



Jefferson County PUD Citizen Advisory Board

A G E N D A

**Date: March
12th**

Time: 2:00PM

**Place of
Meeting:**

**PUD Electrical
Operations
Center**

**Address: 310
Four Corners
Road, Port
Townsend, WA.**

- Call to Order/Quorum/Introductions
- Review of Agenda
- Approval of Minutes from Last Mtg.
- Public Comment
- County Comp. Plan Update – Russ Michel and Joel Peterson, Lead Planner
- Governance Sub-Committee Update
- Broadband Delivery Strategies – Sub-Committee Report
- PUD Credit Card Use Policy, Sub-Committee Report
- Community Solar Update
- Next Steps or Additional Board Actions
- Public Comment
- Adjourn



Jefferson County *Washington*

Your Voice & Vision Comprehensive Plan Update 2038

MARCH 2018

Shaping the County's Future

Jefferson County is updating its Comprehensive Plan to create a plan for the 21st Century that supports rural lifestyles, welcomes residents of all ages and incomes, embraces diversity, values quality services and facilities, and balances growth and economic development with respect for the natural world. The Plan Update is also designed to meet periodic update requirements consistent with the Growth Management Act.

The Comprehensive Plan Update will include amended plan goals and policies that will guide development, capital investments, and other decisions. The County is proposing housekeeping changes to its Uniform Development Code now, but other implementing codes would be developed over time.

Comment on Our County Plan

Over the last four years, and particularly during 2016, the County reached out to the community through online events, meetings, and activities. The County collected over 603 ideas/suggestions/comments. In 2017, the Jefferson County Planning Commission reviewed community input. Then the Planning Commission developed a refreshed vision statement and reviewed early amendments to goals and policies.

Now the County is compiling a Public Review Draft Comprehensive Plan and wants to hear your comments. The County is planning an open house and Planning Commission hearings in April. The Board of County Commissioners will hold meetings and a hearing in May and June 2018. The County is due to complete the plan by June 30, 2018 consistent with state deadlines.

At these upcoming events you can:

The Comprehensive Plan is the 20-year blueprint for:

- Responding to our community's housing, economic, parks and recreation, utilities, and transportation needs,
- Stewarding our natural and environmental resources,
- Planning for expected population growth by the year 2038, and
- Guiding how many homes can be on a property and how the land can be used through zoning.

The Comprehensive Plan is a living document. It embodies a shared vision and actionable planning policies for Jefferson County, which then provides decision-makers with the foundation of policy to make decisions that need to be made daily.

- ☐ Learn about what's proposed;
- ☐ Provide comments on the draft Comprehensive Plan and Unified Development Code housekeeping changes; and
- ☐ Meet county staff and decision makers.

Help Us Get to the Finish Line

Our timeline is shown below. Details about event locations and times will be at the **County project website**: <https://wa-jeffersoncounty.civicplus.com/306/Introduction>

Watch for opportunities to review the plan and make comments. Share your voice and vision and help us get to the finish line with a great plan for Jefferson County!



For More Information

Contact:

Joel Peterson, Associate Planner

Jefferson County Department of Community Development
621 Sheridan Street, Port Townsend, WA 98368

