



PUBLIC UTILITY DISTRICT NO. 1
of Jefferson County

March 1, 2016

Regular Board Meeting

Approved Minutes

The regular Board of Commissioners meeting of Public Utility District No.1 of Jefferson County (PUD), was called to order by the President of the Board of Commissioners (BOC) at 5:00 p.m. Introductions were made. Commissioners, PUD staff, citizen presenters present:

Commissioner Kenneth Collins, President
Commissioner Barney Burke, Vice President
Commissioner Wayne King, Secretary

James Parker, District Manager
Robert Caprye, District Financial Director
Bill Graham, District Resource Manager
Kevin Streett, District Electrical Superintendent
Richard Hughes, General Counsel
Don McDaniel, Consultant
Pamela Browning, Minute Taker
Mark Jochems, Citizen

Agenda: The agenda was reviewed and updated.

MOTION: By Commissioner Burke, seconded by Commissioner Collins, and unanimously carried: to permanently restructure the Agenda so that Executive Sessions are held *after* the Manager's Report.

Minutes Approval:

MOTION: By Commissioner King, seconded by Commissioner Burke, and unanimously carried: to approve the February 16 2016 Regular BOC Meeting minutes and the February 18 2016 BOC Communications Workshop minutes as submitted.

Financial Operations Report: Bob Caprye and Jim Parker briefed the BOC.

- Financial Reporting: Bob distributed and reviewed "2016 Operating Revenues & Expenses" spreadsheets describing the impact of the expected Bonneville Power Administration rate increase. He will be reformatting financial reports through 2014, per the State auditors' suggestions, as confirmed by Moss Adams employees.
Jim will develop a set of financial reporting options for the BOC to review and decide which they would like to receive and with what frequency.
- Moss Adams LLP, financial consulting firm: Bob met with Moss Adams employees.
- Personnel: One additional Customer Service Representative has been hired; the Controller position has been advertised.
- FEMA Storms: Bob will meet with a State representative March 3.
- Payroll Reporting Format: Bob will reconfigure payroll reports to address security concerns.

Vouchers Review and Approval: The BOC reviewed PUD payments registers.

MOTION: By Commissioner Burke; seconded by Commissioner King; and carried unanimously: to approve March 1 2016 payments:

Warrants No. 110482 through 110561	in the amount of	\$ 1,190,308.67
Warrants No. 70144 through 70147	in the amount of	\$ 9,085.42
Payroll Direct Deposit	in the amount of	<u>\$ 75,209.96</u>

Total Bills to be Paid: \$ 1,274,604.05

Voided Checks: #110457: Quilcene Fair

Wire Transfers: None

For a Grand Total of \$ 1,274,604.05

Items from the Floor, not listed on the Agenda:

Mark Jochems addressed the BOC regarding problems he is experiencing with the PUD's billing system and staff follow-up. Jim Parker will work with Mr. Jochems to resolve the issue; Commissioner Collins asked Mr. Jochems to call him in approximately one week for an update.

Commissioner Reports:

The Commissioners reported on meetings and events they attended, and plan to attend, on behalf of the PUD.

Highlights:

- Commissioner King met with State auditors on March 1st to discuss NoaNet and PUD audit issues. The auditors understand the PUD's position and are pleased we're "moving forward". They expect it will probably take two years to get the PUD completely "back on track".
- Commissioner Burke has been elected Vice Chair of the City of Port Townsend/Jefferson County Climate Action Committee.
- The BOC discussed a legislative update from the Washington Public Utility Districts Association (WPUDA), distributed by Commissioner Burke.

MOTION: By Commissioner Burke; seconded by Commissioner Collins; and carried unanimously: to ask Richard Hughes to follow up on the WPUDA request to see if the powers contemplated in House Bill 2966, (*concerning transportation infrastructure electrification*), are already things which Washington PUDs have authority to do under RCW 54, (Revised Code of Washington, *concerning PUD dispositions*).

- Commissioner Collins met with Moss Adams and reviewed the February 16 BOC meeting motion regarding contracting for financial support. Moss Adams will provide support in financial reports preparation per BOC requests. One particular item in the motion needs to be "flexed" – since Bob Caprye can't act on findings until they are delivered, the April 29 2016 deadline may need to "float".
- Commissioner Collins received an email from John Comstock, who had previously agreed to serve the on the PUD Citizen Advisory Board, (CAB), in which he withdrew his application for the position. Commissioner Collins contacted Roger Risley, who agreed to serve.

