILITY DISTRICT NO. 1
of Jefferson County
February 3, 2015

REGULAR MEETING
MINUTES

The Regular Meeting of the Public Utility District No.1 of Jefferson County was called to order by the President of the Board of Commissioners at 5:01 p.m. Commissioners and staff present were:

Wayne King, President
Kenneth Collins, Vice-President
Barney Burke, Secretary
James Parker, District Manager
Kevin Streett, District Electrical Superintendent
Bill Graham, District Resource Manager
Malcolm Harris, Legal Counsel, via telephone
Don McDaniel, Consultant
Kate Pike, Brisa Services

AGENDA
The Agenda was approved was submitted.

APPROVAL OF MINUTES
MOTION: By Commissioner Collins, Second by Commissioner Burke, carried unanimously, to approve the Regular Meeting Minutes of January 20, 2015 as submitted and distributed.

APPROVAL OF VOUCHERS
MOTION: By Commissioner Burke, Second by Commissioner Collins, carried unanimously, to approve payment of:

Warrants No. 107339 through 10479 in the amount of		$ 802,838.09
Warrants No. 70014 through 70019 in the amount of		10,962.83
Total Warrants	$	813,800.92

PUBLIC COMMENT (for items not listed on the Agenda)
1. *Mark Raney,* citizen, addressed the Board regarding a higher electric bill due to a water leak. No ACTION taken.
2. *Leo Boyd,* citizen, addressed the legality of who can sell retail broadband use.

After brief discussion the Board took the following ACTION:
MOTION: By Commissioner Burke, Second by Commissioner Collins, carried unanimously, to direct Mr. Boyd's concern to legal counsel for review and to further address at the next Regular Meeting.

COMMISSIONER REPORTS
Commissioner Burke
January 28-29: Attended meetings of Energy Northwest
February 2: Attended meeting of Local 20/20 Energy Action Group
February 3: Attended JPUD Special Workshop Meeting regarding Strategic Plan

Commissioner King
January 21: Participated via teleconference in WAPUDA address of Environmental Protection Agency rules on water service area
January 30: Attended water/sewer workshop and renewed open public meetings document
February 3: Attended JPUD Special Workshop Meeting regarding Strategic Plan
Commissioner Collins
January 22: Attended meeting of Peninsula Development District
January 27: Attended WPUDA meeting for new commissioners
February 3: Attended JPUD Special Workshop Meeting regarding Strategic Plan
February 18: Expect to attend WPUDA Commissioner Orientation and Training

EXECUTIVE SESSION
At 5:40 p.m. the Board adjourned, with legal counsel, from the Regular Meeting to Executive Session for discussion of real estate, open public records and personnel matters. No ACTION was taken.

At 6:05 p.m. the Regular Meeting was again called to order.

ACTION ITEMS
a) *Port Townsend Wheeling Agreement for transfer of transmission line from Clallam Public Utility District to Jefferson Public Utility District No.1 of Jefferson County*
The Manager presented the Wheeling Agreement Between Port Townsend Paper Corporation and Public Utility District No.1 of Jefferson County for provision of transmission capacity and wheeling services to Port Townsend Paper Corporation following the District's acquisition of certain transmission-related facilities from Public Utility District No.1 of Clallam County. After brief discussion which included legal counsel, the Board took the following ACTION:
MOTION: By Commissioner Burke, Second by Commissioner Collins, carried unanimously, to authorize signature by the District Manager of the Wheeling Agreement Between Port Townsend Paper Corporation and Public Utility District No.1 of Jefferson County for provision of transmission capacity and wheeling services to Port Townsend Paper Corporation following the District's acquisition of certain transmission-related facilities from Public Utility District No.1 of Clallam County.
b) *Drug Free Workplace Policy*
The Manager presented the Jefferson County PUD Policy on a Drug Free Workplace. As communication is pending with District employee unions, ACTION was delayed.
c) *Department of Health Grant Approvals*
The Manager presented Interagency Agreements between the State of Washington Department of Health and PUD No. 1 of Jefferson County to determine the feasibility of consolidating the Shine Plat water system within the Bywater Bay water system and to determine the feasibility of restructuring the Olympic Water and Sewer water system under the ownership of Jefferson PUD. After brief discussion the Board took the following ACTION:
MOTION: By Commissioner Burke, Second by Commissioner Collins,

carried unanimously, to authorize signature by the Commission President of the Interagency Agreements between the State of Washington Department of Health and PUD No. 1 of Jefferson County to determine the feasibility of consolidating the Shine Plat water system within the Bywater Bay water system and to determine the feasibility of restructuring the Olympic Water and Sewer water system under the ownership of Jefferson PUD.

