

MINUTES OF REGULAR 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, December 19, 2017.

District officers present were: Commissioners, Thomas J. Farmer, Linda R. Gott and Bruce E. Jorgenson; Manager Annette Creekpaum; Treasurer Brian Taylor; and Attorney Robert Johnson. (Finance Manager/Auditor Sherry Speaks was on vacation).

The following PUD 3 personnel were present: Director of Business Services John Bennett; Director of Business Operations Michelle Burlison; Records Coordinator Sarah Cooper; Customer Service Manager Diane Hennessy; Director of Engineering and Utility Services Dale Knutson; Public Information & Government Relations Manager Joel Myer; Energy Resources Manager Michele Patterson; Administration Services Manager Mary Taylor; and Assistant Public Information & Government Relations Manager Lynn Eaton (recorded minutes).

Members of the public in attendance were: Gary Huard of Belfair, Randy Lewis of Shelton, 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 as authorized by the Open Public Meetings Act, RCW 42.30.110 (1) (g) to review the performance of a public employee. The executive session is estimated to last approximately 15 minutes, with possible 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 December 5, 2017, regular commission meeting.
- b. Voucher Nos. (dated December 12, 2017) 144240 through 144348 \$ 971,909.95
(Includes electronic funds transfer payment Nos. 9937-10129)
- c. Voucher Nos. (dated December 19, 2017) 144349 through 144438 \$ 2,450,705.88
(Includes electronic funds transfer payment Nos. 10130-10147)
- TOTAL \$ 3,422,705.83
- d. Void accounts payable checks for the week ending December 8, 2017, in the total amount of \$15,980.80.
- e. Void accounts payable checks for the week ending December 15, 2017, in the total amount of \$5,935.72.

* 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

Colleen Walls expressed her opposition to the advanced meters and opt-out fees.

Gary Huard expressed his opposition to the advanced meters and opt-out fees.

ACTION ITEMS

Recommendation was made to Adopt Resolution No. 1698, “A Resolution Declaring the 2018 Regular Board of Commissioners’ Meeting Schedule and Location.”

Mr. Farmer moved, motion seconded by Ms. Gott, to approve Resolution No. 1698, “A Resolution Declaring the 2018 Regular Board of Commissioners’ Meeting Schedule and Location.” MOTION PASSED UNANIMOUSLY.

Recommendation was then made to Adopt Resolution No. 1699, “A Resolution to Revise the Policy and Procedures for Accrual and Use of Scheduled and Unscheduled Personal Time Off.”

Mrs. Creekpau explained that this resolution is necessary to bring the District’s policy into compliance with the rules associated with the Initiative No. 1433, which recently came into law.

Ms. Gott moved, motion seconded by Mr. Farmer, to approve Resolution 1699, “A Resolution to Revise the Policy and Procedures for Accrual and Use of Scheduled and Unscheduled Personal Time Off.” MOTION PASSED UNANIMOUSLY.

Recommendation was then made to Adopt Resolution No. 1700, “A Resolution to Establish the Policy and Procedures for Accrual and Use of Washington State Paid Sick Leave for Student, Flagger, and Variable Hour Employees.”

Mrs. Creekpau explained that the resolution is to adopt a new policy to comply with the same initiative, however only deals with the student, flagger, and variable hour employees.

Mr. Farmer moved, motion seconded by Ms. Gott to Adopt Resolution No. 1700, “A Resolution to Establish the Policy and Procedures for Accrual and Use of Washington State Paid Sick Leave for Student, Flagger, and Variable Hour Employees.” MOTION PASSED UNANIMOUSLY.

Recommendation was then made to Adopt Resolution No. 1701, “A Resolution Authorizing Changes to Policy for Compliance with Changes in Statute, Case Law, Rulings, and Decisions.”

Mrs. Creekpau explained that the resolution is necessary to ensure that the District’s policies are in compliance with the most current laws and only affects changes that are not optional. She noted that such changes would be reported to the commission when or if a change is necessary.

Ms. Gott moved, motion seconded by Mr. Farmer to Adopt Resolution No. 1701, “A Resolution Authorizing Changes to Policy for Compliance with Changes in Statute, Case Law, Rulings, and Decisions.” MOTION PASSED UNANIMOUSLY.