Phone 360-379-4457

Fax 360-379-4451

Email jpeterson@co.jefferson.wa.us

Utilities Goals and Policies

Goal or Policy	Description	Action	Reason
Purpose	<p>Utilities include electricity, water, sewer, solid waste, phone, and cable providers, as well as transmission lines, networks, substations and cell towers, for both public and private entities. The Public Utility District (PUD) #1 is an example of a public utility, while Olympic Water and Sewer in Port Ludlow is private. The Port Hadlock – Irondale Urban Growth Area requires a sewer and the formation of a new Utility District to manage it.</p> <p>The purpose of the Utilities Element is to help guide the review and approval of new private utility proposals, as well as reviewing and regulating utility services and facilities, both public and private.</p>	N/A	N/A
UTG 1.0	Provide adequate utility capacity for future growth consistent with the requirements of the Growth Management Act.	Retain	Still valid
UTP 1.1	Identify where infrastructure is not adequate to support future growth, initiate planning for the development of infrastructure required for future growth, and ensure that utility infrastructure is adequate to support projected population growth and economic development.	Retain	Still valid
UTP1.2	Extension and sizing of facilities will be based on the Land Use Element. In those cases where engineering standards are in excess of the requirements for the immediate development but are required to meet established levels of service for proposed uses and future needs, the excess capacity will not be a reason to allow growth out of sequence with the Land Use Element.	Retain	Still valid
UTP 1.3	Require that adequate public facilities and services are available prior to, or concurrent with, development.	Retain	Still valid
UTP 1.4	Support efficient permit and application processing for utility systems projects to facilitate timely completion of utility development to meet growth demands.	Delete	Addressed thru LEAN process improvements, CAMs, Pre-application Conferences and Upfront Review
UTG 2.0	Coordinate planning and provision of utility services among Jefferson County, the State of Washington, local governments, and utility service providers.	Retain	Still valid
UTP 2.1	Provide coordination between Jefferson County, agencies and utility providers to ensure consistency between utility systems development and the growth plans of the County.	Retain	Still valid – example: Water Utilities Coordinating Committee (WUCC)

Utilities Goals and Policies

Goal or Policy	Description	Action	Reason
UTP 2.2	Require utility providers to consistently utilize the Jefferson County Comprehensive Plan Land Use Element in utility systems planning.	Retain	Still valid
UTP 2.3	Require Assist in making the joint multiple use of utility corridors, easements and areas for utilities , whenever possible, provided that such joint -use is consistent with limitations prescribed by applicable law and prudent utility system practice.	Revise	Per PUD
UTP 2.4	Coordinate and cooperate with other jurisdictions when transmission facility additions or improvements cross jurisdictional boundaries. Coordination to include maximizing efforts to achieve consistency between jurisdictions in efficient development permit issuance.	Retain	Still Valid
UTP 2.5	Coordinate and consolidate public service or public facility districts, where feasible, to distribute public services and facilities more efficiently.	Retain	Still valid
UTP 2.6	Encourage WUTC acceptance of and reliance on local plans.	Delete	Per PUD – not necessary
UTP 2.7	Develop a process for assessing and collecting impact fees from development for publicly-funded utilities infrastructure.	Delete	Per PUD - problematic
UTP 2.8	Require that utility infrastructure associated with new development, which the County will assume maintenance/ownership, will be constructed to comply with Jefferson County growth projections and standards.	Retain	Still valid
UTG 3.0	Minimize adverse environmental impacts of utility systems development through proper utility design, siting, regulation, ongoing monitoring, and education.	Retain	Still valid
UTP 3.1	Design, site, and construct utility systems facilities to reasonably minimize significant, individual, and cumulative adverse impacts to the environment, including protection of environmentally sensitive areas.	Delete	Codified under JCC 18.30.120
UTP 3.21	Discourage the use of herbicides to control vegetative growth around utility facilities and encourage alternative methods, such as mowing or selective treatment.	Retain Delete	Per Noxious Weed Control Per PUD – noxious weeds worse than herbicides – most cost-effective method

