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

Vice President Gott 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, February 4, 2020.

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

The following PUD 3 personnel were present: IS Manager John Bennett; Director of Business Operations Michelle Burleson; Communications & Community Relations Coordinator Asia Cline; Asst. Public Information & Government Relations Manager Lynn Eaton; Customer Service Manager Diane Hennessy; Telecommunications & Community Relations Manager Justin Holzgrove; Director of Engineering & Utility Service Dale Knutson; Conservation Manager Koral Miller; Public Information & Government Relations Manager Joel Myer; Customer Service Revenue Protection Supervisor Jennifer Reneecker; Administration Services Manager Mary Taylor-Monger (recorded minutes).

A member of the public in attendance was Randy Lewis of Shelton (arrived at 10:10 a.m.).

MODIFICATION AND/OR APPROVAL OF AGENDA

The agenda was approved as presented.

CONSENT AGENDA

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

a. Minutes of the January 28, 2020 regular commission meeting.

b. Voucher Nos. (February 4, 2020) 152975 through 153014
   (Includes electronic funds transfer payment Nos. 20628-20643) $ 436,000.20

   TOTAL $ 436,000.20

c. Governance Policy Expense Approval

Mr. Farmer noted that the North Mason Chamber Meeting listed on Mr. Jorgenson’s expense report was held at the HUB in Belfair, not at the Alderbrook Resort as reported.

*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 ITEMS

Recommendation was made to Adopt Resolution No. 1746, A Resolution "Establishing an Electrification of Transportation Plan and Adopting Rebate Incentives for Level 2 Electric Vehicle (EV) charging Equipment."

At Mrs. Creekpaaun’s request, Mr. Holzgrove reviewed the proposed Electrification of Transportation Plan and rebates. He stated that legislation was adopted revising the District’s authority under RCW 54.16.430 to allow public utility districts to establish electrification of transportation programs. He noted the benefits to the District and its customer to encourage the adoption of electric vehicles in PUD 3’s service territory. In addition to supporting a clean energy economy and utilizing the District’s clean energy to make an impact on the largest source of emissions in Washington state (the transportation sector), some of the benefits he listed include:

- Increase data collection and analysis for optimizing the use of electric grid infrastructure.
- Improve management of electric loads.
- Better manage the integration of variable renewable energy resources.
- Comply with, and prepare for future, clean energy mandates.

Mr. Holzgrove explained that the plan was designed to prepare the District for this rapidly growing market technology as well as encourage it. The plan accomplishes this through developing community partnerships, setting principles to consider in policy and rate development, and promoting the installation of charging equipment through offering rebates.
Mrs. Creekpaum then asked Mrs. Miller to explain the details of the proposed rebates. Mrs. Miller noted that the rebates are available to Mason PUD 3 customers who are registered owners of an electric vehicle on or after July 28, 2019, which is the date the revised RCW went into effect. She shared with the commission that there are two rebates available: a wall mounted charger with a maximum rebate of $500.00, and a pedestal charger with a maximum rebate of $1,000.00. The rebate amounts were established through a combination of benchmarking other utilities’ programs as well as considering the average cost of the equipment and installation. She noted that the statute limits how much a utility can spend on its program so the rebate funds are a budgeted amount that will be distributed on a first-come, first-serve basis, while funds are available.

Mrs. Creekpaum added that promoting the installation of Level 2 chargers through a rebate program will help the utility to better understand the impact of electrification of transportation on its distribution system. This understanding will aid in determining whether demand response or other load management opportunities are operationally appropriate. She concluded by noting the adoption of an Electrification of Transportation Plan will position the utility for potential compliance requirements in the future.

Ms. Gott moved to adopt Resolution No. 1746, A Resolution “Establishing an Electrification of Transportation Plan and Adopting Rebate Incentives for Level 2 Electric Vehicle (EV) Charging Equipment.” Motion seconded by Mr. Farmer. After a brief discussion, MOTION PASSED UNANIMOUSLY.

Recommendation was made to Adopt Resolution No. 1747, A Resolution, “To Establish the Policy and Procedures for Administering the Washington State Mandatory Statewide Insurance Program.”

At Mrs. Creekpaum’s request, Ms. Burleson reported that as of January 1, 2019, employees have been contributing to the mandatory statewide insurance program. Effective January 1, 2020, claims could be made for qualifying circumstances. She noted that the state is still working through the logistics of the program and are currently 30 days behind in processing claims. The resolution establishes the District’s policies for administering the program.

Mr. Farmer moved to adopt Resolution No. 1747, A Resolution, “To Establish the Policy and Procedures for Administering the Washington State Mandatory Statewide Insurance Program.” Motion seconded by Mr. Jorgenson. MOTION PASSED UNANIMOUSLY.

Recommendation was made to Award Bid L1-2020, for the Southwest County Fiber Stringing project to the low responsible bidder, Cannon Construction, Inc.

Mrs. Creekpaum stated that the engineers estimate was $682,000 and there was a wide range of bids from $251,000 to $1.3 million. She explained that Cannon Construction, Inc. was the lowest qualified bidder at $251,000.

At Mrs. Creekpaum’s request, Mr. Holzgrove told the commission that this job is the first of four build areas stemming from the Community Economic Revitalization Board (CERB) 1 grant that the District received. Under the confines of the grant, the District is required to hire a contractor to perform the stringing and splicing to be eligible for reimbursement.

Mr. Jorgenson moved to award Bid L1-2020, Southwest County Fiber Stringing to low responsible bidder, Cannon Construction, Inc. Motion seconded by Mr. Farmer. After a brief discussion, MOTION PASSED UNANIMOUSLY.

STAFF REPORT

Mrs. Creekpaum reported that the bond sale has been finalized. She shared that the market timing was perfect due to the low rate at the time of sale of 1.89 percent. She noted that the original estimated savings of $7.8 million, came in much higher at $10.4 million. At her request, Mrs. Speaks explained the process of the bond preparation and sale in more detail.

Mrs. Creekpaum also reported stated that the District’s credit ratings from Standard and Poor’s Global and Moody’s Investors Services have both been affirmed at A+ and Aa3 respectively.

Mrs. Creekpaum informed commission that the U.S. Department of Agriculture’s Reconnect grant was officially awarded to PUD 3 on January 29, 2020. Mr. Holzgrove explained that it is a $2.4 million, 100 percent grant, with a $800,000 match by PUD 3. The grant will benefit 250 households and businesses in the Three Fingers area of Grapeview. Mason PUD 3 was the only applicant from Washington State. Mason PUD 3’s work on establishing eligibility and completing the grant is precedent setting for other public utility districts nationwide.

At Mrs. Creekpaum’s request, Mr. Myer provided commission with a legislative report.
COMMISSIONERS’ REPORT

Ms. Gott stated that she appreciated having the opportunity to attend the sale of the bonds on January 27 and 28, 2020. She had heard from other utility commissioners who have attended that it is a great experience to see the process in action. She also stated that the financial group working with PUD 3 commented about their appreciation of the exceptional work by Mrs. Creekpaum and Mrs. Speaks as they prepared for the sale of the bonds.

Mr. Farmer reported on his recent meeting and event attendance.

DISCUSSION ITEMS

No items were discussed

GOOD OF THE ORDER

With no further business appearing, the commission meeting adjourned at 10:53 a.m.

Thomas J Farmer, President

Linda R. Gott, Vice President

ATTEST:

Bruce E. Jorgenson, Secretary