



PUBLIC UTILITY DISTRICT NO. 1  
of Jefferson County

April 19, 2016

**Regular Board Meeting**

*Approved Minutes*

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

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  
Tammy Lehman, Utilibiz representative  
Pamela Browning, Minute Taker

Roger Risley, Citizen Advisory Board member  
Leo Boyd, North Olympic Peninsula Data Centers representative

Agenda:

MOTION: By Commissioner Burke, seconded by Commissioner King, and unanimously carried: to approve the April 19 2016 Regular Board Meeting agenda as submitted.

Minutes Approval:

MOTION: By Commissioner King, seconded by Commissioner Burke, and unanimously carried: to approve the April 5 2016 Regular Board Meeting minutes as submitted.

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

- Financial Reporting: Bob distributed and reviewed:
  - *Estimated Cash Reserves* as of April 19 2016
  - *Three Month Operating Statement Ended March 31 2016:* reflecting BPA 5% rate increase
  - *Three Month Operating Statement Ended March 31 2016:* comparing unaudited and budgeted figures
  - *Accounts Receivable Information* as of April 19 2016
- State Audit:
  - 2013 audit work is complete.
  - Bob hopes the 2014 audit work will be largely completed by April 22nd.
  - 2015 audit work has begun.
- Personnel:
  - At least two new Customer Service Representatives will be hired.
  - No Controller candidates have been identified; the ad deadline is May 15.

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

MOTION: By Commissioner Burke; seconded by Commissioner Collins; and carried unanimously: to approve April 19 2016 warrants and the wire transfer to Bonneville Power Administration (BPA), for power and transmission:

|   |                        |
|---|------------------------|
| Accounts Payable: #110868 through 110879 in the amount of | \$ 113,943.61          |
| Accounts Payable: #110880 through 110943 in the amount of | \$ 296,411.07          |
| Payroll Checks: 70157 through 70161 in the amount of      | \$ 8,063.41            |
| Payroll Direct Deposit in the amount of                   | \$ 73,259.54           |
| Total Bills to be Paid:                                   | \$ 491,677.63          |
| Voided Checks: N/A  |                        |
| Wire Transfer: BPA  | \$ 1,541,457.00        |
| <u>For a Grand Total of</u>                               | <u>\$ 2,033,134.63</u> |

Items from the Floor, not listed on the Agenda:

- Leo Boyd briefed the Board regarding information he received which seems to indicate a conflict of interest between Noanet and Jnet. Leo has forwarded the information to the State Auditor, Inspector General, and Attorney General; they have launched an investigation into the matter.
- Leo asked if there are legal issues impeding his directly employing Michels Corporation to do underground telecom construction work in the district. Rick Hughes would like to investigate the issue and work with Leo.
- Roger Risley raised the issue of marijuana farms' effect on PUD revenue and suggested the PUD should determine:
  - How many are in the district
  - Their square footage
  - Whether they are indoors or outdoors
  - The amount of revenue they currently generate
  - How many more farm applications are expected
  - Revenue projections

Commissioner Reports:

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

Highlights:

- Commissioner King attended a Noanet video conference; the PUD will receive a Noanet map identifying the exact locations of their infrastructure in the district.
- Commissioner Burke:
  - Attended a recent PUD, City of Port Townsend, Jefferson County, Port of Port Townsend, Team Jefferson, Mainstreet meeting and shared the "Next Five Things" voting results :
    - #1: Workforce housing
    - #2: Economic Development Council funding
    - #3: Sims Way Project improvements
    - #4: Downtown WIFI
    - #5: (two projects tied): Ombudsman hiring and the Brinnon Master Plan
  - Attended the April CAB meeting. He congratulated Bill Graham for his conservation program presentation, and would like the PUD to raise public awareness regarding wood stove replacement rebates. In addition, he felt Peter Lauritzen's smart meter report analysis was excellent and would like a copy of that report distributed to the Board.
  - Noted Jim Parker will present at the June 3 Business Climate Symposium.

- Commissioner Collins:
  - Attended a PUD survey "post mortem". Stan Nealey will conduct content analysis of the written comments. The PUD won't use SDS in the future; the surveys have been permanently lost.
  - A call for survey instruments was made at the Washington Public Utility District Association meeting; they will be made available for PUD use.
- Commissioners Collins and Burke will attend the Energy Lunch. Commissioner Burke asked Jim Parker to inform the newspapers.

