For this edition I would like to discuss the impact of Franchise Agreements on Jefferson PUD, in particular those associated with WSDOT franchises. One of the responsibilities of a Public Utility District are potential payments and/or obligations to municipal, county and state governments in its service area through Franchise Agreements.

Franchise Agreements between local and state government and the PUD allow the placement of PUD facilities in roadways. They require the PUD to perform utility relocation, improvements, or repairs within right of ways when local and state governments undertake projects. The most common scenario of a Franchise Agreement being needed is along city, county, and state transportation corridors when expansion or repair of that infrastructure is undertaken. There is usually very limited ability for the utility to be reimbursed or compensated. Most often, there is no compensation granted to the utility.

An example of that scenario is the recently completed WSDOT bridge project between Marrowstone and Indian Islands, which cost PUD customer owners $720,000; $450,000 on the electric, $250,000 to the water and $20,000 for broadband departments, respectively. All non-reimbursable. Approximately $214,000 of the total costs to the PUD were for state and county permits on a project in which we had no hand in planning. Beginning in 2021, future projects like highway roundabouts, fish passage culverts, bridge replacements and roadway intersection revisions will be initiated in our service area and will continue for the next couple of years. Most likely, the PUD will see little or no compensation for our involvement in those upcoming projects. Whether you are public or private utility, this is one of the costs of doing business. In the case of Jefferson PUD, the burden of covering those costs will fall on our power and/or water customers depending on the location of the project.

We are currently working with other PUDs to have a conversation with WSDOT on the impact that state highway projects will have on PUD finances, rates, and budgets. Having those conversations with WSDOT does not ensure that anything is likely to change on the financial cost’s that PUDs will bear. There is a distinct need for better communication, coordination and continuity between entities like WSDOT and PUDs.

Unrecoverable franchise costs and required obligations are going to impact available funds and PUD budgeting as the utility contemplates or undertakes long term and/or high cost projects like broadband or a meter replacement program. I call this to your attention so that as we set rates, address strategic planning, and undertake capital projects to upgrade or maintain our aging infrastructure, that our customer owners are aware of one of the forces over which we have little or no control and that negatively impact our finances.
Revised Water Leak Adjustment Policy

PUD Commissioners recently accepted an amendment of the Customer Service Policy allowing leak adjustments on home irrigation lines. The policy now allows all residential water customers experiencing a high bill due to a water leak the ability to qualify for a bill adjustment of up to $1,000 if the following criteria are met:

- The leak must be in excess of 10,000 gallons greater than the Customer’s average monthly usage for the most recent three years during the same time period.
- The Customer must not have been granted a leak adjustment for the same service location within the last 24 mos.
- The leak must have been repaired within 10 days of discovery.
- A leak adjustment request letter and all required documents must be submitted no more than two months after the repair of the leak.

Customers are required to provide proof of the leak. Proof may include, but is not limited to the following:

- Invoice from a plumber or contractor
- Parts receipt
- Repair photos and location of the leak
- Onsite verification by PUD water crew

Leaks that are not eligible for a billing adjustment may include, but are not limited to the following:

- Commercial accounts
- Leaks that are the result of owner negligence
- Leak of which the Customer should have been aware
- Pipes or equipment in plain sight
- Leaking toilet(s)

Grow Lights for Oysters

One of the longest running and most successful greenhouse grow-ops in Jefferson County doesn't produce marijuana; they grow oysters, or more specifically, oyster seed. Pacific (formerly Coast) Seafood has been growing oyster seed along Linger Longer Rd. in Quilcene for decades. Production takes place in dozens of saltwater tanks under hundreds of lights in multiple metal framed hoop houses.

Growing anything under artificial light is likely to lead to high electric bills. Pacific's were especially costly as their long running facility used traditional large metal halide bulbs to provide the proper light needed to grow the hundreds of thousands of gallons of algae their oyster larvae consume to transform from microscopic organism to sand grain sized seed. With help from the PUD’s energy efficiency rebate program, the crew at Pacific was able to swap out all of their older 1000 watt bulbs for new 250 watt LEDs, reducing power consumption by more than 75%. The conversion is estimated to save over 1 million kWh and $130,000 per year in oyster and algae growing electricity at their Quilcene facility.

The PUD’s energy efficiency program receives around $900,000 in funding every other year from the Bonneville Power Administration to help PUD customers invest in energy saving improvements to their homes and businesses. In 2020 these funds helped pay for multiple commercial lighting projects, 261 residential heat pumps, as well as dozens of window, water heater, insulation, and appliance upgrades.

Go to jeffpud.org/rebates to learn more or apply now.