

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 24, 2013.

District officers present were: Commissioners Thomas J. Farmer, Linda R. Gott and Bruce E. Jorgenson; Manager Annette Creekpaum; 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).

Members of the public in attendance were Dedrick Allan of Mason WebTV, and Natalie Johnson of *The Mason County Journal*.

MODIFICATION AND/OR APPROVAL OF AGENDA

The agenda was approved as presented. It was noted that an executive session was scheduled for the purposes of item 42.30.110(1)(c) to consider the minimum price at which real estate will be offered for sale or lease. The executive session was estimated to last 10 minutes with no action to follow.

CONSENT AGENDA

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

- a. Minutes of the September 10, 2013, regular commission meeting.
- b. Voucher Nos. (dated September 17, 2013) 123890 through 123977 — \$ 1,543,599.88  
(Includes electronic funds transfer payment Nos. 1043-1046.)  
Voucher Nos. (dated September 24, 2013) 123978 through 124086 — 857,868.19  
(Includes electronic funds transfer payment Nos. 1047-1051.)  

TOTAL \$ 2,401,468.07
- c. Void accounts payable checks for the week ending September 20, 2013, in the total amount of \$1,941.82.

\* 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.

ACTION ITEMS

Recommendation was made to adopt Resolution No. 1605, "A Resolution Declaring Vehicles Surplus." If adopted vehicle numbers 485 (2009 Ford Escape) and 491 (2011 Ford Escape) will be traded in on the purchase of two new Jeep Wrangler Sport Unlimited utility vehicles.

Ms. Gott moved, motion seconded by Mr. Jorgenson, to adopt Resolution No. 1605, "A Resolution Declaring Vehicles Surplus." MOTION PASSED UNANIMOUSLY.

STAFF REPORTS

Mr. Samuelson reviewed the August 2013 power situation statement with the commissioners. He pointed out that this June was 71 percent warmer than last year which likely caused a decrease of 2.8 percent in kilowatt-hours purchased by the PUD for sales to its customers. PUD 3 purchased 44,432 megawatt-hours (MWh) of electricity compared to 45,721 in August of 2012.

He reported that PUD 3 paid \$1.5 million during August on wholesale energy purchases, compared to \$1.6 million for the same period in 2012; a decrease of 5.6 percent. This includes spending \$97,481 in August on "Renewable Energy Credits" to meet obligations under the Washington State Energy Independence Act (Initiative 937). Year-to-date, the PUD 3 has spent \$746,314 toward meeting the renewable energy requirements.

Mr. Samuelson also reported that the US Entity has released a new draft recommendation for modernizing the 50 year old Columbia River Treaty with Canada. While the original treaty did not include environmental benefits as one of its primary purposes, the draft has identified ecosystem-based function as its third primary function to ensure a more comprehensive approach throughout the Columbia Basin watershed. Mr. Samuelson explained that the final report is due in mid-December and comments on the draft are due by October 24.

Mr. Samuelson shared with commissioners that he has been participating with a group on re-writing the interconnection standards through the Washington Public Utility Districts Association (WPUDA) in preparation for the next legislative session. He expects to have a finalized report to bring to commission within the next couple of months.

Mrs. Creekpaum reported that PUD 3 received two "Excellence in Communication" awards from the Northwest Public Power Association (NWPPA). The 2011 Annual Report received first place in its category and the brochure highlighting the Johns Prairie Operations Center received third place in its category.

Mrs. Creekpaum reminded commissioners that PUD 3 will have a booth at the Skookum Oysterfest again this year which will be held at the Mason County Fairgrounds on October 5 and 6.

She also reported that PUD 3 will be celebrating Public Power Week during the week of October 6-12 and several events are planned. Approximately five hundred fifth-graders will be attending an energy expo held in the Johns Prairie Auditorium featuring interactive electric and fiber displays and demonstrations throughout the week as well as a public open house and a Shelton-Mason County Chamber of Commerce after-hours event.

#### COMMISSIONERS' REPORT

Ms. Gott reported her attendance at the NoaNet meeting in Seattle. She also reported that she attended the WPUDA meetings in Chelan last week.

Ms. Gott also reported that she will be traveling to the Tri-Cities today for an Energy Northwest strategic planning meeting and leaving Saturday to go to Atlanta through Energy Northwest for a week long training for nuclear boards.

Mr. Farmer also reported his attendance at WPUDA meetings in Chelan last week.

#### DISCUSSION ITEMS

The meeting schedule for December was discussed. It was suggested that due to the holidays, the regular meetings scheduled for December 10 and December 24 be cancelled and specials meetings held on December 3 and December 17.

Mr. Jorgenson moved, motion seconded by Ms. Gott to cancel the regular meetings in December on the second and fourth Tuesdays and to call special meetings on the first and third Tuesdays. MOTION PASSED UNANIMOUSLY.

#### GOOD OF THE ORDER

Following a calendar review and with no further business appearing, the commission meeting recessed at 10:20 a.m. for a short break, and reconvened at 10:32 a.m.

The commissioners then adjourned then met in executive session for 10 minutes to consider the minimum price at which real estate will be offered for sale or lease. No action would follow the executive session.

The executive session adjourned at 10:33 a.m. and the regular meeting reconvened.

With no further business appearing, the commission meeting adjourned at 10:33.

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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