



PUBLIC UTILITY DISTRICT NO. 1
of Jefferson County
September 20, 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.
Attending:

Commissioner Kenneth Collins, President
Commissioner Barney Burke, Vice President
Commissioner Wayne King, Secretary
James Parker, District Manager
Kevin Streett, District Assistant Manager
Bill Graham, District Resource Manager
Debbie Lund, District Human Resources and Communications Manager
Kim Younger, District Controller
Richard Hughes, District General Counsel
Don McDaniel, District Consultant
Pamela Browning, District Minute Taker
PUD Citizen Advisory Board Members:
Jim Dow Peter Lauritzen
Stan Nealey Roger Risley Tom Thiersch

Leo Boyd, North Olympic Peninsula Warren Leach, Citizen

Agenda:

MOTION: By Commissioner Burke, seconded by Commissioner King, and unanimously carried: to approve the agenda as submitted.

Minutes Approval:

MOTION: By Commissioner King, seconded by Commissioner Burke, and unanimously carried: to accept the minutes of the September 6 2016 Regular Board Meeting as presented.

Financial Director Operating Statement:

Tammy Lehman reviewed highlights of the *Narrative to Accompany Monthly Financial Statements* and supporting reports:

- Combined Income Statement for August 2016
- Income Statement Comparison through August 2016
- Electric Division Income Statement for August 2016
- Water Division Income Statement for August 2016
- General Fund Division Income Statement for August 2016
- Balance Sheet for August 2016
- Statement of Cash Flows: August 31 2016
- Statement of Cash Flows: January - August 2016
- Schedule of Cash, Liquid Investments, and Special Funds: August 31 2016
- Schedule of Long Term Debt and Notes Payable
- TIER (Times Interest Earned Ratio) and DSC (Debt Service Coverage Ratio) - Twelve Month Rolling Average - Electric

Regarding New Service Costs: Jim will provide more information and potential revenue impacts data.

Jim will provide a list of optional Fees and Charges for Board consideration.

- Resolution 2016-010: Approving Expense Payment for Chief Financial Officer

Candidates: The Board and staff reviewed the proposed resolution.

MOTION: By Commissioner Burke, seconded by Commissioner Collins, and unanimously carried: to approve Resolution No. 2016-010, for payment of travel expenses for Chief Financial Officer candidates.

- Resolution 2016-011: Updating District Governance Policy:

The Board, staff and Richard Hughes reviewed the proposed resolution and *Executive Session Rules and Guidelines*.

MOTION: By Commissioner Burke, seconded by Commissioner King, and unanimously carried: to approve Resolution No. 2016-011, amending PUD governance procedures to cover Executive Session rules.

- Marrowstone Island Broadband: Leo Boyd related a conversation he had regarding statements allegedly made at a Marrowstone community meeting which seemed to indicate the PUD is not interested in supporting broadband on the island.

Commissioner Collins responded the statement was taken out of context, and that the discussion concerned the availability of an ISP (Internet Service Provider) to work with fiber optic cable once it gets extended to the island. He apologized if he neglected to mention that ISP services are available.

Discussion Items: The Commissioners, PUD staff and legal counsel discussed several topics:

- PUD 2017 Draft Budget: The Board and staff reviewed the draft 2017 budget, which will be used during the upcoming public hearing.

Commissioner Burke asked that equipment for water delivery during emergency events be included in projected purchases, if current equipment is insufficient.

Don McDaniel suggested the PUD develop an emergency water provision plan with the City of Port Townsend.

Commissioner King asked that funding for the educational "Power Town" exhibit be included in the draft 2017 budget.

- Selection of PUD Chief Financial Officer (CFO)/Auditor:

A panel of PUD Commissioners and staff interviewed two candidates for the CFO/Auditor position this morning. Discussion of those candidates' qualifications will continue during Executive Session this evening.

- Resolution 2016-012: Protecting Customers' Data:

Jim Parker will update the proposed resolution for review and action at the next Board meeting.

- Citizen Advisory Board (CAB): Governing Resolution Update:

Jim Dow, CAB President, reviewed governance issues, including the process by which the CAB chooses its work projects, discussed at its September meeting. The CAB drafted language regarding that issue which it would like included in the updated resolution. Jim will send that language to the Board during the next week.

Commissioner Collins stated the resolution clause pertaining to work project origination can be drafted by the CAB or the Board.

- Interlocal Agreement with Chimacum School District:

The agreement to provide high voltage repair and maintenance service to the School District is being re-drafted to address Washington State Labor and Industries requirements.

Commissioner King asked if the PUD can do more work with schools on conservation efforts. The group discussed conservation options; the difficulty of involving energy "end users", e.g. janitorial staff, in implementation; and the potential role of the PUD's new Professional Engineer in supporting those efforts.

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Commissioner King asked if the PUD can do more work with schools on conservation efforts. The group discussed conservation options; the difficulty of involving energy "end users", e.g. janitorial staff, in implementation; and the potential role of the PUD's new Professional Engineer in supporting those efforts.

Tom Thiersch noted school building energy efficiency audits were performed by Brian Goldstein and are archived by Jefferson County. Bill Graham suggested the PUD acquire copies of those audits and sharing them with schools, as well as expanding conservation work with all schools in the PUD district.

- Resolution for Sole Source Supply of Electric Meters:

Rick Hughes will update the resolution to address State audit requirements. The resolution will be brought back to the Board for review and action at a future meeting. Jim Parker noted State Auditor's Office staff advised the PUD create a similar resolution for water meter purchasing. Commissioner Burke said that job should be added to the list of audit implementation tasks.

- Public Records Requests: Tom Thiersch addressed the Board.

Based on statements made by Commissioner King, Tom said it is his perception that his public records requests have been attributed to the CAB instead of his personal investigations regarding the "workings of government". In addition, he disagreed with stated estimates for the cost of his records requests.

