

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

President Bruce Jorgenson 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 24, 2017.

District officers present were: Commissioners, Thomas J. Farmer, Linda Gott, and Bruce E. Jorgenson. Manager Annette Creepaum, Attorney Robert Johnson, Auditor Sherry Speaks and Treasurer Brian Taylor

The following PUD 3 personnel were present: Director of Business Services John Bennett; Director of Business Operations; Communications & Community Relations Coordinator Asia Cline; Records Specialist Sarah Cooper; Customer Service Manager Diane Hennessy; Telecommunications & Community Relations Manager Justin Holzgrove; Director of Engineering & Utility Services Dale Knutson; Public Information & Government Relations Manager Joel Myer; Human Resources Generalist Lacy Neal; Energy Resources Manager Michele Patterson; and Administration Services Manager Mary Taylor (recorded minutes).

Members of the public in attendance were: Dedrick Allan of Mason Web TV; Randy Lewis of Shelton; Jeff McHargue of *Arnold Smith Insurance Agency Inc.*, and Colleen Walls of Belfair.

MODIFICATION AND/OR APPROVAL OF AGENDA

The agenda was approved as presented. It was noted that an executive session would be held for the purposes of item 42.30.110(1) (g) to review the performance of a public employee and 42.30.110(1)(iii) to discuss with legal counsel the legal risks of a proposed action or current practice. The executive session is estimated to last approximately 15 minutes, with no action to follow.

CONSENT AGENDA

Mr. Jorgenson reviewed the items listed on the consent agenda Mr. Farmer 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 24, 2017, regular commission meeting.
- b. Voucher Nos. (dated October 17, 2017) 143575 through 143668 \$ 2,841,477.72
(Includes electronic funds transfer payment Nos. 9169-9356)
- c. Voucher Nos. (dated October 24, 2017) 143669 through 143771 \$ 284,368.40
(Includes electronic funds transfer payment Nos. 9357-9366)
- TOTAL \$ 3125,846.12
- d. Void accounts payable checks for the week ending October 13, 2017, in the total amount of \$1,524.85

* 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

Joel Myer recognized the winners of the 2017 Public Power Week Art & Photography Contest. A short break was taken for photos with the Manager and Commissioners.

Colleen Walls expressed her opposition to the grid modernization program and the \$50.00 opt out fee.

Randy Lewis expressed his opposition of Mason PUD 3 exempting Shelton School District from the Substation Capacity Fees.

ACTION ITEMS

A Recommendation was made to approve renewals to the benefit plans for 2018.

Ms. Burleson reviewed the recommendations from the insurance committee for the 2018 plan year. She explained that the optional accidental death and dismemberment (AD&D coverage) underwritten with Zurich American and the Short Term Disability, Long Term Disability, Life/AD&D (including Optional Life) underwritten by Lincoln Financial has zero increase for the new plan year. Kaiser Permanente (formerly Group Health) will receive a 5.8 percent increase based upon the utilization and trend of the plan we are on. MetLife Dental will receive a 17.6 percent increase. Self-Insured Plan premiums will remain the same but the committee is recommending an amendment to the Self-Insured plan language beginning with the 2018 plan year to recognize mental health conditions as equal to physical illnesses and offer coverage of such services at the same rates as other medical treatments.

Mr. Farmer moved, motion seconded by Ms. Gott, to approve the recommendations from the insurance committee for the 2018 plan year renewals for benefits programs as presented. MOTION PASSED UNANIMOUSLY.

STAFF REPORT

Mrs. Creekpau stated that PUD staff continues to work on the 2018 budget. Many items are considered when preparing the budget. The PUD history and fundamental changes affecting rates are considered as well as challenges with new technology.

Mrs. Creekpau informed the commission that a request for quotes has been released for a Voluntary Employee Beneficiary Association (VEBA) Trust Administrator to manage the existing VEBA accounts.

Mr. Myer reported that there is a great deal of interest in rural broadband on the state level. Mason PUD 3 has been contacted through Washington Public Utility Districts Association (WPUDA) on an educational opportunity with policy and legislative staff.

Mr. Myer said that PUD 3 experienced a few scattered, small outages over the weekend due to the heavy rain and occasional gusty winds. The outage management system worked as it should, using the grid modernization system and meter notifications. It let us know when the outages occurred, allowed us to diagnose the source and cause, and ensure all customers were restored when our linemen left the scene.

Mrs. Speaks reviewed the status of the budget as of September 30, 2017, with the commissioners. Month-end receipts were \$5 million which is approximately 77 percent of the total budget, while expenditures were \$5.1 million. Year to date cash receipts total 51.7 million with expenditures at 49.7 million leaving a positive budget balance for the year of \$2.1 million year to date. Mrs. Speaks noted that the utility is on-track for a balanced budget by year end.

Mr. Taylor gave the treasurer's report of funds through September 2017. The opening cash balance was \$4.3 million and was \$4.5 million at month's end. The total of all funds at month-end were \$36.5 million.

COMMISSIONERS' REPORT

Ms. Gott reported that she attended the NoaNet meeting in Spokane. She announced that Dave Spencer is the new CEO of NoaNet effective January 1, 2018.

Ms. Gott also attended the Cyber Security Meeting in the Tri-Cities.

Mr. Farmer reported that he will be attending the Public Power Forum on October 11.

GOOD OF THE ORDER

After a calendar review and with no further business appearing, the commission took a short break at 10:43.

Upon return, the commission went into executive session at 10:47 for the purposes of item 42.30.110(1) (g) to review the performance of a public employee and 42.30.110(1)(iii) to discuss with legal counsel the legal risks of a proposed action or current practice. The executive session is estimated to last approximately 15 minutes, with no action to follow.

At 11:02 the commission announced it would continue in executive session for approximately 15 more minutes.

At 11:17 the executive session adjourned and the regular meeting reconvened. With no further business appearing, the commission meeting adjourned at 11:23.

Respectfully submitted,

Mary Taylor
Administration Services Manager