Utilities Goals and Policies

Goal or Policy	Description	Action	Reason
UTP 3.2	Participate in regional comprehensive watershed planning process, and incorporate appropriate elements of watershed agreements between the County and stakeholders, state, federal, tribal, and other local governments into ordinances and utilities planning processes.	Retain	Still valid - WUCC
UTP 3.3	Consider requiring communication conduit installation for fiber optic cable alongside electrical infrastructure as part of new building construction.	New	Per PUD. Less expense and impact to install at time of construction, rather than later or in separate trench.
UTP 3.4	Encourage the siting and installation of locally owned and operated renewable energy sources, power production and storage systems, consistent with land use development regulations.	New	Per Energy LLC
UTG 4.0	Identify, promote the conserve conservation and preserve preservation of resources, through the use of renewable energy and new technology and to provide cost-reliable utility services.	Revise	Per PUD
UTP 4.1	Research and, as appropriate, support the implementation of resource conservation technologies in all areas of new construction and, large scale renovation of public facilities, and other changes that improve the provision of utility services and provide for enhanced conservation and waste reduction.	Revise	Per Staff and Stakeholder (Beyond Waste – Local 2020) consolidate with 4.3
UTP 4.2	Maintain operating efficiency of existing resource consuming facilities in Jefferson County.	Retain	Still valid
UTP 4.3	Investigate, maintain current information, and, as appropriate, support implementation of changes in technology and other changes that improve the provision of utility services and provide for enhanced conservation.	Consolidate	With UTP 4.1
WATER UTILITIES			
UTG 5.0	Promote coordination of water utility planning among purveyors, government agencies, and citizens to ensure an adequate potable water system, to protect the quality of the water supply, and to conform with the Comprehensive Plan.	Retain	Still valid
UTP 5.1	The creation and the extension of public water supply systems outside Urban Growth Areas shall be consistent with the rural densities specified in the Land Use Element, and shall be financed entirely by the benefited properties and not the general rate payer.	Retain	Still valid

Commented [DWJ1]: New policy

Commented [DWJ2]: Per PC

Utilities Goals and Policies

Goal or Policy	Description	Action	Reason
UTP 5.2	Support the County Water Utility Coordinating Committee's (WUCC) routine review of the Department of Health (DOH) records of the County water systems operational and financial status, and work with the WUCC, DOH, and purveyors to determine required corrective actions.	Delete	Per PUD – this has never been done, and the WUCC is not current or active
UTP 5.3	Participate in and assist the facilitation of regional discussions and analyses on water quality and quantity issues through the Water Utility Coordinating Committee (WUCC), the Water Resources Council and other regional forums.	Revise	For clarity
UTP 5.3.1	Work in cooperation with, and as a member of, the Jefferson County Water Resources Council in a cooperative process to assess the availability of water for future growth in the context of a watershed planning process integrated with salmon recovery planning	Delete	Per EH – no longer valid
UTP 5.4	Update the adopted Jefferson County Coordinated Water System Plan (1997) incorporating the adopted land use, population allocations, and pertinent policy identified in the Comprehensive Plan.	Retain	Still valid
UTP 5.5	Take an active role in approving Satellite Management Agencies that are allowed to own and operate multiple water systems that are not physically connected (satellite systems).	Retain	Still valid
UTP 5.6	Routinely During periodic review of the Critical Areas Ordinance, and analyze current data to identify and improve processes that will may reduce the risk of salt water intrusion.	Revise	Per Staff
UTP 5.7	Work to implement a long-term ground water quantity and quality monitoring program for basins that provide domestic water supplies.		EH
UTP 5.8	Work with purveyors to promote the use of unaffected upland water sources and other alternative supplies, where appropriate, to supply new and existing development in affected areas.		EH
UTP 5.9	Establish the best possible information system to assess the status of water resource(s) adequacy.	Delete	Per PUD and Staff – too broad, not feasible under current conditions
UTP 5.10	Identify and s Support implementation of conservation strategies that reduce average annual and peak day water use for public and individual water systems.	Revise	Per PUD and Staff – more achievable

