

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, March 12, 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 Burleson; Communications & Community Relations Coordinator Asia Cline; Telecommunications & Community Relations Manager Justin Holzgrove; Director of Engineering & Utility Services Dale Knutson; Asst. Public Information & Govt. Relations Manager Lynn Eaton; Public Information & Govt. Relations Manager Joel Myer; Power Manager Michele Patterson; Administration Services Manager Mary Taylor (recorded minutes)

Members of the public in attendance was: Mike Oblizalo of *Hood Canal Communications*; Randy Lewis of Shelton

MODIFICATION AND/OR APPROVAL OF AGENDA

The agenda was approved as presented.

CONSENT AGENDA

Mr. Farmer reviewed the items listed on the consent agenda Ms. Gott moved, motion seconded by Mr. Jorgenson 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 February 19, 2019 regular commission meeting. | | |
| b. Voucher Nos. (February 26, 2019) 149172 through 149244
(Includes electronic funds transfer payment Nos. 15708–15876) | \$ | 1,673,991.33 |
| c. Voucher Nos. (March 5, 2019) 149245 through 149289
(Includes electronic funds transfer payment Nos.15877-15893) | \$ | 640,277.44 |
| d. Voucher Nos. (March 12, 2019) 149290 through 149380
(Includes electronic funds transfer payment Nos. 15894-16083) | \$ | <u>4,233,423.86</u> |
| | TOTAL | \$ 6,547,692.63 |
| e. Void accounts payable check for the week ending March 1, 2019 in the total amount of \$280.97.
Void accounts payable check for the week ending March 8, 2019 in the total amount of \$371.87. | | |

*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.

CORRESPONDENCE

Mrs. Creekpaum reported on letters received from customers thanking PUD 3 personnel for hard work and diligence restoring power quickly and safely during the counties latest snow event.

Mr. Farmer read a letter from commissioners recognizing staff for their hard work during the multiple storms during the winter of 2019. He also thanked the public for its understanding and patience during the recent outages.

COMMENTS FROM THE PUBLIC

Mr. Oblizalo explained that Hood Canal Communications (HCC) has received a grant from United States Department of Agriculture for a fiber to the home project and expressed interest in working jointly with Mason PUD 3 in the Lake Cushman area on the project. Mrs. Creekpau replied that Mason 3 has requested, and not received, written documentation from HCC showing authorization from the Rural Utilities Service to allow Mason 3 to work jointly with HCC on this project, SEFNCO's prevailing wage cost breakdown, and legal agreement between Mason PUD 3 and HCC.

ACTION ITEMS

Recommendation was made to Adopt Resolution No. 1727, "A Resolution Authorizing the Application to the Community Economic Revitalization Board (CERB) Rural Broadband Program".

Mrs. Creekpau explained that this is round two of the CERB application process. Mason PUD 3 was awarded a grant during round one and hopes to have the same result in this round. The expectation is to be awarded \$1 million worth of grant funds and \$1 million low interest loan. She stated that the Mason PUD 3 Fiberhood program has become a model for the nation.

Ms. Gott moved to adopt Resolution No. 1727, "A Resolution Authorizing the Application to the Community Economic Revitalization Board (CERB) Rural Broadband Program". Motion seconded by Mr. Jorgenson. After a brief discussion, MOTION PASSED UNANIMOUSLY.

STAFF REPORT

Mrs. Creekpau stated that President Trump authorized the FEMA funding for the December storm. The February storm has not yet been approved.

Mrs. Creekpau said that Mason PUD 3 was presented with its fourteenth consecutive Comprehensive Annual Financial Report international recognition (CAFR) for the quality and completeness of its financial reporting. This is presented by the International Government Finance Officers Association.

Mrs. Creekpau reported that upon finding errors in its calculations, the Bonneville Power Administration (BPA) will move \$200 million from transmission to power reserves. We hope this will take care of half of the October 1, 2019 \$2.9 percent rate increase from BPA .

Mrs. Creekpau said that March 1, 2019 was an unprecedented day for the cost of power for BPA slice customers at \$1,000 per megawatt. The cause of the high cost is still under investigation. Fortunately, Mason PUD 3 is a load following customer and was not directly affected.

Mrs. Creekpau requested a motion from commission to allow employees to donate to the Mason County YMCA project in Mason County. This is outside of policy and no PUD funds will be utilized.

Mr. Farmer moved "To authorize employees to make donations to the Shelton/Mason county YMCA project either through donation of Personal Time off (PTO) or in cash through payroll deduction." Motion seconded by Mr. Jorgenson. MOTION PASSED UNANIMOUSLY.

At Mrs. Creekpau's request, Mr. Myer provided a legislative update. The President has released his budget proposal. It again calls for the sale or privatization of the transmission system of the Bonneville Power Administration and three other power marketing agencies. It also asks for authorization to move the cost-based rates of BPA to a market price. It met with a stony wall from the Pacific Northwest Congressional delegation last year. The Governor's Broadband Bill, Senate Bill 5511, has been referred to the House Technology and Economic Development Committee. It passed out of the Senate on a 47-0 floor vote. It establishes the Governor's broadband office, a clearinghouse for funding programs, and names local governments (including PUDs), private telecommunications providers and tribes as eligible for financial assistance. A companion bill from the House (House Bill 1498) has been referred to the Senate Environment, Energy and Technology Committee. It passed out of the House on a 97-1 floor vote. Our preference is for the Senate bill. An FCC pre-emption of local control over pole attachment agreements and pole attachment charges. Washington State had asserted control over this matter and was exempt from federal rules. The FCC secretary recently overruled the states. We educated them on the unique nature of our service territory, safety issues, and the cost-based fee schedule, which is defined in Washington State law. We were one of 255 cities and public utilities who sent letters of support for a U-S House bill to return the jurisdiction to local control.

COMMISSIONERS' REPORT

Ms. Gott reported that she attended the APPA rally in Washington D.C. and will be attending the NoaNet meeting and WPUA meetings in Olympia this week.

Mr. Farmer reported that he will be attending the WPUA meeting in Olympia this week.

GOOD OF THE ORDER

With no further business appearing, the commission meeting adjourned at 10:45 a.m.

Thomas J Farmer, President

ATTEST:

Linda R. Gott, Vice President

Bruce E. Jorgenson, Secretary