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 (Skookum Room) at 2621 E Johns Prairie Road in Shelton, Washington, on Tuesday, October 22, 2019.

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

The following PUD 3 personnel were present: Director of Business Services John Bennett; Director of Business Operations Michelle Burleson; Communications & Community Relations Cd. Asia Cline; Benefits Coordinator Sarah Cooper; Asst. Public Information & Gov Relations Manager Lynn Eaton; Customer Service Manager Diane Hennessy; Telecommunications & Community Relations Mgr. Justin Holzgrove; Director of Engineering & Utility Services Dale Knutson; Conservation Manager Koral Miller; Public Information & Gov Relations Manager Joel Myer; Power Manager Michele Patterson; Customer Service Revenue Protection Supervisor Jennifer Renecker; Drafter John Sartori; Systems Analyst II Ryan Smith; Administration Services Manager Mary Taylor-Monger (recorded minutes).

Members of the public in attendance were: Dedrick Allen of Mason Web TV, Randy Lewis of Shelton, Jeff McHargue of Arnold and Smith Insurance, Jaron Sartori of Shelton, Jenny Sartori of Shelton, Katelyn Sartori of Shelton, Lucy Sartori of Shelton, Annora Smith of Shelton, Maddie Smith of Shelton, Shalisa Smith of Shelton.

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 10 minutes, with no action to follow.

Mrs. Creekpaum requested a short adjournment during comments from the public to announce the art contest winners and take a photo with commissioners.

CONSENT AGENDA

Mr. Farmer reviewed the items listed on the consent agenda Mr. Farmer moved, motion seconded by Mr. Jorgenson to adopt the consent agenda. MOTION PASSED UNANIMOUSLY. By adopting the consent agenda, the following items were approved:

a. Minutes of the October 8, 2019 regular commission meeting.

b. Voucher Nos. (October 15, 2019) 151805 through 151879 $ 1,022,395.82 (Includes electronic funds transfer payment Nos. 18887-19081)

c. Voucher Nos. (October 22, 2019) 151880 through 151949 $ 2,681,236.61 (Includes electronic funds transfer payment Nos. 19082-19100)

TOTAL $ 3,703,632.43
d. Void accounts payable checks for the week ending October 11, 2019 in the total amount of $18.28.
e. Accounts to write off-deceased customers with no assets and bankruptcies in the total amount of $471.50.
f. Governance Policy Expense Approval

*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

At Mrs. Creekpaum’s request, Mrs. Taylor-Monger announced the names of the 2019 art contest winners: Matthias Ortiz-Bishop, Jaron Sartori, Terry Pratt, Katelyn Sartori, Annora Smith, and Maddie Smith. The winners were presented with a $50.00 prize for their submittals.

At 10:03 a.m. Mr. Farmer announced a five-minute recess so a picture of commissioners with the art winners could be taken.

At 10:06 a.m. the regular commission meeting re-adjourned.
ACTION ITEMS

Recommendation was made to adopt Resolution No. 1744, A “Resolution Declaring the 2020 Regular Board of Commissioners’ Meeting Schedule and Location.”

Mrs. Creekpaum stated that the schedule was created after reviewing other meetings of 2020 to avoid conflict of dates. She also noted that there are two meetings monthly except for December 2020 with only one meeting scheduled.

Mr. Jorgenson moved, seconded by Ms. Gott to approve Resolution No. 1744, A “Resolution Declaring the 2020 Regular Board of Commissioners’ Meeting Schedule and Location.” MOTION PASSED UNANIMOUSLY.

Recommendation was made to approve the renewals to the benefits plans.

At Mrs. Creekpaum’s request, Ms. Burleson explained changes to the 2020 insurance benefits plan. She stated that it includes a ten (10) percent increase to self-insured medical and vision premiums. A four (4) percent increase to MetLife Dental for active employees and a nine and a half increase (9.5) to retiree premiums. Ms. Burleson shared that we are experiencing continual benefit claims and the increase is conservative. It will be monitored over the first few months of the year and may require an additional increase. She explained that the State Family Leave insurance benefit will begin in January 2020 which is resulting in short term disability rates being decreased.

Ms. Gott moved, seconded by Mr. Jorgenson to approve the renewals to the benefits plans. MOTION PASSED UNANIMOUSLY.