Utilities Goals and Policies

Goal or Policy	Description	Action	Reason
UTP 5.11	The County recognizes the authority of Public Utility District #1 pursuant to RCW 54 and other applicable statutes. The County will cooperate with Public Utility District #1 to develop final development regulations consistent with that authority.	Retain	Still valid
SANITARY SEWER UTILITIES			
UTG 6.0	Promote sanitary sewer systems that accommodate growth, are cost-effective to construct and operate, and are consistent with the Comprehensive Plan.	Retain	Still valid
UTP 6.1	Encourage development a range of sewage treatment options, including of community, or large on-site septic systems in shoreline areas and Rural Centers, subject to State law , to protect public health, the environment, and foster a reliable, integrated collection system.	Revise	Still valid – consolidate with UTP 6.4
UTP 6.2	Existing sanitary sewer treatment facility capacity will not be used as a justification for expansion of a sewer system or development inconsistent with County-wide Planning Policies and the Comprehensive Plan.	Retain	Still valid
UTP 6.3	Encourage the use of water-conserving fixtures with new systems or services.	Retain	Still valid
UTP 6.4	In shoreline areas with water quality concerns that are or appear to be related to problems associated with individual septic systems, Jefferson County supports utilizing a range of sewage treatment options, including community drainfields and centralized systems, subject to State law.	Consolidate	With UTP 6.1
SOLID WASTE UTILITIES			
UTG 7.0	Provide solid waste facilities and programs that are efficient, and which utilize recycling to the maximum extent practicable.	Retain	Per Public Works
UTP 7.1	Refer to the Jefferson County Solid Waste Management Plan 2016 Overview of Recommendations that serve as policies related to Solid Waste Utilities and Manangement implement, to the fullest extent possible, and in descending order of priority, solid waste management processes that reduce the waste stream, reuse waste materials, promote recycling, provide for the separation of waste prior to incineration or landfill disposal, and provide guidelines and strategies for disposal of all special waste types.	Revise	See Jefferson County Solid Waste Management Plan 2016 Overview of Recommendations

Utilities Goals and Policies

Goal or Policy	Description	Action	Reason
UTP 7.2	Initiate and support public educational outreach on solid waste management, including recycling opportunities, methods to reduce solid and chemical waste, and related environmental issues.	Delete	See Jefferson County Solid Waste Management Plan 2016 Overview of Recommendations
UTP 7.3	Identify and implement appropriate measures to ensure mitigation of adverse environmental impacts associated with solid waste collection activities.	Retain	Still valid
UTP 7.4	Maintain the Solid Waste Advisory Committee involving citizens, waste management providers, regulatory agency representatives, the County, and other affected interests to identify methods for efficient and practical solid waste management, including small and moderate-risk waste handling strategies.	Retain	Still valid
UTP 7.5	Provide appropriate levels of collection and recycling opportunities which will maximize public participation, and which offer the fullest practical and economical potential for waste materials.	Delete	See Jefferson County Solid Waste Management Plan 2016 Overview of Recommendations
UTP 7.6	If incentive programs fail to reach the waste reduction goals identified in the Capital Facilities Element, consider mandatory programs to the extent allowable by State law.		
UTP 7.7	Identify and preserve for future use solid waste facility sites, including potential landfill sites, consistent with the Comprehensive Plan and the Solid Waste Management Plan.	Retain	Still valid
UTP 7.8	Ensure reclamation of areas currently serving as solid waste disposal facilities to promote the recovery of such areas for future functional land uses.	Retain	Still valid
TELECOMMUNICATIONS AND INTERNET UTILITIES			
UTG 8.0	Accommodate telecommunication and internet technologies and service providers by allowing systems development consistent with the Comprehensive Plan.	Revise	Per PC
UTP 8.1	Promote the widespread availability of telecommunications, broadband internet access and technologies in cooperation with other public and private entities, to facilitate communication among members of the public, public institutions and businesses.	Revise	Per PC, PUD and Public

Utilities Goals and Policies

Goal or Policy	Description	Action	Reason
UTP 8.2	Require consolidation of antenna siting, transmission media, utility pole, fiber optic cable and trenching placement to minimize adverse aesthetic and environmental impacts.	Revise	Per PUD
UTP 8.3	Develop, with public involvement, telecommunications systems service antenna structure placement criteria, including identification of appropriate public sites, consistent with the Comprehensive Plan Land Use Element, for use by telecommunications technologies and service providers.	Delete	Codified under JCC 18.42
ELECTRICAL UTILITIES			
UTG 9.0	Encourage conservation, innovative and renewable forms of electricity and accommodate efficient siting of electrical utilities infrastructure consistent with the Comprehensive Plan.	Revise	Per PC
UTP 9.1	Accommodate additions and improvements to electric utility facilities which improve capacity and reliability of regional electrical utility services, particularly when multiple jurisdictional benefits within the region can be achieved.	Retain	Per PUD
UTP 9.2	Accommodate electrical distribution facilities as a permitted use in appropriate locations to ensure that land is available for the siting of electrical facilities.	Retain	Per PUD
SURFACE/ WATER AND STORM WATER UTILITIES			
UTG 10.0	Manage surface/ water and storm water quantity and quality consistent with comprehensive surface/storm the Jefferson County Surface water-Water Management Plan (2005) and watershed management plans and to minimize adverse surface/storm water impacts from development.	Revise	Per Public Works
UTP 10.1	Develop a County-wide comprehensive Surface/Storm Water Management Plan.	Delete	Per Public Works - Completed 2005
UTP 10.2	Participate with other agencies and watershed councils to undertake joint planning, financing and implementation of regional surface/ storm water management facilities.	Revise	Per Public Works
UTP 10.3	Utilize criteria developed for the management of surface/storm water such as the Storm Water Management Manual for the Puget Sound Basin.	Delete	Per Public Works - SMMWW referenced

