

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, October 22, 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 Kristin French. (Attorney Robert Johnson was attending a legal conference.)

The following PUD 3 personnel were present: Director of Business Services John Bennett; Conservation Manager Justin Holzgrove; Benefits Coordinator Asia Hoopes; Public Information & Government Relations Manager Joel Myer; Director of Engineering Terry Peterson; Power Supply Manager Matt Samuelson; Risk Manager Bob Smith; Director of Business Operations Michelle Wicks; and Contracts & Purchasing Manager Nancy Bolender (recorded minutes).

Members of the public in attendance were Dedrick Allen of MasonWebTV and Katelynn Evans, PUD 3 student employee (attending for a high school government class).

MODIFICATION AND/OR APPROVAL OF AGENDA

The agenda was approved as presented. It was noted that an executive session was scheduled for two purposes. The first five minutes will be to consider the minimum price at which real estate will be offered for sale or lease (42.30.110(1)(c)); and the next 10 minutes will be for the review of a public employee (42.30.110(g)). The total executive session was estimated to last 15 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 October 8, 2013, regular commission meeting.		
b.	Voucher Nos. (dated October 15, 2013) 124277 through 124367	—	\$ 631,752.36
	(Includes electronic funds transfer payment Nos. 1071-1076.)		
	Voucher Nos. (dated October 22, 2013) 124368 through 124477	—	<u>3,275,316.24</u>
	(Includes electronic funds transfer payment Nos. 1077-1081.)		
		TOTAL	\$3,907,068.60

\* 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

A recommendation was made to approve the self-insured benefit plan renewals for 2014. Mrs. Creekpaum reviewed the renewals with the commissioners which include: 1) no increase in premiums for the Zurich Optional AD&D, and Lincoln Financial's Short Term Disability and Life/AD&D; 2) an increase of \$0.05 per \$100 of benefit for the Lincoln Financial Long Term Disability policy; 3) a 2.49 percent increase in the Group Health Cooperative plan premium; and 4) a three percent increase in premiums for the PUD's self-insured medical and dental plans.

Mr. Farmer inquired as to the make-up of the PUD's insurance committee. Mrs. Wicks explained that it is a joint committee of five union and five non-union employees, several of which have been on the committee for 10 or more years.

Mr. Jorgenson asked about the effects of the Affordable Care Act, to which Mrs. Wicks noted that one required change relating to dependents will be made to the self-insured plan effective January 2014. However, staff will be closely watching for other impacts that might occur in 2018.

Mr. Farmer moved, motion seconded by Ms. Gott, to approve the self-insured benefit plan renewals as outlined for 2014. MOTION PASSED UNANIMOUSLY.

Recommendation was then made to adopt a motion authorizing Mrs. Creekpaum to sign an interlocal agreement with the National Joint Powers Alliance (NJPA). It was explained that the alliance is a cooperative purchasing

group. The interlocal agreement allows the PUD to purchase goods and services through competitively bid contracts procured by NJPA where it is advantageous to do so. There is no cost for participation.

Mr. Jorgenson moved, motion seconded by Mr. Farmer, to authorize Mrs. Creekpaum to sign an interlocal agreement on behalf of Mason County PUD No. 3 with the National Joint Powers Alliance. MOTION PASSED UNANIMOUSLY.

#### STAFF REPORTS

Mr. Samuelson reviewed the September power situation statement with the commissioners. He pointed out that in September, the PUD purchased 1.8 percent more power than last September at a cost that is 3.2 percent higher. Year-to-date power purchases are down two percent over last year's same time period; however, costs are only one percent lower.

Mr. Samuelson said news reports have stated that Bonneville Power Administration (BPA) Administrator Bill Drummond and BPA Chief Operating Officer Anita Decker are being reassigned to other positions in the U.S. Department of Energy (DOE) within 90 days. This reassignment is related to an inspector general report regarding hiring practices at the agency. He said they most likely wouldn't be returning to BPA.

Mr. Samuelson said the current focus of utilities in the Pacific Northwest is on maintaining the independence of the Bonneville Power Administration from the U.S. DOE.

Mrs. Creekpaum reported that a voucher releasing the final retainage from Washington State to Rushforth Construction's (now Adolfson & Peterson Construction) subcontractors was included in the commissioners' consent agenda. The funds will be forwarded for disbursement.

At Mrs. Creekpaum's request, Mr. Myer reported that over 600 fifth grade students from Mason County schools participated in a wide-ranging energy and safety education program during Public Power Week (October 6-12). He noted that the PUD 3 education committee and a number of employee volunteers did a great job teaching the students during the week-long event. During the week the PUD also hosted a Shelton-Mason County Chamber of Commerce event, had a presentation at an Economic Development Council luncheon, and sponsored an energy expo and open house for customers. Mr. Myer said the PUD has been getting positive feedback from schools and teachers about the programs offered.

Mrs. Creekpaum informed the commissioners that the BPA Western Washington Energy Efficiency Roundtable will be held at PUD 3 this Wednesday and Thursday in the Skookum Room of the auditorium.

Mrs. Creekpaum also told commissioners that staff has been working on reviewing the PUD's rates and preliminary budget for 2014 for several months. A hearing is tentatively scheduled for November 12, 2013.

#### COMMISSIONERS' REPORT

The commissioners extended their thanks and appreciation to the education committee and other employees who worked on the Public Power Week activities, and said it was a job well done.

Ms. Gott reported on her attendance at the NoaNet board meeting where the budget process is also underway.

Mr. Farmer stated his intent to attend the North Mason Chamber of Commerce meeting tomorrow at which Mr. Myer is giving a presentation.

#### GOOD OF THE ORDER

Following a calendar review and with no further business appearing, the commission meeting recessed at 10:20 a.m. for five minutes and reconvened at 10:25 a.m.

#### EXECUTIVE SESSION

The commissioners then adjourned and met in executive session for 15 minutes to consider the minimum price at which real estate will be offered for sale or lease and review the performance of a public employee. It was announced that no action would follow the executive session.

The executive session adjourned at 10:40 a.m. and the regular meeting reconvened.

With no further business appearing, the commission meeting adjourned at 10:40 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