

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, July 14, 2015.

District officers present were: Commissioners, Thomas J. Farmer, Linda R. Gott (*arrived at 10:08 a.m.*) and Bruce E. Jorgenson. Manager Annette Creekaum; Finance Manager/Auditor Sherry Speaks; Treasurer Brian Taylor; and Attorney Kristin French (*Attorney Rob Johnson was on vacation*).

The following PUD 3 personnel were present: Contracts & Purchasing Manager Nancy Bolender; Customer Service Manager Diane Hennessy; Energy Resources Manager Justin Holzgrove; Director of Engineering Terry Peterson; Power Supply Manager Matt Samuelson; Risk Manager Bob Smith; Systems Analyst II Ryan Smith; Director of Business Operations Michelle Wicks and Executive Assistant/Records Supervisor 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 Mr. Jorgenson moved, motion seconded by Mr. Farmer, to adopt the consent agenda. MOTION PASSED UNANIMOUSLY (Ms. Gott had not arrived for the vote). By adopting the consent agenda, the following items were approved:

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| a. Minutes of the June 23, 2015, regular commission meeting.  |                       |
| b. Voucher Nos. (dated June 30, 2015) 132706 through 132802<br>(Includes electronic funds transfer payment Nos. 1637-1638.)   | — \$ 946,080.75       |
| c. Voucher Nos. (dated July 7, 2015) 132803 through 132908<br>(Includes electronic funds transfer payment Nos. 1639-1642.)  | — \$ 163,365.69       |
| d. Voucher Nos. (dated July 14, 2015) 132909 through 133007<br>(Includes electronic funds transfer payment Nos. 1643-1654.)   | — \$ 814,802.55       |
|   | TOTAL \$ 1,924,248.99 |
| e. Void accounts payable check for the week ending July 2, 2015, in the total amount of \$100.00. Void accounts payable check for the week ending July 10, 2015, in the total amount of \$378.16. |                       |
| f. Write off closed, deceased, no assets, and bankrupt accounts in the total amount of \$126.15.  |                       |
| g. Write off closed, deceased, no assets, and bankrupt accounts in the total amount of \$493.13   |                       |

\* 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.

ACTION ITEMS

Recommendation was made to Award Bid No. E3-2015, Photovoltaic System Installation (aka. Community Solar Project) to Puget Sound Solar, LLC for a bid price of \$237,630. Mr. Holzgrove explained that the project includes the design, permitting, supplying of materials, and installation of a photovoltaic system at the Johns Prairie Operations Center (JPOC) on Building C. The capacity of the system will be portioned into 'units' that will be sold to customers who will benefit from an annual billing credit based on their portion of the output of the generation as well as a production incentive payment via the Washington State Renewable Energy Cost Recovery Incentive Payment program through 2020. Customers will be able to purchase from 1 to 100 units at a cost of \$100/unit. The maximum aggregate PV DC nameplate capacity shall be 74.48 kW which is the state cap for a community solar project for PUD 3. Each unit is estimated to equal approximately 26 watts. The bid for the project is well under the estimate provided by the Bonneville Environmental Foundation at \$334,000.

Mr. Jorgenson moved, Mr. Farmer seconded to Award Bid No. E3-2015, Photovoltaic System Installation (aka. Community Solar Project) to Puget Sound Solar, LLC for a bid price of \$237,630. MOTION PASSED UNANIMOUSLY. (Ms. Gott had not arrived for the vote).

COMMENTS FROM PUBLIC

Mason County Economic Development Council (EDC) Executive Director Lynn Longan called in (*she was placed on hold until the completion of the action item*) to present the EDC's vision for the downtown administration building. She explained that statistics support, and many small rural areas have begun a new focus around, small business development as a tool for economic development in addition to the long and arduous process of business recruiting. She said with the closing of Simpson's mills and upcoming closure of Olympic

Panel Products mill, creation of jobs is critical. Her vision for the use of the PUD 3 administrative building downtown would be to use it as a small business development space which could include business incubators, shared space or maker's spaces, economic gardening, etc. She expressed that she has been working with legislators who are eager to help mitigate the impact of the mill closures so funding may be available for such a project. Her proposal to the commission was to lease the facility for one year while performing a feasibility study and identifying grants and other funding for the ultimate goal of purchasing the building.

Commissioners thanked her for her time and will be considering the proposal at upcoming meetings.

#### STAFF REPORTS

Mr. Samuelson announced that after the 9<sup>th</sup> circuit dismissed the residential exchange case, the Western Public Agencies Group (WPAG) decided to file a request for a new hearing on the matter, however the 9<sup>th</sup> circuit denied the request. With that decision, he believes that WPAG considers the matter closed now.

Mr. Samuelson said that the Bonneville Power Administration has moved up its record decision date to the 22<sup>nd</sup> of July instead of the 24<sup>th</sup>. The estimated increases are being communicated at approximately 7 percent for wholesale power and 5 percent for transmission.

Mrs. Creekpaum talked to the commission about a concern over Sierra Pacific's deposit. She said under current policy the manager has the authority to waive the deposit requirement on a case by case basis. Due to the amount of the deposit, she is seeking commission input. Mrs. Speaks has thoroughly examined the company from a risk standpoint and has recommended that, with the size and financial stability of the company, the PUD waive the deposit requirement for Sierra Pacific. Other public power providers who also serve Sierra Pacific in other areas have waived the deposit requirement as well.

Ms. Gott and Mr. Jorgenson both agreed that they were comfortable with this recommendation, however Mr. Farmer requested further discussion at an upcoming meeting.

Mrs. Creekpaum announced that the PUD received the United Way High Five Award again for being in the top five employers in Mason County in pledges made by employees for the non-profit agency.

Mrs. Creekpaum informed the commission that she sent a letter to the City of Shelton formally proposing the Light Emitting Diode (LED) signs to replace the banner program and requested a response by September 1, 2015. The letter also notified the city that the PUD will no longer hang banners after December 31, 2015 regardless of the city's decision to accept the proposal or not. A letter will also be sent to community groups who use this program explaining the steps the PUD has taken and PUD's position.

#### COMMISSION REPORT

Ms. Gott reported her attendance at the Energy Northwest board meetings in Portland, OR in June. She explained that the Columbia Generating Station is back online after its biennial refueling and maintenance outage and is working its way up to 100 percent production. She also reported attending the Public Power Council meetings last week.

Ms. Gott announced that she will not be at the July 28 meeting as she will be traveling to Washington D.C. for the American Public Power Association's policy maker's meeting.

#### GOOD OF THE ORDER

Following the calendar review and with no further business appearing, the commission meeting adjourned at 10:47.

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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