Utilities Goals and Policies

Goal or Policy	Description	Action	Reason
UTP 10.4	Coordinate with state, regional and local agencies, including watershed councils, to develop and implement policies for surface/ water and storm water management.	Revise	Per Public Works
UTP 10.5	Consider the use of surface/ storm water facilities, when appropriate, as meeting the requirements for open space or habitat conservation corridors.	Revise	Per Public Works
UTP 10.6	Initiate and support public education programs to improve public access to technical information, public awareness of existing challenges with private and public surface/storm water runoff, and continued public involvement in surface/storm water management.	Delete	Per PC – Square One serves this purpose.

ACTION KEY	How many per this element?	Adjustment % difference
Retain - it's still valid, relevant, feasible, achievable, cost-effective		
Delete – has been codified, combined with another goal or policy, no longer relevant, etc.		
Move - more appropriate somewhere else, different goal, element, etc.		
Consolidate - with another goal or policy		
Revise - re-write to be more accurate, concise or up to date, or include input		
New - to reflect new information, law or the needs of the public		
Total Actions (changes = total minus retained)		
Goals (after assessment)		
Policies (after assessment)		
PC = Planning Commission		

CAB Governance Subcommittee Report and Recommendation

The subcommittee to study and recommend revisions to the CAB Governance Policy was formed at the February 12th CAB Meeting. The subcommittee has met two times. Our starting point was Resolution 2017-17 adopted by the Board on August 15, 2017. This Resolution updated and clarified the role of the CAB.

A summary of revisions we are proposing include the following:

1. Defining how issues studied by the CAB are initiated and prioritized.
2. Defining how subcommittees are formed and administered
3. Includes communication protocols between the CAB, Board, and District staff.
4. Includes a Code of Conduct, Ethics, and Values statement.

Draft CAB Governance Policy

March 1, 2018

1. **Definition:** The Citizen's Advisory Board (CAB) of Jefferson County Public Utility District #1 (District) is a standing committee. The CAB provides advisory recommendations and reports to the Board of Commissioners (Board).
2. **Procedure:** Issues studied by the CAB can be initiated in the following three ways: The Board may request that the CAB study an issue; the CAB may initiate their own issues to study; and the District General Manager may request issues be studied. In all cases, CAB recommendations and reports are referred to the Board for consideration and potential action.
3. **Code of Conduct, Ethics, and Values:** The CAB expects of itself and its individual members ethical and business-like conduct. This commitment includes individual behavior acting in a respectful and courteous manner towards other CAB members, District staff, and the public. The values that govern the CAB and its members include honesty, integrity, transparency, confidentiality, and equity.
4. **Membership:** The Board wishes to maintain stability and institutional knowledge on the CAB while providing opportunity for increased citizen participation. To that end, the CAB members shall have staggered 3-year terms.
 - a. As terms of current CAB members expire, each Commissioner will normally nominate one person/year who resides within the Board member's respective district for a new 3- year term. Each nomination must be approved by the Board before a nominee may join the CAB.
 - b. A sitting CAB member who wishes to serve a subsequent 3-year term must again be re-nominated following the process in Section 3A.
 - c. Vacancies on the CAB shall be filled by nomination by a Board member which corresponds with the district in which the vacancy exists, and approval by the Board. The CAB member so approved will serve the remainder of the unexpired term of the CAB position being filled.
5. **Removal of a CAB Member:** The Board may remove a CAB member if, in the Board's discretion, the CAB member has not performed satisfactorily in carrying out his or her duties, provided, the CAB member first has been notified of the Board's concerns and has had a reasonable opportunity to correct the issue. However, the Board shall have absolute discretion whether its concerns have been adequately addressed.
6. **Administration and Support:** The CAB shall:
 - a. Be subject to the Washington State Open Public Meetings Act (RCW 42.30) and Public Records Act (RCW 42.56).
 - b. Conduct a monthly meeting open to the public at an agreed-upon date and time which is published on the District website no fewer than two working-days before the meeting. The

