

MINUTES OF REGULAR MEETING OF COMMISSIONERS  
OF PUBLIC UTILITY DISTRICT NO. 3  
OF MASON COUNTY, WASHINGTON

President Farmer called a regular meeting of the Mason County PUD No. 3 board of commissioners to order at 10:00 a.m. The meeting was held in the PUD 3 auditorium, at 2621 E Johns Prairie Road in Shelton, Washington, on Tuesday, September 10, 2013.

District officers present were: Commissioners Thomas J. Farmer, Linda R. Gott and Bruce E. Jorgenson; Manager Annette Creekpaum; Finance Manager/Auditor Sherry Speaks; Treasurer Brian Taylor; and Attorney Robert Johnson.

The following PUD 3 personnel were present: Customer Service Manager Diane Archer; Director of Business Services John Bennett; Conservation Manager Justin Holzgrove; Public Information and Government Relations Manager Joel Myer; Director of Engineering Terry Peterson; Power Supply Manager Matt Samuelson; Risk Manager Bob Smith; and Executive Assistant/Records Program Administrator Lynn Eaton (recorded minutes).

No members of the public were in attendance.

MODIFICATION AND/OR APPROVAL OF AGENDA

The agenda was approved as presented.

CONSENT AGENDA

Mr. Farmer reviewed the items listed on the consent agenda. Ms. Gott moved, motion seconded by Mr. Jorgenson, to adopt the consent agenda. MOTION PASSED UNANIMOUSLY. By adopting the consent agenda, the following items were approved:

- a. Minutes of the August 27, 2013, regular commission meeting.
- b. Voucher Nos. (dated September 3, 2013) 123719 through 123800 — \$ 511,744.68  
(Includes electronic funds transfer payment Nos. 1020-1024.)  
Voucher Nos. (dated September 10, 2013) 123801 through 123889 — 628,461.99  
(Includes electronic funds transfer payment Nos. 1025-1042.)  

TOTAL \$ 1,140,206.67
- c. Void accounts payable checks for the week ending August 30, 2013, in the total amount of \$1,400.94.

\* Vouchers audited and certified by the district auditing officer as required by RCW 42.24.080, and those expense reimbursement claims certified as required by RCW 42.24.090, have been recorded on a listing which has been made available to the board.

COMMENTS FROM THE PUBLIC

Mr. Farmer welcomed those present and stated comments would be accepted throughout the meeting.

STAFF REPORTS

Mrs. Speaks reported to the commissioners on the status of the budget as of August 31, 2013. August expenditures for the year were 65 percent and revenues year to date were 66 percent of what was anticipated in the adopted 2013 budget. Year-to-date expenditures are \$38,632,684, while revenues are \$39,206,787.

Mr. Taylor presented the commissioners with the treasurer's report for the month of August. The report showed operating reserves of \$16.8 million, and investments totaling \$38.5 million.

Mr. Samuelson updated commissioners on the ongoing issue with the appeal to the North American Electric Reliability Corporation (NERC) for deregistration from its reliability reporting standards requirements. Mr. Samuelson explained that NERC has sent a notice of receipt of PUD 3's application to deregister and is accepting supporting material to PUD 3's case. Mr. Samuelson also explained that the Western Electricity Coordinating Council (WECC) will also have an opportunity to submit opposing material to challenge the appeal.

Mrs. Creekpaum reported that Mason County PUD 1 transferred another \$8,000 of Bonneville Power Administration's (BPA) Energy Efficiency Incentive (EEI) funds to PUD 3. The transfer is due to PUD 1 having an unused balance of allocation from BPA.

Mrs. Creekpaum shared with commissioners that Conservation Manager Justin Holzgrove proposed a light-emitting diode (LED) street light pilot project to the City of Shelton.

Mr. Holzgrove gave a presentation to commissioners highlighting the benefits of the LED street light pilot project to both the city and the utility. The proposal includes retrofitting several high pressure sodium streetlights with the more efficient LED lights in specific areas. The city is considering the proposal.

Mrs. Creekpaum reported that the final paperwork for the sale of PUD 3's engineering building has been signed and payment received. She is optimistic at the future sale of the administration building due to some recent interest.

At Mrs. Creekpaum's request, Mr. Myer updated commissioners about the outages caused by the September 5<sup>th</sup> lightning storm. He explained that approximately 1,700 customers were affected by the outages. While nearly 1,500 of those customers were due to lightning striking a regulator at PUD 3's Collins Lake feeder, the other 200 approximate outages were scattered throughout the county. Mr. Myer told commissioners that it was a challenging outage due to the types of damage caused by the lightning strikes as well as trying to ensure the safety of PUD 3 crews near electrical equipment during an active lightning storm. He was pleased that customers expressed their gratitude with the communication efforts on Facebook and Twitter for outage updates.

#### COMMISSIONERS' REPORT

Ms. Gott reported her attendance at the Public Power Council (PPC) last week in Portland. She shared that Terry Flores of Northwest River Partners gave a presentation on the Clean Hydro campaign and said it was very similar to the presentation that commissioners received at PUD by Kay Gabriel last month.

Mr. Farmer also reported his attendance at PPC last week. He talked about Bonneville Power Administration's (BPA) presentation about transmission issues and the upward cost pressures in transmission.

#### GOOD OF THE ORDER

Following a calendar review and with no further business appearing, the commission meeting adjourned at 10:37 a.m.

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Thomas J. Farmer, President

ATTEST:

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Bruce E. Jorgenson, Vice President

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Linda R. Gott, Secretary