

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, June 9, 2015.

District officers present were: Commissioners, Thomas J. Farmer, Linda R. Gott and Bruce E. Jorgenson. Manager Annette Creekpau; Finance Manager/Auditor Sherry Speaks; and Attorney Rob Johnson. (*Treasurer Brian Taylor was at a conference.*)

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

Members of the public in attendance were Steve Bloomfield of Shelton and Scotty Ray of Allyn.

MODIFICATION AND/OR APPROVAL OF AGENDA

The agenda was approved as presented. It was noted that an executive sessions would be held for the purposes of item 42.30.110(1) (b) to consider the selection of a site or the acquisition of real estate. The estimated time is fifteen minutes with potential 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:

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| a. Minutes of the May 26, 2015, regular commission meeting. | |
| b. Voucher Nos. (dated June 2, 2015) 132381 through 132450
(Includes electronic funds transfer payment Nos. 1614-1617.) | — \$ 146,978.82 |
| c. Voucher Nos. (dated June 9, 2015) 132451 through 132540
(Includes electronic funds transfer payment Nos. 1618-1622.) | — \$ <u>280,914.18</u> |
| | TOTAL \$ 427,893.00 |
| d. Void accounts payable checks for the week ending May 29, 2015, in the total amount of \$184.24. Void accounts payable check for the week ending June 5, 2015, in the total amount of \$800.00. | |

* 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 PUBLIC

Mr. Ray spoke on behalf of the Glenallyn Homeowners Association regarding a claim for an underground storm water pipe that was damaged during the installation of a pole for LED lighting. The claim was denied due to the identification of underground facilities is the property owner's responsibility.

Mr. Ray was informed of the appeal process through the District's hearing officer.

Mr. Bloomfield informed the commission of community efforts to start a Boys & Girls Club in Shelton. He said he may be asking for support of the PUD commission as the efforts move forward.

ACTION ITEMS

Recommendation to adopt Resolution No. 1642 was brought before the commission. It is "A Resolution Authorizing Membership in the NISC for Implementation of an Enterprise Software Solution and Ongoing Support through Professional Services." The resolution authorizes the manager to sign a contract on behalf of the utility.

The company National Information Solutions Cooperative is a co-op that provides a utility-wide enterprise software solution that will support many of the PUD's current functions, include integration with the grid modernization data and offer customers the ability to interact with their own data.

Ms. Gott moved, motion seconded by Mr. Jorgenson to adopt Resolution No. 1642. MOTION PASSED UNANIMOUSLY.

Resolution No. 1643 was presented to the commissioners for their consideration. It is "A Resolution Authorizing the Entering into a Renewable Energy Credits Purchase and Sales Agreement with Emerald PUD."

The resolution authorizes Mrs. Creekpau to sign, on behalf of PUD 3, the agreement (together with the agreement proposed under Resolution No. 1644) helps the utility meet the 9 percent requirement of renewable energy under the Energy Independence Act (I-937) in 2016.

Mr. Jorgenson moved, motion seconded by Ms. Gott to adopt Resolution No. 1643. The MOTION PASSED UNANIMOUSLY.

Resolution No. 1644 was then presented to the commissioners. It is "A Resolution Authorizing the Entering into a Renewable Energy Credits Purchase and Sales Agreement with Klickitat PUD."

The resolution authorizes Mrs. Creekpau to sign, on behalf of PUD 3, the agreement, which includes two separate REC purchases effective in years 2016 and 2020.

Mr. Farmer moved, motion seconded by Ms. Gott to adopt Resolution No. 1644. The MOTION PASSED UNANIMOUSLY.

STAFF REPORTS

Mrs. Speaks reviewed the status of the budget as of May 31, 2015, with the commissioners. Month-end receipts were approximately \$4.8 million, while expenditures were approximately \$5.2 million leaving the month with a negative budget balance of -\$393,549, however year to date is still at a positive budget balance of \$316,302.

Mrs. Speaks gave the treasurer's report of funds through May 2015. The total of all funds at month-end were \$33.5 million. Mrs. Speaks noted no notable change in interest rates.

Mr. Samuelson reported that the petition regarding the Residential Exchange Agreement that PUD 3 was party to has been dismissed by the 9th circuit. It is not being recommended that the group ask for reconsideration.

At Mrs. Creekpau's request, Mr. Myer gave a legislative update to commissioners, highlighting the various happenings during the special session that are of interest to the utility.

At Mrs. Creekpau's request, Mr. Myer reported the utility's participation in the Oakland Bay Day event held at the old Bayshore Golf Course last weekend. He said the event was well attended and many people expressed an interest in the future of community solar.

Mrs. Creekpau reported that the preliminary fish facts have been released. She obtained a copy at the Public Power Council last week and was impressed by the fish returns.

COMMISSION REPORT

Ms. Gott reported her attendance at the Pacific Underwriters annual meeting and the State Audit for the PURMS group.

Mr. Farmer noted that he has had many inquiries regarding the expansion of the utilities broadband system. He also noted that he would be attending the State Auditor's exit conference with Mason PUD 3 staff on June 16.

DISCUSSION ITEM

Mrs. Creekpau gave an overview of the strategic planning process to date. She identified the mission, and preliminary vision, values, and strategic focus areas.

GOOD OF THE ORDER

Following the calendar review and with no further business appearing, the commission meeting recessed at 11:12 a.m. for a short break, and reconvened at 10:19 a.m.

The commissioners then adjourned and met in executive session for no more than 15 minutes to consider the selection of a site or the acquisition of real estate. Potential action would follow the executive session.

At 11:33 the executive session adjourned and the regular meeting reconvened. With no further business appearing, the commission meeting adjourned at 11:33.

ATTEST:

Bruce E. Jorgenson, Vice President

Linda R. Gott, Secretary