meeting agenda and, to the extent possible, all CAB meeting handouts shall be published to the District website no fewer than two-working days before the meeting.

- c. Be provided an adequate meeting venue to hear public comments. The CAB Chair may, at their discretion, state a time limit for individual public comment however, ensure that the opportunity for public comment is fair, open, and thorough but also timely, orderly, and kept to the point.
- d. Conduct an annual election of a Chair and Vice-Chair to one-year terms at a time selected by the CAB. Current officers will remain in office until new officers are elected. The CAB Chair shall preside over the CAB meetings in accordance with these governance principles following *Roberts Rules of Order* (latest revision) with special rules for small boards. In the absence of the Chair, the Vice Chair shall preside over the meeting.
- e. Develop administrative procedures as may be reasonably necessary to carry out its purpose.
- f. Be provided a contact or District staff person to take minutes, and other such support as the Board may approve. CAB minutes are approved at the subsequent CAB meeting and shall be posted to the District website within 5 working days following approval. CAB meeting recordings shall be posted to the District website within 10 working days following the CAB meeting.

7. Subcommittees:

- a. Issues are studied by the CAB within a subcommittee.
- b. Issues, whether from the Board, the District General Manager, or individual CAB members will be proposed for study in a CAB meeting. The CAB will approve taking on an issue to be studied and ask for CAB member volunteers to form the study subcommittee. CAB members can volunteer to be on a subcommittee based on their area of expertise and personal interest.
- c. Subcommittees shall typically consist of three CAB members but in no case shall consist of more than four CAB members.
- d. When a subcommittee is formed, the Board shall be notified at the next CAB Update.
- e. Within a reasonable timeframe, the subcommittee shall designate a chairperson.
- f. When a subcommittee is formed, a timeframe for performing its duties and a scope or objectives shall be set so as to communicate proper expectations to the Board, District staff, and the public. Timeframe and scope will be reviewed with the CAB prior to distribution to Board or District. As required, timeframes may be adjusted and communicated to all parties.
- g. CAB subcommittees shall only contain CAB members as standing and voting members. No Board member nor District staff person shall be a standing nor voting member on a CAB subcommittee.

- h. Gathering knowledge and expertise from a Board member and/or District staff may be valuable to a subcommittee's efforts. In performing their duties, the subcommittee may consult with:
 - Board members one at a time. No Board member shall lead the activities of a subcommittee nor formulate written sections of CAB reports / recommendations.
 - District staff after first obtaining approval from the District General Manager.
 - subject matter experts.
- i. The product of a subcommittee's work is a written report(s) / recommendation(s). After approval at a CAB meeting, the report / recommendation is referred to the Board for consideration and potential action.