MOTION: By Commissioner Burke; seconded by Commissioner Collins; and carried unanimously: to appoint Roger Risley to represent District 2 on the Citizen Advisory Board.

Action Items: PUD staff and the BOC reviewed and discussed:

- National Information Solutions Cooperative, (NISC), Mobile Work Force Module: The BOC reviewed the module proposal.

MOTION: By Commissioner Burke; seconded by Commissioner King; and carried unanimously: to approve purchase of the NISC mobile work force module for \$28,700.

- Supervisory Control And Data Acquisition, (SCADA), System Vulnerability: The BOC discussed Bonneville Power Administration's concerns regarding SCADA system vulnerability in light of recent hacking accomplished through that system.
- Fee Change: Temporary Underground Electrical Services: The BOC reviewed the proposed change.

MOTION: By Commissioner Burke; seconded by Commissioner King; and carried unanimously: to approve the change in the standard charge for temporary service, that in addition to the service charge of \$70.00 the customer supplies wire for underground temporary service.

Discussion Items: The BOC and staff discussed:

- SDS Research 2015 Customer Satisfaction Survey Report Findings: Commissioner Burke would like the report to be posted online. The BOC agreed he will draft a letter to customers addressing comments in the survey for consideration at its next meeting.
- PUD Communication Plan: Jim Parker distributed a memo regarding the communication program. Commissioner King recommended Don McDaniel write the PUD's press releases, as he did for Puget Sound Energy when he managed its Olympic Peninsula assets. Bill Graham and Don McDaniel will develop a communication plan for the March 21 2016 Rates & Fees Workshop.
- PUD Human Resources/Communications Position: Jim Parker distributed a sample job description for a public affairs and human resources director. The BOC discussed possible avenues for finding qualified candidates.
- Resolution: Exempt Staff Compensation Policy: The BOC reviewed proposed policy updates, which will be presented as an action item at the next BOC meeting.
- Local Utilities District, (LUD), #3 Booster Pump Bid: The BOC reviewed the Section 6 Bid Sheet. Jim Parker will sign and reward the contract as described.
- Peterson Lake Timber Harvest Contract: The BOC reviewed the forest management services contract.

District Manager Report: Jim Parker addressed:

- Personnel issues
- State Auditor update
- Rates and Charges workshop, which will include a Capital Improvement Plan update
- New substation transformer
- Training with fire districts
- Truck radios
- Light Emitting Diode, (LED), conversion for City street lights
- US Bureau of Reclamation drought contingency funding
- Telecom and SCADA assets inventorying: Bill Graham will invite NoaNet representatives to meet with the BOC regarding telecom assets
- Land Trust "potholes"
- June emergency management exercise
- Non-pay shut offs: Jim will try to secure temporary payment contracts with each delinquent customer before shut-offs are done.

Executive Session:

The purpose of the executive session was to discuss union negotiations.

The BOC Regular Board Meeting was adjourned to enter Executive Session at 7:00 p.m.; the Session ended at 7:40 p.m.

The BOC regular meeting was reconvened at 7:42 and no action was taken.

Commissioner Calendar Review: The BOC reviewed upcoming events, including:

- CAB Meeting: Monday, March 14 2016
- BOC Regular meeting: Tuesday, March 15 2016
- BOC Workshop on Rates & Fees, Monday, March 21

Correspondence: None

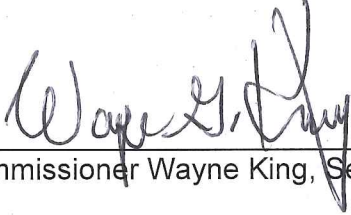
Future Planning Discussion: No items to address.

Adjournment:

MOTION: By Commissioner Burke; seconded by Commissioner King; and carried unanimously: to adjourn the March 1 2016 Regular Board Meeting at 7:46 p.m.

Minutes prepared by Pamela Browning, Minute Taker

Approved:



Commissioner Wayne King, Secretary

Date

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