DISCUSSION ITEMS

a) *McMillen Resolution*

The Manager presented draft Resolution No. 2015-001 recognizing the outstanding service of Ken McMillen as the Commissioner for District over a 30-plus-year period that saw a tremendous expansion of PUD responsibilities and challenges. It was determined that the Resolution No. 2015-001 would be signed and mounted, then ACTION taken in the presence of Ken McMillen.

b) *Resolution - Overtime for Exempt Employees*

The Manager presented draft Resolution No. 2015-005 authorizing overtime pay for exempt employees during emergency situations. There was discussion regarding clear definition of emergency time, extraordinary circumstances, and clear records for auditing purposes.

c) *Bill Stuffer - County Health*

The Manager presented correspondence from Jefferson County Public Health regarding insertion of a recycling flyer in JPUD billing, as well as a printing quote for same flyer. After brief discussion the Board took the following ACTION:

MOTION: By Commissioner Burke, Second by Commissioner Collins, carried unanimously, to permit a recycling flyer in JPUD billing, with Jefferson County Public Health accepting fees for printing.

d) *New PUD Position: Right-of-Way Manager/Staking Engineer*

The Manager presented memorandum regarding advertising for the position of Right of Way/Staking Engineer/Vegetation Manager to manage vegetation along rights-of-way and easements, manage JPUD easements, rights-of-way, and pole attachments.

e) *Recording Meetings Protocol*

The Manager presented memorandum regarding review of decision to record all meetings, including workshops, Board of Commission and Citizen Advisory Board meetings assuming policy will be reviewed after one year of recording. Recordings will be accessible on the JPUD website, with a visit counter to gauge public interest, and legal counsel will be present at Regular Meetings.

f) *Website and Social Media Archiving Proposal*

Bill Graham presented a proposal from PageFreezer Software, Inc. for social media archiving bundle.

g) *PUDA Telecom Role*

The Manager presented correspondence regarding Federal Communications Commission address of municipal broadband services and net neutrality, with a questionnaire regarding provision of telecommunication services. After discussion around competition, support of private enterprise, and abilities of utility districts to individually decide interest in providing such service, the Board took the following ACTION:

MOTION: By Commissioner Burke, Second by Commissioner Collins, abstention by Commissioner King, to support federal action to prohibit

states from adopting laws that would prevent PUDs and other local governments from providing broadband services.
MOTION: By Commissioner Burke, Second by Commissioner Collins, carried unanimously, to support the concept of net neutrality that would prevent Internet Service Providers from discriminating in the prioritization of data or the blocking of lawful content.

h) *New Citizen Advisory Board Members*

Board members announced new appointees to the Citizen Advisory Board. From District 1, Tom Thiersch; from District 2, Owen Mulkey; and from District 3, Dan Toepper.

i) *Conservation Program Update*

District Resource Manager Bill Graham updated the Board on the state of the Bonneville Power Administration (BPA) Energy Efficiency Action Plan budgeted funding. Regarding non-residential projects, several are coming to fruition, including a Port Townsend Commons and Jefferson County Historical Society Museum projects. Port Townsend Paper Corporation and U.S. Navy incentive projects appear underfunded. Regarding the residential rebate program, 225 rebates have been processed, and increasing contractor capacity is being addressed. The remaining Energy Efficiency Action Plan budget is $650,521.41; however, an additional approximately $334 thousand is committed. BPA has indicated that, with existing contractor capacity, we cannot spend residential allocation with low income. If Cascadia Consulting Group contract was based purely on "performance payment", incentive exists to seek larger savings items like heat pumps. After discussion the Board took the following ACTION:
MOTION: By Commissioner Burke, Second by Commissioner Collins, carried unanimously, to direct staff to restructure the District's original contract with Cascadia Consulting Group basing fees on performance payment, setting time limits and encouragement of supporting larger projects.

Commissioner Burke requested address of participation by and for landlords at the next Regular Meeting.

j) *PUD Strategic Plan Workshop*

The Manager noted that earlier this date, consultant Don McDaniel facilitated a workshop to address creation of a Strategic Plan for the District. The process will continue.

k) *Modification of PUD Rates and Charges for Individual Connections*

District Electrical Superintendent Kevin Street explained a customer request for attachment of wire to a pole on his property and to his house at no charge. It was explained to the customer that JPUD policy does not permit.

l) *PUD Policy on Shields on Street Lights*

Regarding a request to hang shading on an existing street light, the District's policy is that such must be approved by whomever pays the fees for pole lighting. After brief discussion the Board took the following ACTION:
MOTION: By Commissioner Burke, Second by Commissioner Collins, carried unanimously, that policy be that the owner of a light grants permission and installation fee determined by JPUD with payment by requesting entity.

m) *PUD Pole Attachment Rates and Agreement*

Staff and legal counsel are in the process of reviewing charges for attachment to District poles. Currently, the existing policy, which continues Puget Sound Energy fee rate, continues.

MANAGER REPORT

The Manager reported that, regarding financials, completion of 2013 and 2014 financial reports is near. With regard to staffing and personnel, a Right of Way/Staking Engineer/Vegetation Manager is being sought, advertising for additional linemen continues, consultant Don McDaniel is to begin to evaluate staffing levels and a workshop to address a District strategic plan was held earlier this date. Installation of a new ATEC Systems water treatment system for Kala Point is complete. The Sparling Well project is progressing with treatment system ordered, contractor on site, and a project completion request made. With regard to damaged fiber on Indian Island, process of repair/replacement continues. New bills have been sent and no shut offs occurred last week. Security Services Northwest has begun dispatch services.

CORRESPONDENCE

1. Letter from Manager to Wave Division IV, LLC regarding pole attachment agreement
2. Equipment quote from Correct Equipment for Mission Communications remote control tank and well package
3. Revision to Bonneville Power Administration implementation budget

ADJOURNMENT

MOTION: By Commissioner Burke, Second by Commissioner Collins, carried unanimously, to adjourn the Regular Meeting at 8:13 p.m.

Wayne G. King, President

Ken Collins, Vice-President

Barney Burke, Secretary