



PUBLIC UTILITY DISTRICT NO. 1
of Jefferson County
September 5, 2017

**Board of Commissioners
Regular Meeting**

Final Minutes

The Regular Meeting of the Public Utility District No. 1 of Jefferson County (PUD) was called to order by the President of the Board of Commissioners (Board) at 5:00 p.m. at the PUD Administration office at 230 Chimacum Road, Port Hadlock, Washington, 98339. Present:

Commissioner Kenneth Collins, President
Commissioner Jeff Randall, Vice President
Commissioner Wayne King, Secretary

Jim Parker, Manager
Kevin Streett, Assistant Manager
Debbie Lund, Human Resources and Communications Manager
Bill Graham, Resource and Conservation Manager
Kim Younger, Controller
Richard Hughes, General Counsel
Don McDaniel, Consultant

Cammy Brown, Recorder

1. **CALL TO ORDER:**

The meeting was called to order by Commissioner Kenneth Collins at 5:00 p.m.

2. **AGENDA APPROVAL:** The following corrections and/or additions were made:

- Commissioner Kenneth Collins added Agenda Item 6.6 – Discussion with the Commissioners the possibility of bringing in the firm of Moss Adams for a review of the Jefferson County PUD internal controls.

MOTION: Commissioner Jeff Randall moved to approve the agenda as amended, seconded by Commissioner Wayne King. Motion carried unanimously.

3. **ITEMS FROM THE FLOOR**

There were comments regarding a meeting of the Kala Point fire hydrant ad hoc committee. The committee member inquired as to the status of hiring new personnel for maintenance and testing. He requested permission from the PUD for the Kala Point maintenance people to go around with a metal detector to find the covers that are over the on and off valves and clean those out so that when the PUD is ready to start testing the hydrants. They don't intend to remove them or do anything with the valves. The commissioners were all in agreement to allow the Kala Point maintenance personnel to clean the on and off valves of the fire hydrants. Manager Jim Parker explained process. There is a scheduled meeting for September 11th to meet with the East Jefferson County Fire Department. Point of contact for Kala Point would be Keith Larson.

4. APPROVAL AND ADOPTION OF THE CONSENT AGENDA:

It was suggested that Item 4.4.2 Initiation of LUD procedures for Brinnon Sewer and Shine Plat Water be removed and added to Action Items as 6.7 so there may be some discussion on this.

MOTION: Commissioner Jeff Randall moved to approve the consent agenda as amended, seconded by Commissioner Wayne King. Motion carried unanimously.

4.1 APPROVAL OF MINUTES

4.1.1 Minutes of Regular Meeting of August 15, 2017 approved.

4.1.2 Minutes of Special Meeting of August 7, 2017 – Budget Workshop - approved.

4.2 CFO REPORT AND APPROVAL OF VOUCHERS

4.2.1 Finance Director’s Report – approved .

4.2.3 BOC Approval of Voucher approval form:

Warrants	Amount	Date
Accounts Payable: # 114795 to # 114835	\$ 299,341.50	8/10/2017
Accounts Payable: # 114836 to # 114895	\$ 267,624.70	8/18/2017
Accounts Payable: # 114896 to # 114939	\$ 253,290.68	8/24/2017
Payroll Checks: # 70336 to # 70341	\$ 9,888.87	8/11/2017
Payroll Checks: # 70342 to # 70347	\$ 9,436.96	8/25/3017
Payroll Direct Deposit:	\$ 90,992.92	8/11/2017
Payroll Direct Deposit:	\$ 81,729.64	8/25/2017
TOTAL INVOICES PAID	\$ 1,012,305.27	
WIRE TRANSFERS PAID	AMOUNT	DATE
BPA	\$ 981,676.00	8/16/2017
GRAND TOTAL	\$ 1,993,981.27	

4.3 RESOLUTIONS:

4.3.1 PUD Resolution 2017-015 application for NRECA membership

4.4 ACTION ITEMS:

4.4.1 Language Access Plan – RUS compliance

4.4.2 Initiation of LUD procedures for Brinnon Sewer and Shine Plat Water

Moved off consent agenda and added to Action Items Requiring Board Discussion as 6.7.

