

Comments to COBI Ethics Board
RE: David Johnson Complaints
November 14, 2018
By Ron Peltier, COBI City Council Member

RESPONSE TO DAVID JOHNSON COMPLAINT

The email that is the subject of Mr. Johnson's complaint was sent to him on March 3rd of 2017. That he finally decided to file a complaint over a year later, I believe, is the result of our former city manager referring to me as a bully in an August 8th, 2018 newspaper interview shortly after he resigned as our city manager. Even before his resignation Doug Schulze's wife, Lisa, began posting comments on Facebook blaming me for their imminent departure from the Island. David Johnson commented in those threads. Below are his comments from a Bainbridge Islanders Facebook thread shortly after Doug Schulze's Kitsap Sun interview was published.

David Johnson: *"Debbie, you overlook what Doug said about the CC in general and Ron Peltier in particular. When a key CC member is "difficult" and a "bully," as Ron is, it's tough for a city manager to do his or her job."*

David Johnson: *"Doug calls CC member Ron Peltier" difficult" and a "bully." I completely agree. It's unfortunate for BI that this man sits on the CC."*

David Johnson: *"Contrarians don't have to be bullies. Also, I've had personal experience with Ron — his arrogance toward constituents is truly breathtaking."*

David Johnson: *"My "trigger point" is when a CC member, in writing (and copied to the entire CC), belittles me as a constituent, asks that I do his research for him, and says that he will "take me seriously" (a direct quote) if and only if I do what he wants. Ron did all of that and more."*

David Johnson: *"Ron wasn't elected to be a jerk."*

Some background

As the debate over possibly creating a municipal electric utility on Bainbridge Island heated up (*the Island Power issue*) in 2016, the city council began receiving frequent emails from David Johnson. Between April 27, 2016 and May 9, 2018 we received 106 messages from Mr. Johnson. Most of them were very technical and in most cases they appeared to reasonably accurate but from a particular point of view. Basically, Mr. Johnson struck me as someone artfully advocating for one side, Puget Sound Energy, by including some criticism of PSE in his communications but overall presenting information and arguments favorable to PSE. What was telling to me were a couple of omissions by Mr. Johnson.

Colstrip plants 2 & 3

PSE's coal fired plants operating in Colstrip, Montana, are at the heart of environmental concerns regarding the way they generate electricity. This was a major part of Island Power's argument for a municipal electric utility that could get us off coal. About 30% of the electricity Bainbridge Island receives from PSE comes from those coal fired Plants. PSE owns a share in all of them, with plants 1 & 2 being the oldest, and worst polluters,

and plants 3 & 4 being newer and more capable of continuing to generate electricity and profits for PSE.

Early on I notice that Mr. Johnson's frequent emails focused on the planned decommissioning of Colstrip plants 1 & 2 and seemed to ignore the existence of two other plants: the new #3 & 4 plants. That struck me as understandable for someone who might be an advocate for PSE as the older plants, 1 & 2, are really at the end of their useful life, while plants 3 & 4, the ones never mentioned by Mr. Johnson, were not. After pressing him on the newer plants, he finally acknowledged their existence, arguing that it wasn't politically feasible to even talk about closing them. In a 4/29/16 email he explained why:

"There's a political dimension to 3 and 4 as I discussed in my April 22 email to Island Power. Nobody in the region is advocating early closure of these units -- not the Washington Legislature, not Gov. Inslee, not the WUTC, and not the energy/environmental groups. So, if the City takes a stance on municipal power that is premised on continued generation from 3 and 4, rather than what happens with 1 and 2, then it will go out on a political limb without any natural allies. Such a position will be harder to justify, economically, environmentally, and politically, and harder to explain to island residents."

Possible refund related Jefferson County's purchase of PSE assets

I personally wondered why a supposedly objective person, who called himself an environmentalist, thought it best not to discuss half of PSE's coal fired generating plants in Colstrip, Montana. There was another issue Mr. Johnson was commenting on, though, that also struck me as disingenuous: the issue of whether or not the recent forced sale by PSE of its infrastructure to Jefferson County, allowing them to create a publicly owned electric utility, had resulted in a partial refund of the sale price. Mr. Johnson repeatedly argued that there was no refund, which is technically true, and chose not to clarify why there was confusion over this. On May 16th of 2016 he finally used his expertise to make his point clear:

"In fact, PSE did not overcharge for the assets. As I discussed in previous messages, the WUTC reviewed the price that Jefferson PUD paid and determined that it was appropriate and a fair market value for the assets. The WUTC commended PSE for the price it negotiated."

As to the alleged refund: The Council member may be referring to the gain on sale, i.e., the difference between the sale price and the assets' net present value (NPV). The WUTC allocated most of this difference to PSE's ratepayers by giving them a credit to their electric bills. PSE's ownership, in turn, recovered the assets' NPV as well as a small portion of the gain on sale (to reward the utility for negotiating a favorable price). In this way, the WUTC ensured that the sale benefited both ratepayers and shareholders."

