

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

President Jorgenson called the public hearing to order at 10:00 a.m. The hearing was held to receive comments on the proposed update to the state mandated Resource Plan as required under RCW 19.280.

The public hearing and regular meeting were held in the PUD 3 auditorium (Skookum Room) at 2621 E Johns Prairie Road in Shelton, Washington, on Tuesday, August 28, 2018.

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

The following PUD 3 personnel were present: Director of Business Services John Bennett; Customer Service Manager Diane Hennessy; Telecommunications & Community Relations Manager Justin Holzgrove; Director of Engineering and Utility Services Dale Knutson; Power Supply Manager Michele Patterson; Conservation Manager Koral Miller; Customer Service Revenue Supervisor Jennifer Renecker; Administration Services Manager Mary Taylor (recorded minutes)

Members of the public in attendance were: Randy Lewis of Shelton, Robert Supino of Belfair, and Dedrick Allan of *Mason Web TV*

PUBLIC HEARING

Ms. Patterson explained that in accordance with RCW 19.280 the PUD is holding this hearing to receive comments on the PUD's proposed update to the state mandated Resource Plan, which is required every two years.

As a Bonneville Power Administration (BPA) load following customer, the PUD is using BPA's load forecast. The estimated load is expected to be 80.10 average-megawatts (aMW) in 2022 and 82.80 aMW in 2027.

Ms. Patterson reported that in compliance with the Washington State Energy Independence Act (I-937), the PUD uses the Benefit-Cost Ratio Approach (WAC 194-37-070 (5)) in determining the economic and achievable conservation potential that pass a total resource cost test. She noted that the Conservation Potential Assessment (CPA) was developed in partnership with EES Consulting. The CPA identified 0.36 aMW in savings for 2022 and 0.41 aMW in 2027.

Ms. Patterson provided a general explanation of how BPA's Tier 1 power allocation is calculated and highlighted other specified resources the utility is purchasing such as hydro from the Packwood Hydroelectric Project, wind from Nine Canyon and White Creek Wind Projects, and distributed generation from a solar project located on its property. Currently the PUD is bringing its share of these projects to load.

PUBLIC COMMENT

No public comment was given

The public hearing was adjourned at 10:11 a.m.

The regular meeting was called to order at 10:11 a.m.

MODIFICATION AND/OR APPROVAL OF AGENDA

The agenda was approved as presented

CONSENT AGENDA

Mr. Jorgensen 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 August 14, 2018 regular commission meeting.
- b. Voucher Nos. (August 21, 2018) 147054 through 147107 \$ 606,007.19
(Includes electronic funds transfer payment Nos. 13282–13291
- c. Voucher Nos. (Aug 28, 2018) 147108 through 147177 \$ 1,299,732.47
(Includes electronic funds transfer payment Nos. 13292–13462
- TOTAL \$ 1,905,739.66
- d. Void accounts payable checks for the week ending August 17, 2018 in the total amount of \$2,821.37
- e. Void accounts payable checks for the week ending August 24, 2018 in the total amount of \$403.56

*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

Public comment was given by Resident Supino.

ACTION ITEMS

Recommendation was made to Adopt Update Resource Plan under RCW 19.280.

Mr. Farmer moved, motion seconded by Ms. Gott, to Adopt Updated Resource Plan Under RCW 19.280. MOTION PASSED UNANIMOUSLY.

STAFF REPORT

Mrs. Speaks reviewed the status of the budget as of July 31, 2018, with the commissioners. The month-end receipts for July were \$5.2 million, expenditures were \$5.2 million. Finishing the month of July with a budget balance of \$9.00 and a year to date balance of \$2.8 million.

Mrs. Speaks then provided the treasurer’s report of funds through July 2018. The opening cash balance for July was \$5.6 million and was \$6.5 million at month’s end. The total of all funds at month-end were \$35.8 million. Mrs. Speaks noted that a government agency security investment matured in July and was reinvested in August for 1.5 years at a yield of 2.53 percent.

Mrs. Creekpau reported the Annual Telecommunications Retailer meeting will take place this week with the low-income telecom discount being the highlight of the meeting. She stated that a new retailer, Advanced Stream, has signed on and is operating out of the Belfair COLO.

Mrs. Creekpaum said that notification was received from the Community Economic Revitalization Board (CERB) that Mason PUD 3 may receive a fifty50 percent grant along with a 50 percent low rate loan for Rural Broadband programs. The award announcements will be made on September 20, 2018.

Mrs. Creekpaum stated that Congressman Derek Kilmer will be visiting PUD 3 this week to discuss Broadband for all and current PUD 3 projects. She extended an invitation to the commission to attend.

At Mrs. Creekpaum's request, Mr. Knutson reported attendance at the follow up fractured grid meeting in Olympia. It was determined that a task force will be created, and communications and electricity were made a priority in the event of a natural disaster.

At Mrs. Creekpaum's request, Ms. Patterson provided the commission with the power supply update. Ms. Patterson reported that total kWh delivered in July came in at over 44 million at a cost of \$2.2 million. The year to date cost of power from Bonneville Power Administration (BPA) is \$18 million and the non-federal resources is \$1.2 million. The total cost of power year to date is \$20 million.

COMMISSIONERS' REPORT

Ms. Gott reported that she attended a tour at Chief Joseph Dam and the annual Energy Northwest strategic planning workshop.

Mr. Farmer reported his attendance at the Economic Development Council (EDC) Choose Mason event at the Port of Allyn and the Shelton Chamber event highlighting the forestry industry.

DISCUSSION ITEMS

Ms. Gott reported that the City of Richland has acted on the Horn Rapids solar, storage, and training project. Pending official notification, the resolution supporting Energy Northwest's undertaking of this project may be on the next commission meeting agenda.

GOOD OF THE ORDER

After a calendar review and with no further business appearing, the meeting adjourned 10:50 a.m.

Bruce E. Jorgenson, President

ATTEST:

Thomas J. Farmer, Vice President

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Linda R. Gott, Secretary