4.4.3 PUD policy on write-off of bad debt

4.5 CAB REPORT:

- 4.6 **STAFF REPORTS** not requiring Board action
- 4.7 **PUD** Calendar of upcoming meeting – not requiring Board action.
- 4.8 **CORRESPONDENCE** – None.

5. COMMISSIONERS' REPORTS: Each Commissioner gave a report.

Wayne King:

- Attended the workshop looking at applicants for Communications person.
- August 20 Attended 20/20 picnic at H. J. Carroll Park
- August 30 Attended the architect presentation
- August 30 Attended the budget workshop in the afternoon
- Upcoming: Possibility go to Pacific County PUD – Doug Miller is retiring.
- Plan on attending water workshop in Leavenworth (all Commissioners going)
- Plan on attending the Quilcene Fair.

Jeff Randall:

- Attended the workshop looking at applicants for Communications person.
- August 20 Attended 20/20 picnic at H. J. Carroll Park
- August 30 Attended the architect presentation
- August 30 Attended the budget workshop in the afternoon

Commissioner Jeff Randall volunteered to be on the Low Income Subcommittee with Pete Lauritzen, Larry Dennison and one other person. He facilitated the meeting and they looked at having a second follow-up meeting where they invite the OLYCAP people to come, our staff person (Jean Hall) and to look at the numbers. Commissioner Wayne King suggested inviting a representative from St. Vincent de Paul. They could help market the program. Commissioner Jeff Randall stated he would seek out the contact person for that organization and invite them to the meeting which will be set at a later date in September.

- Upcoming: Plan on attending the Douglas WPUDA meeting.
- Will not be in attendance at the Leavenworth workshop.

Kenneth Collins:

- Attended meeting August 17th interviewing candidates for the position of Communications Manager. Commissioner Collins gave a brief report on the interviewing process and gave a brief description of the person that was hired to fill the position. His name is Will O'Donnell.
Attended August 24 met with Jim Parker and Richard Hughes to talk about succession planning.
- Attended August 25 attended the Friends of Public Power meeting.
- Attended August 28 met with Jim Parker and Debbie Lund the process for succession planning.
- Attended the meetings on August 30 with the architects and the 2018 budget.
- Will attend the PUD picnic
- Will be in Quilcene at the fair.
- Will attend the Fire Chief's meeting September 11th.
- Will attend the CAB Meeting in October.

6. ACTION ITEMS REQUIRING BOARD DISCUSSION:

- 6.1 **PUD purchase of Union Bank Building – options.** There was considerable

discussion on the purchase of the Union Bank Building. The deadline to extend the option to purchase the building is September 18, 2017. That extension would give the PUD until November 16, 2017 to make that decision. There would be an additional \$20,000 deposit that would need to be made for a total of \$80,000 on deposit which is refundable. All three commissioners stated their thoughts on how to proceed and there was considerable input from the floor. Don McDaniel, PUD Consultant, will work the commissioners and staff to gather input to consider what needs to be prioritized, understand what is most critical, and what is important but nearly not as critical. There will be a meeting scheduled for a workshop with the architects in September.

MOTION was made by Jeff Randall and seconded by Wayne King to extend the feasibility period under the Purchase and Sale Agreement of Union Bank Building for an additional sixty days and authorize the deposit of an additional \$20,000 into escrow. Motion carried unanimously.

Note: At this point Commissioner Jeff Randall and Commissioner Kenneth Collins reviewed their calendars and it was decided that Commissioner Randall would attend the September 5, 2017, CAB meeting and Commissioner Collins would attend the October 9, 2017 meeting.

