

**PUBLIC UTILITY DISTRICT NO. 1
of Jefferson County
June 16, 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
Bill Graham, District Resource Manager
Kevin Streett, District Electrical Superintendent
Robert Caprye, District Auditor
Malcolm Harris, Legal Counsel, via telephone
Kate Pike, Brisa Services

AGENDA

The Agenda was approved with Outside Meeting Attendance added under DISCUSSION.

APPROVAL OF MINUTES

MOTION: By Commissioner Burke, Second by Commissioner Collins, carried unanimously, to approve the Regular Meeting Minutes of June 2, 2015.

APPROVAL OF VOUCHERS

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

Warrants No. 108382 through 108462 in the amount of	\$ 696,929.49
Warrants No. 70059 through 70063 in the amount of	\$8,215.32
Warrant No. 70064	147.35
Total Warrants	\$ 705,292.16

Wire Transfer (to Bonneville Power Administration)	\$ <u>1,383,514.00</u>
TOTAL	\$ 2,088,806.16

District Auditor Robert Caprye addressed the Board with information that the State Auditor will visit at the end of July or beginning of August to address years 2013 and 2014. He is currently examining previous financial addresses and working on internal controls.

PUBLIC COMMENT (for items not listed on the Agenda)

None

Legal counsel commented that, regarding water rights for Port Ludlow system, they have been ordered from the Washington State Department of Ecology. No restrictions in the Water Services Plan are anticipated.

COMMISSIONER REPORTS

Commissioner Collins

June 4: Attended meeting of Public Utility Risk Management Services (PURMS) Board of Directors

June 10: Attended meeting of broadband planning

June 12: Attended opening celebration of Jefferson Transit new facility

June 18: Expect to attend Local 20/20 Transitioning Together meeting (Interface Between Public Policy and Grassroots Action)

June 24: Expect to attend BOC workshop regarding value of Port Ludlow Water system

June 26: Expect to attend meeting of the Olympic Peninsula Development Council

Commissioner Burke

June 3-4: Attended meeting of Public Power Council

June 8: Attended meeting of JPUD Citizen Advisory Board

June 9: Attended Jefferson County Parks & Recreation Coed Adult Softball League game with JPUD staff participating

June 12: Attended opening celebration of Jefferson Transit new facility

June 18: Expect to attend Local 20/20 Transitioning Together meeting (Interface Between Public Policy and Grassroots Action)

June 24: Expect to attend BOC workshop regarding value of Port Ludlow Water system

Commissioner King

June 9: Attended Jefferson County Parks & Recreation Coed Adult Softball League game with JPUD staff participating

June 11: Attended Marvin Shields memorial at Gardiner Cemetery

June 11: Attended telecom meeting with Yakima Power

June 12: Attended opening celebration of Jefferson Transit new facility

June 13: Attended, with District Resource Manager, Shine Platt well test and Shine Platt Property Association meeting

June 19: Expect to attend meeting regarding Jefferson County Fair participation

June 24: Expect to attend BOC workshop regarding value of Port Ludlow Water system

June 25: Expect to attend meeting of Washington Public Utilities Association Water Committee

ACTION ITEMS

a) PUD Vegetation Management Program

The Manager presented the District's Vegetation Clearance Policy and Specifications, noting that tree pruning and removal is a necessary part of overhead line construction and maintenance to provide a safe and continual supply of electricity. After discussion concerning clean up, the Board took the following ACTION:

MOTION: By Commissioner Burke, Second by Commissioner Collins, carried unanimously, to approve the District's Vegetation Clearance Policy and Specifications.

b) PUD Manager Rate of Pay

Moved to Executive Session.

DISCUSSION ITEMS

a) Customer Survey Discussion

The Manager presented a memorandum regarding customer survey, as well as sampling from Pend Oreille County Public Utility District, Newport, Washington. There was discussion among the Board on focus and number of survey questions and on requesting the Citizen Advisory Board offer guidance.

b) Change Orders Approval for Sparling Treatment Plant

The Manager presented several bid documents from JMG Constructors LLC necessitated by change in contractors.

c) Personnel - PUD Attorney Position

After discussion regarding a need for legal counsel live presence at meetings and expertise on electrical issues, the Board took the following ACTION:

MOTION: By Commissioner King, Second by Commissioner Collins, carried unanimously, to direct the Manager to prepare a Request for Qualifications for legal counsel.

d) New Large Load Policy Discussion

The Manager presented a draft Jefferson PUD New Large Load Policy to establish guidelines for providing electric service to new large loads which are to be defined as loads in excess of 1.0 peak megawatts. This to be applicable to new customers with a power projection of greater than 10 megawatts and to existing customers whose load at a single facility increases by greater than 1.0 megawatt of energy in any consecutive 12-month period as compared to the immediately preceding 12-month period. There was discussion concerning several marijuana growing operations and U.S. Navy use affecting Bonneville Power Administration rates to the District and any impact on rates of other customers.

Commissioner Burke requested ACTION on this issue be taken at the next Regular Meeting.

e) Outside Meeting Attendance

Commissioner Collins raised the question of the efficiency of rotation of Commissioner attendance at outside meetings, such as the Citizen Advisory Board (CAB) and the Public Power Council. Stan Neeley, CAB Vice President, commented that having connection with all Commissioners is beneficial to the CAB process.

MANAGER REPORT

The Manager reported that, regarding personnel, one new lineman has resigned, another has a wrist injury and two new are to begin within the next few weeks. Advertisement for an accountant to assist in the financial department has begun. The Electrical Department is evaluating personnel requirements for current and long-term needs. Manager met with U.S. Navy personnel to discuss system expansion and learned that an additional circuit for Navy facilities is not planned by U.S. Navy. NISC (National Information and Solutions Cooperative) continues implementing new accounting system with some added timings. Meeting with current payment contractor Paymentus Corp. is planned for July 1. Special Meeting with Energy Northwest is expected on July 7. Power outage and notifications to Indian Island and Marrowstone Island for pole replacement was successful. Shine Platt pump testing by District's Resource Manager was completed. Allocation of Bonneville Power Administration Conservation Funding is expected by September, 2015 with rebate program audit expected.

At 6:27 p.m. Legal Counsel Malcolm Harris, attending via telephone, departed the meeting.

CORRESPONDENCE

1. Public Notice of JPUD BOC July 7, 2015 workshop
2. Public Notice of JPUD BOC June 24, 2015 workshop
3. The January 16, 2015 recommendations from the JPUD Citizen Advisory Board on power shut off
4. Peninsula Daily News May 27, 2015 article concerning Port Angeles electric utility discount program
5. Change order by National Information Solutions Cooperative (NISC) to software and services purchase order
6. Letter from State Department of Health regarding possible inability to fund contractual obligations contingent of approval of State operating budget by 6/30/15.
7. Letter from Bonneville Power Administration with regard to compliance with the North American Electric Reliability Corporation (NERC) Reliability Standards and the Open Access Transmission Tariff (OATT)

EXECUTIVE SESSION

At 6:39 p.m. the Regular Meeting was adjourned to Executive Session for personnel discussion. At 6:55 Regular Meeting was resumed and, after brief discussion the Board took the following ACTION:

MOTION: By Commissioner Burke, Second by Commissioner Collins, carried unanimously, to adopt Resolution No. 2015-010 setting the District Manager's Compensation.

ADJOURNMENT

MOTION: By Commissioner Burke, Second by Commissioner Collins, carried unanimously, to adjourn the Regular Meeting at 6:59 p.m.



Wayne G. King, President



Ken Collins, Vice-President

Barney Burke, Secretary