

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 27, 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 Treasurer Brian Taylor; and Attorney Robert Johnson

The following PUD 3 personnel were present: Director of Business Services John Bennett; Director of Business Operations Michelle Burleson; Benefits Coordinator Asia Cline; Customer Service Manager Diane Hennessy; Public Information & Government Relations Manager Joel Myer; Risk Manager Bob Smith; Director of Engineering Terry Peterson; and Records Coordinator Jennifer Renecker (recorded minutes).

Members of the public in attendance were Jeff McHargue of *Arnold & Smith Insurance Agency* and Dedrick Allan of *Mason WebTV*.

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)(b) to consider the selection of a site or the acquisition of real estate.

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 07, 2015, special commission meeting.
  - b. Minutes of the October 13, 2015, regular commission meeting.
  - c. Voucher Nos. (dated October 20, 2015) 134242 through 134316 — \$ 247,262.23  
(Includes electronic funds transfer payment Nos. 1737-1743.)
  - d. Voucher Nos. (dated October 27, 2015) 134317 through 134409 — \$ 1,585,001.50  
(Includes electronic funds transfer payment Nos. 1744-1747.)
- TOTAL \$ 1,832,263.73
- e. Void accounts payable check for the week ending October 23, 2015, in the total amount of \$126.00.

\* 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.

ACTION ITEMS

A recommendation was made to adopt Resolution No. 1651, which is a resolution “Adopting Revisions 6 and 7, Table 1, Exhibit A, Transmission Service Agreement No. 01TX-107421 (White Creek Wind Project) Ms. Creekpau explained this resolution provides for the long-term firm transmission agreement with Bonneville Power Administration (BPA) for bringing the White Creek Wind Project to load beginning January 2016 through 2027. Revision 7 covers a gap in the transmission from November 1, 2015 through December 2015 or until the completion the Big Eddy project by BPA.

Ms. Gott moved, motion seconded by Mr. Farmer, to adopt Resolution No. 1651, “A Resolution to Adopt Revisions 6 and 7, Table 1, Exhibit A, Transmission Service Agreement No. 01TX-107421 (White Creek Wind Project).” MOTION PASSED UNANIMOUSLY.

Recommendation was then made to renew the benefit plans for 2016. The insurance committee proposed acceptance of an optional accidental death and dismemberment (AD&D) policy with Zurich American as well as life/AD&D, short term disability and long term disability policies underwritten with Lincoln Financial Group as of January 1, 2016. Also renewing Group Health Cooperative HMO with 4.69% increase. And the change in dental premiums to MetLife with an increase in annual benefit for active employees by \$ 3,000 (retired employee annual benefit remaining the same at \$ 2,000).

Mr. Jorgenson moved, motion seconded by Mr. Farmer, to accept the proposed changes for “Renewals to the Benefit Plans for 2016” MOTION PASSED UNANIMOUSLY.

STAFF REPORTS

Mrs. Creekpau went over the Power Situation Statement for September 2015 with commissioners. She pointed out that .9 percent less power was purchased from the Bonneville Power Administration (BPA) over September of 2014, at a cost 7.2 percent more. She noted that this doesn't reflect the rate increase which took effect October

1, 2015. Mrs. Creekpaum also reported that the cost of compliance with the Energy Independence Act (EIA) is at \$760,340 for the year to date.

Mrs. Creekpaum updated the commissioners on the Community Solar Project that is being installed on the Johns Prairie warehouse building. Final installations and inspections are happening this week and should be finalized shortly after.

Per the request of Mrs. Creekpaum Mr. Myer informed commissioners on October 19<sup>th</sup> a black bear cub wandered into the BPA substation and was seen wandering between breakers. He was finally captured the next day by Fish and Wildlife officers. Sparky (as he is now known) was sent to an Idaho black bear rehabilitation center.

Mr. Myer also informed commissioners on an outage in Lake Cushman that resulted from a BPA equipment fault on October 26<sup>th</sup>. The outage affected approximately 2,000 PUD 3 customers.

Mrs. Creekpaum gave an updated on the grid modernization project. Phase one of the NISC software installation is moving forward. Customer care and billing will begin training on November 3 and the finance and purchasing group is scheduled for November 16 training. In addition, she reported that the metering group is on track with preparation for the grid modernization project with Landis + Gyr.

Mrs. Creekpaum informed commission on the meeting October 23<sup>rd</sup> with Economic Development Council (EDC), PUD 1, PUD 3, and Washington PUD Association (WPUDA). She also shared, Joel Myer accepted the inaugural American Public Power Association (APPA) award for Social Media Excellence.

At the request of Mrs. Creekpaum, Mr. McGary informed commission of the work he is doing with Dave Warren on a Distribution Systems Collaborative Group. They are working together with many other utilities educating and looking at the impacts of solar and net metering as well as monitoring legislation. He explained that the current benefits for net metering run through June of 2020. Mr. McGary also provided the commission with an update about the BPA rate case for 2018.

#### COMMISSION REPORT

Ms. Gott reported her attendance at the Energy Northwest reception meeting and dinner. She mentioned attendance from Utah Associated Municipal Power and the tour of Columbia Generating System.

#### GOOD OF THE ORDER

Following the calendar review and with no further business appearing, the commission meeting recessed at 10:30 a.m. for a short break, and reconvened at 10:35 a.m.

The commissioners then adjourned and met in executive session for no more than 5 minutes for discussion considering the selection of a site or the acquisition of real estate

At 10:40 the executive session adjourned and the regular meeting reconvened. With no further business appearing, the commission meeting adjourned at 10:40.

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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