



PUBLIC UTILITY DISTRICT NO. 1
of Jefferson County

October 10 2016

Citizen Advisory Board Meeting

Approved Minutes

A meeting of the Public Utility District No. 1 of Jefferson County (PUD) Citizen Advisory Board (CAB) was held at 310 Four Corners Road, Port Townsend, Washington on October 10 2016. The meeting was convened by James Dow at 2:30 p.m. Attending:

CAB Members:

James Dow, Chair
Stan Nealey, Vice Chair
Doug Huber
Peter Lauritzen
Roger Risley
Tom Thiersch
Dan Toepper

PUD Representatives:

Kenneth Collins, Commissioner
Don McDaniel, Consultant
Pamela Browning, Minute Taker

Agenda Review:

- Additional item: Roger Risley comments regarding last month's CAB meeting.
- Move *BOC/CAB Resolution Update* to immediately after *Public Comment*.

Minutes: September 12 2016

CAB members and staff discussed:

- The procedure for posting reports and presentations made at CAB meetings to the PUD's website. Bill Graham, District Resource and Conservation Manager, is going to set up an area on the website to provide public access to those items.
- The process by which reports and recommendations are forwarded from the CAB to the PUD's Board of Commissioners (Board).

MOTION: By Tom Thiersch, seconded by Stan Nealey and carried unanimously: to approve the September 12 2016 minutes as submitted.

Public Comment: None.

CAB Member Comments:

- Roger Risley noted the CAB resolved, at its August meeting, to ask for Board input regarding its responsibilities and actions. Commissioners Collins and Burke gave statements of support for the CAB at their last meeting. Jim Dow was tasked with writing to the Board in this regard; that memo was written and presented. Resolution of this issue is, "in the Board's hands now".
- Roger briefly reported on research he's done comparing electrical usage by marijuana farms vs. other non-residential uses, e.g. server farms and electric vehicles.

CAB Resolution Update:

CAB members reviewed and discussed historic and current PUD resolutions governing the CAB, including:

- CAB member appointment procedures;
- CAB work topic(s) determination.

Jim Parker, District Manager, and Richard Hughes, District Legal Counsel, are drafting language for a new CAB resolution consolidating prior ones and melding them into one master document - clarifying, but not substantively changing, previous resolutions. The new resolution will be brought to the Board for action. If adopted, it will supersede all previous CAB-related resolutions.

Fuel Switching Proposal Discussion: Peter Lauritzen lead the discussion, which addressed:

- Richard Hughes' proposal review feedback: State laws regarding the subject appear to be in conflict, stating both:
 - Public utility districts can't subsidize fuel switching, and
 - If a fuel switching program is part of a District-approved plan that improves efficiency and reduces costs, it can be implemented.
- Conservation program funding example: Tom Thiersch distributed Clark County Public Utility District's:
 - Resolution regarding the District's residential energy efficiency loan program;
 - Lending guidelines, (which seem to indicate bank rather than PUD lending);
 - Conservation Loan Application.
- Whether the PUD's position as a Bonneville Power Administration "full requirements customer" will affect program viability.
- Relative merits of offering **loans + rebates** vs. **loans instead of rebates**.
- Financial impacts to PUD customers, including those not enrolled in the program.
- Program benefits to PUD.
- Program marketing options.
- "Next Steps":
 - MOTION: By Roger Risley, seconded by Doug Huber: to ask the PUD Board of Commissioners if it wants the CAB to pursue fuel switching program options. The motion was later withdrawn.
 - General discussion issues:
 - Board approval for further investigation;
 - Resolution of legal issues;

- Request for Washington Public Utility Districts Association discussion;
- Business plan development;
- Tom Thiersch invited to join the fuel switching sub-committee.
- Richard Hughes independently reviewed the proposal - his recommendation:
 - CAB investigates similar programs implemented by other public utility districts;
 - Board approval to conduct trials;
 - "Proceed carefully" with trials;
 - Evaluate program.
- Commissioner Collins' recommendation:
 - CAB continues to gather information, especially researching concept of PUD being program loan intermediary between customers and a bank.
 - When PUD rate structuring decisions are complete, bring the sub-committee report to the Board, with an addendum outlining the CAB's recommendation that the Board *consider* pursuing the program.

Rate Workshop Update: Don McDaniel briefed the CAB.

The next workshop, at which EES will make its revised recommendations, will be held Tuesday, October 11 2016 at the PUD's operations center.

Audit Progress Update: Don McDaniel briefed the CAB.

Many recommendations by the State Auditor's Office have been implemented or are being worked on. The 2015 financial statements will be audited within the next month.

Chief Financial Officer Hiring: Commissioner Collins briefed the CAB.

The Board and PUD staff interviewed two candidates; neither was appropriate. The Board agreed to hire a specialized recruitment firm to find additional candidates. CAB members suggested:

- RUS (Rural Utility System) and NISC (National Information Solutions Cooperative) representatives be contacted to inquire whether any of their employees might be interested in the position, and
- Inform the recruitment firms the PUD would consider a job-sharing option.

Meter Replacement Update: Commissioner Collins and Don McDaniel briefed the CAB.

The RFP (Request for Proposals) is being worked on; it should be completed and advertised within two weeks to one month. Issues discussed:

- 2014 CAB resolution regarding meter purchases;
- Effect of new meter purchases on rate structuring;
- Need for meter replacement as soon as possible - to stop revenue losses caused by failing old meters, and the expenses incurred in hiring Landis Gear to read meters.

Customer Survey Update:

Commissioner Collins and CAB members discussed options and timing for conducting another customer survey.

Roger Risley's Term:

Commissioner Collins confirmed Roger's CAB appointment for an additional two years - 2017 and 2018.

Future Agenda Items:

- Rate Case Update
- 2015 Audit Progress
- Decision Regarding Calendaring December Meeting
- Noxious Weed Project Update
- Mapping Jefferson County High Speed Broadband Network: Commissioner Collins will raise this issue with the Board and if there is sufficient interest, will ask the CAB to research the issue.

Public Comment: None.

Adjournment:


MOTION: By Doug Huber, seconded by Peter Lauritzen, and carried unanimously: to adjourn the October 10 2016 PUD Citizen Advisory Board meeting at 4:05 p.m.

Minutes prepared by: Pamela Browning, PUD Minute Taker

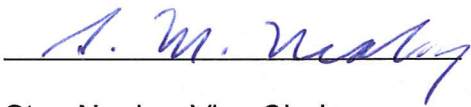
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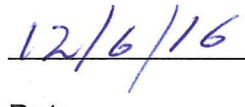
James Dow, Chair



Date



Stan Nealey, Vice Chair



Date

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