

MINUTES OF REGULAR MEETING OF COMMISSIONERS  
OF PUBLIC UTILITY DISTRICT NO. 3  
OF MASON COUNTY, WASHINGTON

President Gott 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, May 24, 2016.

District officers present were: Commissioners, Thomas J. Farmer, Linda R. Gott and Bruce E. Jorgenson Manager Annette Creekspaum; Finance Manager/Auditor Sherry Speaks; 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; HR & Business Operations Assistant Karissa Byrne; Customer Service Manager, Diane Hennessy; Engineering and Community Relations Manager, Justin Holzgrove; Telecommunications Manager, Dale Knutson; Public Information and Government Relations Manager, Joel Myer; Energy Resources Manager Michele Patterson; Safety and Environmental Compliance Manager Bob Smith and Administration and Communication Services Manager Lynn Eaton (recorded minutes).

Members of the Public in Attendance were: Jay Himlie of Shelton, and Dedrick Allen of *Mason Web TV*.

MODIFICATION AND/OR APPROVAL OF AGENDA

The agenda was approved as presented.

CONSENT AGENDA

Ms. Gott reviewed the items listed on the consent agenda. Mr. Jorgenson moved, motion seconded by Mr. Farmer, 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 10, 2016 regular commission meeting.   |                        |
| b. Voucher Nos. (dated May 17, 2016) 136884 through 136961<br>(Includes electronic funds transfer payment Nos. 3093- 3094.)  | — \$2,210,660.06       |
| c. Voucher Nos. (dated May 24, 2016) 136962 through 137045<br>(Includes electronic funds transfer payment Nos. 3095 - 3246.) | — <u>\$ 761,187.11</u> |
|  | TOTAL \$ 2,971,847.17  |
| d. Void accounts payable checks for the week ending May 13, 2016, in the total amount of \$741.12.                           |                        |

\* 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.

PUBLIC COMMENT

Mr. Himlie commended the commission for taking action in opposition to Initiative 732, the Carbon Tax Initiative. He pointed out several concerns he had with the initiative including that it is redundant as there are already plans in place to shut down the existing coal generating plants in Washington State.

MANAGER'S REPORT

Mrs. Speaks reviewed the status of the budget as of April 30, 2016, with the commissioners. She noted that there was a delay in reporting due to the conversion to the new NISC software, and that future budget and treasurer reports will be given at the second meeting of the month to accommodate for timing of reports. She also informed the commission that the budget report for March was in their packet. The month-end receipts for April were \$5.3 million, expenditures were \$5.7 million. Finishing the month with a positive budget balance of \$1,236,291 year-to-date.

Mr. Taylor gave the treasurer's report of funds through April 2016. He also pointed out that commissioners received the March report in the packet. The opening cash balance for April was \$5.7 million and was \$5.7 million at month's end. The utility's investments totaled at \$11.5 million. The total of all funds at month-end were \$36,433,755.61 which was an increase of \$296,984.00 over the previous month. Mr. Taylor mentioned that there is approximately \$1.2 million in warrants due to privilege taxes which will go down in the coming months.

Mrs. Creekspaum reported that year-to-date as of April 30, a total of 605 engineering applications for service were received compared to 558 during the same period in 2015.

Mrs. Creekspaum informed the commission that the first batch of letters is going out this week to notify customers that meters will be changed out in their area for the grid modernization project beginning the week of June 6. The first route being changed out affects approximately 450 customers. She explained that the letters will be followed

up with a post card reminder approximately one week prior to the actual date the meters will be changed out. On the day of the actual meter change-out, meter installers will knock on the door prior to and/or leave a door hanger if no one is home.

Mrs. Creekpaum noted for the record that commissioner Gott is running unopposed for re-election.

Mrs. Creekpaum shared with commission that the utility would be participating in the Forest Festival parade.

At Mrs. Creekpaum's request, Ms. Patterson went over April's power situation statement with commissioners. The total amount of purchased power for the month of April was 46,428 MWh which was 14.78 percent less than the amount of purchased power for April of 2015. The peak demand was zero due to a warmer than usual April. This was supported by the heating degree days which showed April of 2016 was 28.5 percent warmer than the previous year.

Ms. Patterson notified the commission that she has attended the California ISO (CAISO) training put on by various agencies.

At Mrs. Creekpaum's request Mr. Myer reported on his attendance at the Sierra Pacific Hearing at the city. He gave an update on construction plans for the new mill.

#### COMMISSIONERS REPORT

Mr. Farmer reported his recent attendance at the NWPPA Annual Conference.

Ms. Gott reported her attendance at the NWPPA along with the other two commissioners. She also noted that she would be attending a special meeting on behalf of Energy Northwest.

#### GOOD OF THE ORDER

Following a calendar review and with no further business appearing, the commission meeting adjourned at 10:25.

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Linda R. Gott, President

ATTEST:

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Bruce E. Jorgenson, Vice President

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Thomas J. Farmer, Secretary