6.2 PUD Metering Opt Out Option Policy: Manager Jim Parker went over the Metering Opt Out Option Policy. This policy is only addressing if there is an opt out. There was a question about the \$50.00 charge per month to opt out and the comment was made that it might be excessive and appear punitive. Kevin Street, Assistant Manager, outlined the process that was used to determine that amount. It was stated that this charge was standard with other PUDs. One of the major reasons the PUD is doing this policy is to save money. The customers are allowing us to save money by going with these smart meters. There are definite benefits to the customers that will have the advanced meters but not every customer is going to see it that way. There were comments from the floor and some articles were handed out (Handout No. 2) concerning health impacts of the smart meters, liability issues, economic issues and privacy concerns. The customers wanted to have more research done about the health consequences, privacy concerns and economic issues. The commissioners requested that the Citizens' Advisory Board look into the issue and report back to them on their findings. Commissioner Collins encouraged the participants in the public comment section to let the members of the Citizens' Advisory Board know what issues to consider such as alternatives, documentaries, and sources of information for their evaluation. They were also encouraged to send an email to any one of the commissioners. Commissioner Collins stated that the commissioners are willing to look at this issue again in an open meeting format publicized in the paper.

6.3 PUD 2018 Draft Budget: Chief Financial Officer Susan Carter was on leave and upon her return there will be another workshop scheduled to go over the budget.

6.4 Commissioner Corner Article: There will be an article in the October newsletter. Commissioner Jeff Randall will get drafted article to the commissioners for review. Deadline for submission is end of September.

6.5 Resolution 2017-xxx Removal of District Manager – Recruitment Process: Manager Jim Parker presented the Resolution 2017 Removal of District Manager. Commissioner Kenneth Collins handed out the GM Candidate Interview Process document (Handout No. 3). Commissioner Collins went over process and assured the public that this will be an open process and will involve people from the community. It will reflect the Board's best judgment about how to fill the most important position in the organization. Debbie Lund, Human Resources and Communications Manager, gave an update on what has been done so far and what needs to be done. The draft of her review will be given at the next Board meeting for discussion. There is a brochure that is being developed and this brochure will be advertised in several

publications. This is a three month process. January 1, 2018, was the estimated date of hiring a new General Manager.

There was a question raised about the meals policy (buying panel members lunch). Richard Hughes, General Counsel said he would research the meals policy and report back to the commissioners. Manager Jim Parker said he would send a copy of the PUD's meals policy to Richard Hughes for review.

6.6 Moss Adams: Manager Jim Parker stated that a representative from the firm Moss Adams will be at the PUD next week. They will report back to the Board of Commissioners at the next Board meeting.

MOTION: Motion was made by Commissioner Wayne King and seconded by Commissioner Jeff Randall that the firm of Moss Adams shall be hired to review the adequacy of internal controls of Jefferson County PUD No. 1 and report back to the commissioners at the next PUD meeting if any areas need deeper inquiry. Motion carried unanimously.

6.7 Initiation of LUD procedures for Brinnon Sewer and Shine Plat Water:

Manager Jim Parker presented a report on the next steps that have to be done.

Joe Baisch stated his appreciation to the Board and Manager Jim Parker for their assistance in the development of his water system that he has been operating for the last twenty years. He gave a brief update on the water system.

MOTION: Commissioner Jeff Randall made a motion and Commissioner Wayne King seconded the motion to direct staff to proceed with the recommendations as stated in Manager Jim Parker's Memo for Record dated September 5, 2017, LUD Formations. Motion carried unanimously.

Recommendations were as follows:

- PUD Board will direct staff to certify sufficiency of the petitions – RCW 54.16.140; RCW 35.43.130 for Shine Plat and Brinnon LUD petitions.
- Direct staff to determine if LUD formation is categorically exempt from SEPA, if not prepare and issue Environmental Checklist and DNS or EIS before adopting resolution creating LUD (Note: RUS will require NEPA).
- Direct staff to determine whether the proposed improvements are in compliance with County's Comprehensive Plan RCW 544.16.230.
- Direct staff to provide Board with possible steps forward given completion to steps 5a through 5c and then given sufficiency the Board will authorize staff to prepare a cost estimate, assemble other statutorily required information and certify it to the Commission – RCW 54.16.130.

7. FUTURE ITEMS: The following were added as future items:

- Moss Adams report on what is required
- LUD update
- Resolution – Removal of District Manager – Recruitment Process
- TCF – Union Bank Report
- Schedule budget meeting (before hearing date)

