

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

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, January 22, 2019.

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

The following PUD 3 personnel were present: Director of Business Services John Bennett; Director of Business Operations Michelle Burlison; Asst. Public Information & Govt. Relations Manager Lynn Eaton; Customer Service Manager Diane Hennessy; Telecommunications & Community Relations Manager Justin Holzgrove; Public Information & Govt. Relations Manager Joel Myer; Power Manager Michele Patterson; Customer Service Revenue Protection Supervisor Jennifer Renecker; Administration Services Manager Mary Taylor (recorded minutes)

Member of the public in attendance was: Dedrick Allan of *Mason Web TV*

MODIFICATION AND/OR APPROVAL OF AGENDA

The agenda was approved as presented.

CONSENT AGENDA

Mr. Farmer reviewed the items listed on the consent agenda Mr. Jorgenson moved, motion seconded by Ms. Gott 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 January 08, 2019 regular commission meeting. | | |
| b. Voucher Nos. (January 15, 2019) 148792 through 148864
(Includes electronic funds transfer payment Nos. 15114–15301) | \$ | 4,258,177.84 |
| c. Voucher Nos. (January 22, 2019) 148865 through 148923
(Includes electronic funds transfer payment Nos. 15302–15312) | \$ | <u>495,412.63</u> |
| | TOTAL | \$ 4,753,590.47 |
| d. Write off deceased, no assets, and bankruptcies in the total amount of \$597.68 | | |

*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

No public comment was given

ACTION ITEM

RECOMMENDATION to approve Resolution No. 1724, “A Resolution Authorizing the Execution and Approval of a Payment Agreement to Provide Financing to Northwest Open Access Network”.

Mrs. Creekpau explained that prior discussions have taken place regarding a bridge loan for Northwest Open Access Network (NoaNet) to allow them to continue projects until its delayed financing from the State of Washington project is processed. Eight of the ten NoaNet members have agreed to participate in the bridge loan.

Ms. Gott stated that the delayed revenue from the state 911 project makes this bridge loan necessary. She expressed the appreciation of NoaNet for the opportunity to continue with projects.

Ms. Gott moved, motion seconded by Mr. Farmer to approve Resolution No. 1724, "A Resolution Authorizing the Execution and Approval of a Payment Agreement to Provide Financing to Northwest Open Access Network". After a brief discussion, MOTION PASSED UNANIMOUSLY.

STAFF REPORT

Mrs. Speaks reviewed the status of the budget as of December 31, 2018, with the commissioners. The month-end receipts for December were \$5.8 million, expenditures were \$7.7 million. Finishing the month with a negative budget balance of \$1.9 million. The District ended the year with total receipts of \$70.9 million and total expenditures of \$70.9 million, finishing the year with a positive budget balance of \$8 thousand. The sale of energy for 2018 was budgeted at \$49.5 million and actual was \$48 million. The purchased power for 2018 was budgeted at \$29.6 million and actual was \$28.6 million. As mentioned at previous meetings, funds would be set aside into the EVR fund at year end if funds were available. The funds were available and are earmarked for a large equipment purchase as discussed with 2019's budget with the approval of two full time employees as equipment operators.

Mrs. Speaks then provided the treasurer's report of funds through December 31, 2018. The opening cash balance for December was \$4.7 million and was \$4 million at month's end and operating reserves began the month at \$13.8 million and ended the month at \$13.2 million. The total of all funds at month-end were \$30 million.

Mrs. Creekpau provided commission with an engineering update stating that service applications in 2018 totaled 2,046 which is an increase of 224 applications over 2017.

At Mrs. Creekpau's request, Ms. Patterson provided the commission with the power supply update for the month of December and year-end.

Mrs. Creekpau reported that the 2019 all-employee meeting took place last week. A renewed focus on safety was discussed and new and retired employees in 2018 were recognized. A 2018 year in review video was viewed by all that highlighted PUD 3 achievements throughout the year. Mrs. Creekpau discussed the PUD 3 mission statement and broke down the components and meaning behind it. Goals for 2019 were discussed and the community powered campaign was presented. PUD 3 employees were asked to advocate for the PUD and the Public Power model, helping revive the meaning behind public power.

Mrs. Creekpau stated that the Totten substation property purchase was finalized and the next stages of preparing for construction have begun.

Mrs. Creekpau said that the re-located Belfair Payment Center is now open. There will be a ribbon cutting ceremony and open house on Friday, January 25, 2019 at 2:30 p.m.

Mrs. Creekpauum reported that she attended the Washington Public Utility Districts Association (WPUDA) meeting which included a legislative reception. The Community Economic Revitalization (CERB) members were in attendance and enthusiastically expressed anticipation of an application from PUD 3 for the second round of broadband grants.

At Mrs. Creekpauum's request, Mr. Myer provided the commission with a legislative update. Mr. Myer reported that a broadband bill is being introduced to establish a Governor's Broadband Office, along with funding opportunities for public and private entities. Mason PUD 3 was asked to participate in the bill evaluation.

COMMISSIONERS' REPORT

Mr. Jorgenson reported that he attended the WPUDA meeting in Olympia. The majority of the discussions centered around current legislation.

Ms. Gott reported that she participated in a NoaNet conference call and will be attending Energy Northwest meetings this week.

Mr. Farmer reported that he participated a NoaNet conference call and will be attending the Belfair Office open house on January 25, 2019.

GOOD OF THE ORDER

With no further business appearing, the commission meeting adjourned at 10:35 a.m.

Thomas J Farmer, President

ATTEST:

Linda R. Gott, Vice President

Bruce E. Jorgenson, Secretary