Mr. Johnson could have cleared up the confusion over PSE refunding excess net gains on its net present value, as opposed to refunding ratepayers for simply overcharging in the

sale to Jefferson County infrastructure, but he chose to let that issue drag out. He chose to let it drag out in spite of several emails where he discusses the issue and had an opportunity to clarify what had happened in regards to the payment. It appeared to me that he was intentionally confusing the issue to make the Island Power folks look bad. Whether or not Mr. Johnson was working for PSE on the Island Power issue, it was sure starting to sound to me like he was. With that in mind I sent the following email to Mr. Johnson on 5/16/16:

“David,

There is some wrong information here, specifically regarding the cost of acquiring the electric infrastructure from PSE in Jefferson County. They were overcharged by PSE and forced to refund some of that \$103 million price back to rate payers.

With all due respect, you sound like you are working for PSE.

Ron”

Before going any further, I want to make it clear I was just being honest with Mr. Johnson. The phrase, “with all due respect” was really meant as a neutral turn of phrase. In response to the comment, however, Mr. Johnson filed an ethics complaint on 5/12/16, arguing that the phrase, “*with all due respect*” was intended to be disparaging, and hence in violation of Article I of our Ethics Program. As proof he writes:

“One Web site says that this phrase “allows a subtle disrespect, cloaked in courtesy.” (<http://grammarist.com/phrase/with-all-due-respect/>) Another Web site says that this phrase has become associated “more with insult” than with respectful deference.” (<http://www.dailywritingtips.com/with-all-due-respect/>)”

MY 3/3/17 EMAIL TO MR JOHNSON

By the time I sent my 3/3/17 email to Mr. Johnson, the object of his most recent complaint, I will admit I’d had a low opinion of Mr. Johnson. I perceived him as pretending to be a completely objective interested party while obviously couching everything he wrote to best support PSE’s continued operations on Bainbridge Island. Yes, he had sent some documents and links to documents, what he refers to as a “favor”, but these were mostly legal documents that I felt took more time to read than they were worth. Could I have been more polite to Mr. Johnson in how I describe my frustration and opinion of him? Sure. I’ll admit, though, that the memory of Mr. Johnson filing an ethics complaint over the phrase, “with all due respect” still lingered in my mind.

Mr. Johnson’s complaint

According to Mr. Johnson I’m guilty of the following:

“ Mr. Peltier questioned my motives in communicating with the Council; derided emails and documents I sent to the Council; commanded me to do further research for him; and (writing as a Council member) threatened not to take my position "seriously" unless I did that research. Mr.

Peltier thus engaged in bullying behavior - by using his Council authority to compel a constituent to do what he demanded.”

Here’s the 3/3/17 email at issue in Mr. Johnson’s complaint:

“Mr. Johnson,

This is in regards to information you've sent to the City Council that supposedly sheds light on the adverse environmental impacts of PSE's coal fired plants.

The message you sent a few months ago, and a couple today, with legal documents and links to highly technical reports, is buried in fifty other messages you have sent to us that seem intent upon denigrating the Island Power campaign and supporting PSE. That's okay but I think it's disingenuous for you to suggest you are a neutral source of objective information.

If you want to appear objective on the issue of public power, and PSE, you could provide information pertaining to the adverse environmental impacts of PSE's coal fired plants in a way that is accessible to people with limited time and patience for wading through legal and other technical documents.

You could start by summarizing the environmental impacts of PSE's coal fired plants, along with links to newspaper and magazine articles, and perhaps some peer reviewed scientific studies. That might leave me more inclined to take your comments seriously

Ron Peltier’

To summarize my response to Mr. Johnson’s complaint

I could have chosen my words more carefully in this email: especially considering previous interactions with Mr. Johnson. Instead of writing that he seemed intent upon “denigrating Island Power”, I should have just said he seemed intent upon “marginalizing Island Power”. When I read this message, though, I don’t see demands or threats. I see myself honestly expressing opinions about someone who has sent the city council over 70 emails (at that time) regarding the Island Power issue and who consistently impressed me as somewhat who was advocating for PSE while claiming to be an impartial contributor to the debate. The documents he claimed he provided me as a favor are legal in nature and to me seemed to provide very little insight into the environmental issues, particularly in regards to groundwater pollution in Colstrip Montana that was resulting from the coal plant retention ponds.

As the Ethics Board goes about issuing an opinion on this complaint I hope the Board will consider just how high of a bar we are going to hold elected officials to. Are we going to be allowed to honestly express ourselves to constituents, with some latitude for bluntness, or are we going to feel compelled to withdraw from honest exchanges for fear

of ethics complaints being used by people with extremely sensitive dispositions and an axe to grind? It's a serious question.