8. Manner of Communication:

- a. CAB and Board Communication: At each regular Board meeting that follows a CAB meeting, an agenda item shall be included entitled "CAB Update". Current CAB projects will be presented / reviewed by the CAB Chair or designee. Project reports and recommendations prepared by the CAB, along with a list of new subcommittees/topics shall also be distributed to the Board, District staff, and posted on the District website when they are approved by the CAB.
 - b. District and CAB Communication: Regarding issues that are being studied by the CAB, bi-directional communication between District staff and the CAB is essential. District staff shall in a timely manner communicate all pertinent information to the CAB and visa-versa so as to eliminate (to the extent possible) surprises for either party.
 - c. CAB Communication: The CAB shall not speak on behalf of the District unless approved by the Board.
 - d. Individual CAB Members: Individual CAB members shall not speak on behalf of the CAB unless approved by the CAB. However, CAB members do not relinquish their right to speak for themselves as any citizen provided they express in any public communication that they do not speak on behalf of the CAB nor the District.
9. **Periodic Review:** The Board shall review the CAB purpose and effectiveness from time to time, no less than every three years. The CAB shall conduct an annual workshop, following the election of Chair and Vice-Chair, to review previous year progress and establish upcoming year objectives. A report of progress and objectives will be drafted and approved by CAB. The CAB shall have one meeting (half-yearly) dedicated to reviewing progress on current year objectives and revision of remaining objectives.

10. **Supercedure:** This resolution supersedes any previous policy, resolution, or Board action as they relate to the CAB.

Report of the CAB Subcommittee on Ratepayer Credit Card Us (Larry Dennison, Tom Engel)

The subcommittee considered the cost to the PUD of ratepayers using a credit card to pay monthly bills which total approximately \$6k monthly, and if this cost could be avoided by instituting a convenience fee. We worked closely with Tammy Lehman who in turn had assistance from NISC. Both state laws and policies of companies that issue credit cards impact a possible decision to charge convenience fees.

State law does not allow a convenience fee if ratepayers use a credit card when appearing in person to make a payment or for a recurring payment. In a recurring payment, the ratepayer has provided his credit card information to the PUD and payment occurs monthly without the ratepayer taking any action. The PUD is currently charged a utility fee for processing transactions. If a convenience fee is instituted, the PUD would in general be charged a nonutility fee. Some credit card companies such as MasterCard and Discover charge the same fee for processing a transaction whether or not a convenience fee is charged. However, Visa charges a higher processing fee if a convenience fee is charged and 70% of PUD credit card payments are made using Visas cards. The following table obtained from Tammy Lehman shows a comparison of processing charges for December 2017 with the utility fee and what the charges would have been with a nonutility fee.

Comparison of Charges with/without Convenience Fee Added

	#	Current Fees	Non Utility Fees	Add'l Cost
<i>No Convenience Fee Allowed</i>				
Recurring	1787	2,794	4,797	2,003
Cash Register	404	670	1,119	448
Total Charges-No Convenience Fee Allowed	2,191	\$3,464	\$5,915	\$2,451
<i>Convenience Fee Eligible</i>				
SecurePay IVR	688	837	1,880	1,043
Pay Now	270	334	761	427
SmartHub Mobile	180	213	462	249
SmartHub Web	724	1,168	2,052	884
Total Charges-Convenience Fee Eligible	1,862	\$2,551	\$5,156	\$2,605
Grand Total	4,053	\$6,015	\$11,071	\$5,056

Only 1862 of the 4053 credit card transactions are eligible for a convenience fee. It would be inequitable to charge these ratepayers a convenience fee when 2191 ratepayers can't be charged a convenience fee. Therefore, we do not recommend a change in the current policy.

**PROPOSED COMMUNITY SOLAR PROJECT
CITIZENS ADVISORY BOARD, SOLAR SUBCOMMITTEE
Roger Risley (CAB), Tom Engel (CAB), Bill Kaune (volunteer)**

The CAB suggests that Jefferson PUD proceed with a community solar project. We first present a series of recommendations to define the project and initiate work towards its completion. Following these recommendations, we discuss the reasons underlying some of our recommendations

Recommendations

1. The Jefferson County PUD undertake a community solar project to be built on the roof of the Grant Street School.
2. The target electrical capacity of the project to be 50 kW but, in no case, less than 40 kW.
3. Estimate cost of the project will be approximately \$5.00 per installed watt of capacity, consisting of \$3.50 per watt for direct costs (i.e., cost of installing equipment) and \$1.50 per watt PUD's administration-related costs.
4. PUD to sell shares in the project with each share costing \$250. Each share will purchase approximately 50 watts of capacity.
5. PUD to solicit donations of any size, where capacity purchased by donations will be owned by the school district.
6. Depending on the quantity of donations, approximately 800 to 1,000 shares will have to be sold to fund the \$250,000 project cost. If a slightly lesser number of shares are sold, the PUD may wish to reduce the size of the project from 50 kW to 40 kW.
7. Project must be finished and online before July 1, 2019. This will yield a state energy incentive payment of \$0.14 per kWh of generated electrical energy, said incentive payment to continue for seven (7) years (according to current state law).