STAFF REPORT

At Mrs. Creekpaum’s request, Mrs. Speaks reviewed the status of the budget as of September 30, 2019, with the commission. The month-end receipts for September were $5.1 million, expenditures were $5.6 million. Finishing the month of September with a negative budget balance of $491,461. Mrs. Speaks stated that summer receipts are down with normal fluctuation. Historically this occurs and balances at year end.

Mrs. Speaks then provided the treasurer’s report of funds through September 2019. The opening cash balance for September was $2.8 million and was $2.1 million at month’s end. The total of all funds at month-end were $31 million.

Mrs. Creekpaum reported on a successful Public Power Week and thanked all employees involved. She shared with the commission that PUD 3 is on the cover of the Northwest Public Power (NWPPA) Bulletin magazine along with an article on the success of the PUD 3 program educating local fifth (5th) grade students on the fundamentals of power and the importance of public power.

Mrs. Creekpaum shared with commission that it is National Retirement Security Week. She reported that the PERS 2 and 3 system is ninety-one (91) percent funded. The rate of return of investment is at 10.2 percent and Mason County Annuitants received sixty-four (64) million from the Department of Retirement Systems (DRS).

Mrs. Creekpaum stated that commission will be seeing statements from the Public Power Council (PPC) regarding the confidential nature of PPC. It is not intended for open public discussions or personal gain. PPC is working on strengthening its bylaws and governance.

Mrs. Creekpaum reported that future planning of substations continues. On October 17, six (6) of the Bonneville Power Administration (BPA) staff met at PUD 3 to discuss the Potlatch, Belfair, and Totten substations.

Mrs. Creekpaum stated that Mason PUD 3 is hosting the NISC Mapwise training on October 21 and 22, with approximately fifty (50) people on site for two days of training.

At Mrs. Creekpaum’s request, Mr. Myer reported on the recently released fuel mix report from the Washington State Department of Commerce, which shows the electricity sources for Mason PUD 3 customers are 98 percent carbon-free. Mr. Myer said that eighty-eight percent of the power purchased by PUD 3 for its customers comes from renewable sources: hydroelectricity and wind. Ten percent of the electricity comes from the Columbia Generating Station, a nuclear power plant in south-central Washington. Only two percent of the PUD’s electricity comes from “unspecified resources,” which are purchases made on the open market by the Bonneville Power Administration to help meet energy needs of the utility’s customers. PUD 3 purchases qualified renewable energy and renewable energy credits as required by the Energy Independence Act (Initiative 937). These additional purchases more than offset any energy and environmental impacts from fossil fuel-powered sources.

Mrs. Creekpaum reported that she, along with Joel Myer and Dale Knutson, attended a State Route 3 Freight Corridor construction meeting (formerly known as the Belfair bypass) where they were updated on the project and provided with visual aids to better understand the location of the bypass.

At Mrs. Creekpaum’s request, Mr. Holzgrove provided commission with a Community Economic Revitalization Board (CERB) Round 1 update. This past quarter, most of the work has been focused on electrical make-ready and maintenance in the southwest Mason County area, including Matlock-Brady Road, Ripplewood, Fish
Hatchery, Satsop Maple Glen, Haven Drive, and the area near Schafer State Park. The District also requested bids for a contractor to build vehicle pull-outs and install fiber distribution huts in this area. All bids came in significantly above the engineer’s estimate for the project. Because of the high bid prices received, telecom staff determined it is in the best interest of the District to have its own crew(s), as available, perform the trenching and hut installations as called out for in the bid. District staff were able to perform the work in-house in less than two weeks. Once the electrical make-ready work in southwest Mason County is complete, the District will go out to bid for a telecom contractor to perform the stringing and splicing of the fiber distribution network in this area. The next area of focus will be the Tahuya Peninsula projects including Tahuya River Valley (TRV), the neighborhood around the Collins Lake Substation, and Lake Christine.

COMMISSIONERS’ REPORT

Ms. Gott reported that she phoned into the recent NoaNet and APPA Policy Makers meetings.

Mr. Farmer reported that he attended the WPUDA budget and North Mason Chamber meetings.

DISCUSSION ITEMS

No items were discussed

GOOD OF THE ORDER

Following the calendar review, the commission meeting recessed at 10:34 a.m. for a short break and reconvened at 10:39 a.m. to meet in executive session for no more than 10 minutes.

At 10:49 a.m. the executive session adjourned and the regular meeting reconvened.

With no further business appearing, the commission meeting adjourned at 10:49 a.m.