Action Items:

- Cascadia Contract Extension: Jim Parker and Bill Graham reviewed the amendment to the Cascadia Consulting Group contract, and the plan to move this work in-house. Commissioner King would like Cascadia representatives to attend the Fair and Home Show.  
MOTION: By Commissioner King; seconded by Commissioner Burke, with the clarification that there is a \$28,000 cap on "Additional Costs"; and carried unanimously: to direct the Manager to proceed with the consultant agreement between the PUD and Cascadia Consulting Group, Inc.
- Archbright Membership: The Board reviewed Annette Johnson's summary of benefits and costs associated with joining the Archbright organization. Membership has the potential to rebate part of State Labor & Industries (L & I) premiums, if the PUD maintains its high "Experience Rating".  
MOTION: By Commissioner Burke to authorize the Manager to make the PUD a member of the Archbright organization and sign up for this L & I benefit program.  
*Discussion*: Commissioner King said it's unclear why more PUDs aren't participating. Commissioner Collins noted the PUD can terminate its membership at any time, with thirty days' notice, so if the experience is not good the PUD is not committed long term. The motion was seconded by Commissioner King and carried unanimously.

Discussion Items:

- PUD Financial Policy: The Board reviewed proposed policy changes. Jim Parker asked the Board to send comments to him and Bob Caprye. They will revise the policy and bring it back to the Board for review at its next meeting.
- PUD Travel Policy: The Board reviewed the draft policy which was written by Richard Hughes, based on the Mason PUD travel policy. It emphasizes the PUD's preference that PUD-related travel is conducted in PUD vehicles when possible.  
*Notes*:
  - ◆ The PUD could require non-PUD vehicle passengers sign an insurance waiver, although that is not a requirement.
  - ◆ It would be appropriate to include language in the Employee Handbook ensuring people who use PUD vehicles have valid licenses, *etc.*
  - ◆ Bob Caprye's department will create the travel expense reimbursement form.
  - ◆ Commissioner King suggested using General Service Administration *per diem* hotel rates rather than reimbursement.
  - ◆ Commissioner Burke suggested meal reimbursement should be for actual costs instead of *per diem* rates.
  - ◆ The Board will review the policy and continue the discussion at its next meeting.
- Residential Appliance Rebate Program: Bill Graham briefed the Board. To-date the PUD has honored BPA's rebate program, but would like to switch to the Clear Result program eventually. Commissioner King would like the PUD's logo to be displayed on locally-purchased Energy Star appliances.

- Rate Study Memo: Jim Parker reviewed the April 7 EES Consulting memo and briefed the Board.

Notes:

- ◆ Commissioner Burke asked that staff and EES provide a rate process schedule. He would like the process posted online to help the public stay informed.
- ◆ Commissioner Burke asked Jim to identify "ballpark":
  - Costs to process cash and check transactions, and a
  - Budget for the next phase of the EES contract.
- ◆ Roger Risley raised the possibility that EES' data is inaccurate in certain cases, e.g. schools. Commissioner Collins asked him to outline his concerns and send them to the Board via a letter or email.

District Manager Report: Jim Parker reviewed his report on the following topics:

- Personnel issues
- Meetings
- Tree Trimming
- L & G meters
- Quilcene water consolidation
- Reynolds well
- Local Urban District (LUD) #3
- Coyle water system pump
- Building permit denial - Adam Gravley correspondence
- June emergency management exercise
- Quarterly newsletter
- Surveys

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

- BOC Regular meeting: Tuesday, May 3
- CAB Meeting: Monday, May 9; Commissioner King will attend.
- BOC Regular meeting: Tuesday, May 17
- Jefferson County FEMA drill: June 5, 6 & 7
- BOC Regular meeting: Tuesday, June 7

Correspondence: Washington State Department of Health Contract Amendment: Jim Parker reviewed and will sign.

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Executive Session:

The President of the Board announced the purpose of the executive session was for union negotiations, manager evaluation, and property negotiations.

The session was expected to last approximately one hour.

No actions will be taken after the executive session.

The Board's Regular Meeting was adjourned to enter executive session at 6:55 p.m. and reconvened at 7:50 p.m.

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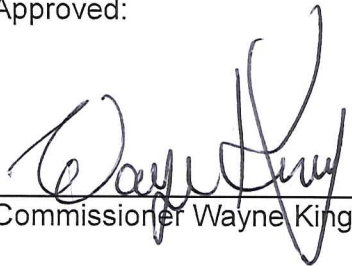
Adjournment:

MOTION: By Commissioner Burke; seconded by Commissioner King; and carried unanimously: to adjourn the April 19 2016 Regular Board Meeting at 7:55 p.m.

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Minutes prepared by Pamela Browning, Minute Taker

Approved:

  
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Commissioner Wayne King, Secretary

4-22-16  
Date

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