Initial Project Steps

In order to reduce risk for the PUD, we suggest that the PUD attempt to determine community interest in the project at a fairly early date. We suggest that the following set of initial steps could accomplish this goal.

1. Establish a PUD administration team (possibly only one person) to oversee the project.
2. Decide on a site.
3. Make a first-pass cost estimate.
4. Prepare a project prospectus and participation agreement.
5. Advertise the project; solicit commitments for purchases of shares.
6. Based on the results of step 5, make a final yes/no decision to proceed. (If the decision to do the project is made by September 1, 2018, ten months would remain to complete construction in order to meet the July 1, 2019 deadline.)

NOTES

Project Cost Estimate

Power Trip Energy indicates that the cost of installing a roof-top 50-kW solar facility would be about \$3.50 per watt. We estimate that the PUD will incur additional administration-related costs of about \$1.50 per watt. Thus, the total cost per watt would be \$5.00 and the cost of a 50-kW system \$250,000.

Why 50 kW?

We suggest a project of the size 50 kW so that PUD's administrative-related costs, which would largely be the same regardless of the size of the project, are about 30% of the total project cost. We do not think the PUD should undertake a smaller project where these costs could approach 50% of the total cost.

Years for an Shareholder to Regain Their Original Investment

Assuming \$5.00 per watt (W) of installed capacity, a \$250 share would purchase 50 W of capacity. How long would it take for a shareholder to make back this \$250? The first question we must address is how much electrical energy one would expect to obtain during one year of operation. Apparently there is a rule of thumb that a 50 W solar cell will, on average, generate 50,000 Wh (watt-hours) of electrical energy per year.

During the first seven years of operation, the shareholder will receive \$0.14 per kWh generated from the state. The shareholder will also receive the retail rate of about \$0.11/kWh that the utility charges for electricity. Of course, this retail rate will, presumably, rise over time. The following table shows the years required for the shareholder to recover their \$250 investment assuming retail rates rise 0%, 1%, 2%, 3%, and 4% per year.

Table 1. Time to recover investment of \$250 in community solar facility

Annual increase in retail rate of power	Years required to recover \$250 investment	Average annual return
0%	36.5	1.9%
1%	31.3	2.2%
2%	27.7	2.5%
3%	25.0	2.8%
4%	23.0	3.1%

In addition, we include in the table the *average* rate of return on an investment. Of course, the rate of return will be larger the first seven years because of energy incentive payments from the state (\$0.14/kWh) and will be lower than the average during years after the seventh. This return on investment will not be very attractive to investors. Those who purchase shares will presumably be motivated by environmental concerns and a desire for distributed energy generation. (The calculations in Table 1 assume that the 1.5% cap on state energy incentive payments has not been met. Exceeding this cap would result in a reduction of payback during the first seven years of operation.)

Why Build this Facility at the Grant Street School?

We understand that the Kearney Street substation is under consideration to accommodate a solar-energy facility. We are concerned that this site would involve considerable regulatory issues because it is located close to wetlands and would require additional (about 400 feet) of fencing. Putting the installation on a roof such as at the Grant Street school would eliminate the need for storm-water, fencing, and visibility regulatory issues, allowing a greater part of the installation cost go to generating electricity. A solar facility on the roof of the school would be highly visible, leading to good public relations.

Approximate Size of 50 kW Solar Collector

Assuming the use of 77 inch by 39 inch commercial 300-W panels, the approximate size of the facility would be 3,475 square feet. This would fit in an area, for example, of about 25 feet by 140 feet.