

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

**October 5, 2015**

**BUDGET HEARING  
MINUTES**

The Budget Hearing of the Public Utility District No.1 of Jefferson County was called to order by the President of the Board of Commissioners at 5:00 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  
Don McDaniel, Consultant  
Kate Pike, Brisa Services

The Manager presented summaries of the PUD 2016 Draft Budget, currently on file at the District Office, which identified revenues projected for 2016, expenses calculated and a proposed communications and promotional budget. Also presented was a Bonneville Power Administration projection of costs, RCW 54.16.080 concerning levy and collection of taxes, and the Washington State Department of Revenue Levy Limit factor handout.

There was Board discussion on levy limits and taxes, electric and water rates for general, low income and schools, the possibility of late payment charging, and a media perspective written by Citizen Advisory Board member Tom Thiersch.

**Public Testimony**

- 1) Tom Thiersch expressed concern over costs of promotional handouts and capital expenses. He also commented on his personal right to express his opinions to media.
- 2) James Dow expressed concern about not increasing electrical rates in the face of a warm winter which would generate less revenue.

**ADJOURNMENT**

MOTION: By Commissioner Burke, Second by Commissioner Collins, carried unanimously, to adjourn the Budget Hearing at 5:43 p.m.

**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 5:43 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  
Richard Hughes, Legal Counsel  
Celeste Monroe, Legal Counsel  
Don McDaniel, Consultant  
Kate Pike, Brisa Services

**AGENDA**

After introductions the Agenda was approved with deletion of Action Item Department of Health Consolidation Grant - Shine Plat, and relocation of Executive Session to behind Public Comment and Commissioners Reports.

**APPROVAL OF MINUTES**

MOTION: By Commissioner Collins, Second by Commissioner Burke, carried unanimously, to approve the Regular Meeting Minutes of September 15, 2015 and the Budget Workshop Minutes of September 21, 2015.

**APPROVAL OF VOUCHERS**

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

Warrants No. 109250 through 109357 in the amount of	\$773,882.90
Warrants No. 70098 through 70101 in the amount of	7,313.78
Warrant No. 109102 VOIDED	
For a Total Warrant Amount of	\$ 781,196.68
Wire Transfer (BPA)	\$ 866,704.00
Wire Transfer (USDA/RUS)	\$1,529,099.17
GRAND TOTAL	\$ 3,176,999.85

**PUBLIC COMMENT** (for items not listed on the Agenda)

None

**COMMISSIONERS REPORTS**

**Commissioner Collins**

September 16-18: Attended meetings of Washington Public Utilities Association

September 21: Attended JPUD Special Budget Workshop meeting

September 23-25: Attended meetings of Washington Public Utilities Association

**Commissioner Burke**

September 17: Attended via telephone meeting of Washington Public Utilities Association Energy Committee

September 17: Attended Local 20/20 Energy Lunch

September 19: Attended Quilcene Fair

September 21: Attended JPUD Special Budget Workshop meeting

September 23-25: Attended meetings of Washington Public Utilities Association

September 29: Met with Sarah Spaeth, Jefferson Land Trust

October 2: Met with residents of McPherson Street regarding tree trimming

### **Commissioner King**

September 19: Attended Quilcene Fair

September 21: Attended JPUD Special Budget Workshop meeting

September 22-24: Attended Washington Public Utilities Association Water Workshop

### **EXECUTIVE SESSION**

The Board adjourned to Executive Session at 5:59 p.m. to discuss a complaint against a JPUD employee with legal counsel. Executive Session was expected to be 30 minutes with no decision to be made. After 30 minutes the Manager announced the Board was extending the Executive Session for 15 minutes. After 15 minutes the Manager stated the Board was extending the Executive Session another 15 minutes. The Board returned from Executive Session at 7:10 p.m. No Action was taken

### **ACTION ITEMS**

#### Department of Health Consolidation Grant - Quilcene

The Manager presented a grant agreement between the Washington State Department of Health and JPUD to complete a feasibility study for the consolidation of Quilcene High School Water System into one system owned and operated by the Quilcene Water System. After brief discussion the Board took the following ACTION:

MOTION: By Commissioner Burke, Second by Commissioner Collins, carried unanimously, to authorize signature of the grant agreement between the Washington State Department of Health and JPUD to complete a feasibility study for the consolidation of Quilcene High School Water System into one system owned and operated by the Quilcene Water System.

### **DISCUSSION ITEMS**

#### a) Interlocal Agreement with Jefferson County

The Manager presented a draft Interlocal Agreement between JPUD and Jefferson County for installation of safety lights such as flashers, warning lights, emergency lights, etc. on fleet vehicles. Drafted by JPUD legal counsel, Agreement is to be forwarded to Jefferson County for review.

#### b) Resolution PUD 2016 Budget

The Manager presented a draft Resolution Adopting Budget for calendar year 2016, expected to be adopted at the November 3, 2015 Regular Meeting. There was discussion among the Board on communications and reduction of property taxes. The Manager will add communication expense to the 2016 budget draft.

#### c) Tree Management Procedures

Photographs of tree trimmings in the McPherson Place region of Port Townsend. There was discussion among the Board and staff regarding the District's procedures and those of Port Townsend.

#### d) Pre-qualification of Electrical Contractors

The Manager presented correspondence regarding approval for pre-qualification for the upcoming calendar year, listing contractors. Approval is expected at the next Regular Meeting.

#### e) Adoption of New Rebate Measures

The District Resource Manager presented new Bonneville Power

Administration rebate implementation information. There was Board discussion on any benefit for heat pump installation. Legal counsel will connect with the Resource Manager on benefits to rate payers with information expected at the next Regular Meeting.

f) Public Power Week

The Manager presented a draft State of Washington Proclamation recognizing October 4 through 10, 2015 as Public Power Week. Action is expected at the next Regular Meeting.

**MANAGER REPORT**

NISC (National Information and Solutions Cooperative) continues training for the new accounting and work order programs. State Auditor is to begin process mid-October. A Special Workshop on telecom is anticipated. A final report is expected for presentation on the Planning for Climate Change on the North Olympic Peninsula. Negotiations are occurring with Bonneville Power Administration and Puget Sound Energy for use of underwater cables during emergencies. Address of possible acquisition of Port Ludlow water system continues. Stuffer in JPUD billings regarding NISC (National Information and Solutions Cooperative) processes has been sent

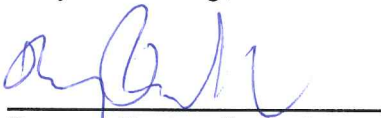
**CORRESPONDENCE**

1. Changes to Bonneville Power Administration Energy Efficiency Rebate Program
2. Proclamation recognizing Public Power Week
3. Correspondence from Dona Nolan regarding Shine Plat regarding JPUD service
2. Correspondence from the Manager to Bonneville Power Administration regarding Puget Sound Energy unused Hood Canal lines for emergency use

**ADJOURNMENT**

MOTION: By Commissioner Burke, Second by Commissioner Collins, carried unanimously, to adjourn the Regular Meeting at 7:53 p.m.

\_\_\_\_\_  
Wayne G. King, President

  
\_\_\_\_\_  
Barney Burke, Secretary

  
\_\_\_\_\_  
Ken Collins, Vice-President