Commissioner King responded his statement regarding Tom's actions pertained to his request for copies of *all* of Commissioner Collins' and King's emails without pursuing any specific issues research, and that that action cost the PUD money.

Tammy Lehman said she could create a separate account for employee time and costs spent in responding to public records requests. Commissioner Collins said that might be useful.

District Manager Report: Jim Parker briefed the Board.

- Issues reviewed:

- Personnel
- Meetings
- Electrical
- Water and Sewer:
 - Jim was contacted by City of Port Townsend staff to notify the PUD the City's water source lake has potential contamination from algae blooms. The PUD may be asked to provide water to the City, and the problem may move the PUD to implement an earlier conversion on LUD (Local Utility District) #3 groundwater. The City's testing results should be received September 21.
- Power Boost bill stuffer: Bill Graham will begin emailing stuffers to customers who do not receive paper bills.
- Rebate Program changes
- Budget billing program
- Low income customers
- Jim McCarron shut-off issue information
- Truck insurance
- Electrical Usage History chart spreadsheet
- Consumer Revenue and Usage Summary spreadsheet
- Study substantiating tiered rates use in decreasing water consumption
- Electrical disconnects data

Commissioner King asked how many PUD customers are on auto-pay; Jim will provide.

Kevin Streett said staff is exploring adding an additional electric feed/intertie with Clallam PUD - to serve the Discovery Bay/Gardiner area.

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

- Sept. 21 Outage response meeting
- Sept. 21-23 Washington Public Utilities Districts Association Water Workshop
- October 3 (Monday) Budget Public Hearing and Regular Board Meeting (5:00 pm)
- October 17 CAB meeting, (Commissioner Collins will attend.)
- October 18 PUD Regular Board Meeting

Correspondence: The Board reviewed :

- Letter from Teresa Walker, State Department of Ecology, Office of Drinking Water, regarding the Quimper Water System;
- State of Washington Proclamation regarding Public Power Week.

Follow-up Items:

- Tammy will provide the Board with comparisons with other utilities regarding "Average Accounts Receivable Collection Period".
- Commissioner King would like the PUD to take more action regarding Emergency Preparedness, e.g. putting educational stuffers in bills.
- EES Questionnaire:
 - Regarding New Large Single Load (NLSL) tariffs: Jim Parker will ask EES to explain how the loads can be tracked and tariff impacts on businesses.
 - Regarding New Service Costs: Jim will provide more information and potential revenue impacts data.
 - Jim will provide the Board with a list of Fees and Charges being considered
 - Jim will forward the Board's responses to the ratemaking questionnaire to EES.
- Commissioner Burke asked that equipment for water delivery during emergency events be included in projected 2017 purchases, if current equipment is insufficient.
- Commissioner King asked that funding for "Power Town" be included in the 2017 draft budget.
- Don McDaniel suggested the PUD develop an emergency water provision plan with the City of Port Townsend.
- Jim will update the proposed data privacy resolution for review and action at the next Board meeting.
- Jim Dow will send CAB resolution update language to the Board during the next week.
- Bill Graham suggested acquiring copies of Jefferson County's energy efficiency audits and sharing them with schools.
- Rick Hughes will update the electric meter sole source resolution to address State audit requirements.
- Jim Parker will add drafting a sole source resolution for water meter purchasing to the list of audit implementation tasks.
- Tammy Lehman said she could create a separate account for employee time and costs spent in responding to public records requests. Commissioner Collins said that might be useful.
- Commissioner King asked how many PUD customers are on auto-pay; Jim will provide.
- Bill Graham will begin emailing stuffers to customers who do not receive paper bills.
- Future agenda item: Changing billing messages options.

Executive Session:

September 20, 2016

PUD Administration Building

Present:	Commissioner Kenneth Collins	Tammy Lehman
	Commissioner Barney Burke	Debbie Lund
	Commissioner Wayne King	Kim Younger
	James Parker	Richard Hughes
	Kevin Streett	

The Jefferson County PUD Board of Commissioners convened into Executive Session at 7:09 p.m. pursuant to RCW 42.30.110(1)(i)(iii) to discuss with legal counsel hiring, interviews, and qualifications of CFO candidates, for a period not-to-exceed twenty-five minutes.

The Executive Session began at 7:10 p.m. The group then excused themselves to the District Manager's office for the Executive Session. At 7:31 p.m. remaining regular meeting attendees were informed the Executive Session would be extended for an additional ten minutes.

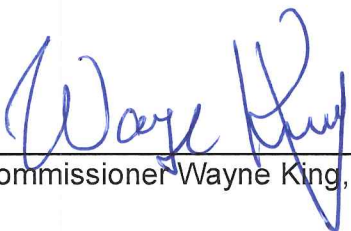
The group returned to the PUD conference room and the Executive Session was adjourned at 7:41 p.m. There was no action taken at this meeting.

Adjournment:

MOTION: By Commissioner Burke; seconded by Commissioner King; and carried unanimously: to adjourn the September 20 2016 Regular Board Meeting at 7:42 p.m.

Minutes prepared by Pamela Browning, Minute Taker

Approved:



Commissioner Wayne King, Secretary

Date

Attest:



Commissioner Kenneth Collins, President

Date



Commissioner Barney Burke, Vice President

11-1-16

Date

Please note PUD Board of Commissioner meetings are audio recorded and posted to the PUD website at www.jeffpud.org, usually within 1-2 business days of each meeting. If you experience any difficulty accessing a particular recording, you may call 360.385.5800 for assistance. Jefferson PUD provides reasonable accommodations to persons with disabilities. We invite any person with special needs to contact our staff at 360.385.8351 at least 24 hours before the meeting to discuss any special accommodations.