Recommendation was made to establish the new board positions for 2018. Ms. Gott moved, motion seconded by Mr. Farmer to keep the current board positions for 2018. MOTION PASSED UNANIMOUSLY.

STAFF REPORT

At Mrs. Creekpau’s request, Ms. Patterson gave the Power Supply Report for November. Ms. Patterson went over the Purchased Power Statement with the commission. She noted a small amount of Tier 2 purchases from the Bonneville Power Administration. This was a contract obligation rather than actually going above the District’s high water mark. The forecast expected a large commercial customer to bring on a significant amount of load by the end of the year, however that did not happen. Fortunately, she explained the Tier 2 rate is actually less than the Tier 1 rate so it did not have a negative impact on the District. Ms. Patterson also pointed out the new line for Tacoma Power estimates our operating reserve obligation since we have not received a bill yet. Previously Ms. Patterson reported this agreement with Tacoma Power will create a significant savings to the District. The total purchased power for the month of November is nearly \$2.4 million about ninety-seven percent of budget. Ms. Patterson also noted that the cost of compliance with the Energy Independence Act (I-937) as it relates to purchased power (no conservation costs) is \$143,000 for the month of November.

Mrs. Creekpau announced that the PUD has published a joint news release with the City of Shelton regarding the Relight Washington Grant which the city received in partnership with the PUD to fund the ongoing conversion of old high pressure sodium streetlights to energy efficient LED lights in Shelton

At Mrs. Creekpau request, Mr. Myer gave a legislative update. Of special note, Mr. Myer talked about the Governor’s discussions last week regarding the Federal Communications Commission’s (FCC) repeal of net neutrality. He explained that the Governor wants to come up with a plan to counteract the repeal in Washington State. Mr. Myer also noted that PUD 3 staff hosted a representative from the Governor’s office and the Department of Commerce regarding PUD 3’s Fiberhood program and the challenges with rural broadband. Mr. Myer thought the timing was good while this issue is key in the legislature this year.

Mrs. Creekpau announced that the District has reached a tentative agreement with the union Local No. 77, IBEW, pending a vote of the union on January 9th.

Mrs. Creekpau gave an example of how the Grid Modernization project coupled with the NISC software can give low income customers who struggle paying their bills another option. She explained that a customer who has frequently been cut for non-payment was given the opportunity to go on the Pre-Pay program. She noted that the program eliminates the fees that customers often experience (such as late fees, disconnect/reconnect fees) and allows them to apply a deposit to a past-due balance as well as spread out any remaining balance on a payment plan. The Pre-Pay then puts the control in the

customers' hands and allows them to pay just enough to keep the power on when it is convenient for them.

COMMISSIONERS' REPORT

Ms. Gott reported that she missed the December 5 commission meeting as she was sitting on a panel at a Northwest Public Power Association (NWPPA) workshop regarding Pot and Power. She also reported that she attended the Public Power Council meetings in Portland, the NoaNet meeting in Spokane, and an Energy Northwest meeting for the CEO search committee as an observer.

Mr. Farmer reported that he attended the North Mason Chamber meeting as well as the Shelton Chamber meeting. He also commented on the benefit he sees with the Pre-Pay program and his experience with organizations that are concerned with helping customers with the reconnection fee. He pointed out that this program helps our most vulnerable.

GOOD OF THE ORDER

Mr. Jorgenson mentioned that there is Western Public Agency Group (WPAG) meeting scheduled for the 18th of January and Mrs. Creekpauum noted that the calendar on the agenda was incorrect, and there is a Public Power Council (PPC) members forum on January 3rd.

Following the calendar review, the commission meeting recessed at 10:36 a.m. for a short break, and reconvened at 10:48 a.m. to met in executive session for no more than 15 minutes to review the performance of a public employee.

At 11:03, the executive session adjourned and the regular meeting reconvened. Mr. Farmer moved, the motion seconded by Ms. Gott to increase the manager's salary to \$200,850 and directed the attorney to modify the manager's contract. **THE MOTION PASSED UNANIMOUSLY.**

With no further business appearing, the commission meeting adjourned at 11:03.

Bruce E. Jorgenson, President

ATTEST:

Thomas J. Farmer, Vice President

Linda R. Gott, Secretary