

MINUTES OF REGULAR 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, at 2621 East Johns Prairie Road in Shelton, Washington, on Tuesday, April 23, 2013.

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

The following PUD 3 personnel were present: Director of Business Services John Bennett; Conservation Manager Justin Holzgrove; Public Information & Government Relations Manager Joel Myer; Director of Engineering Terry Peterson; Power Supply Manager Matt Samuelson; Risk Manager Bob Smith; Director of Business Operations Michelle Wicks; and Executive Assistant / Records Program Administrator Lynn Eaton (recorded minutes).

A member of the public in attendance was Natalie Johnson of *The Mason County Journal*.

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:

A. Minutes of the April 9, 2013, regular commission meeting.

B. * Voucher numbers: (dated April 16, 2013)	121806 through 121908	\$	3,502,821.72
(Includes electronic funds transfer payment Nos. 895-903.)			
Voucher numbers: (dated April 23, 2013)	121909 through 121971		<u>402,041.67</u>
(Includes electronic funds transfer payment Nos. 904-906.)			
		TOTAL	\$ 3,904,863.39

* 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

Mr. Farmer stated comments would be accepted throughout the meeting.

ACTION ITEMS

Recommendation was made to adopt Resolution No. 1594, "A Resolution Authorizing the Execution of Revision 2 to Exhibit E, Metering, to Regional Dialog Load Following Power Sales Agreement (Contract No. 09PB-13068)." The resolution updates meter names and adds the Mason substation in-meter and updates signatures which are elements that occurred after the original agreement was executed in November of 2008.

Mrs. Creekpaum explained that the resolution represents minor housekeeping changes.

Ms. Gott moved, motion seconded by Mr. Jorgenson, to adopt Resolution No. 1594, "A Resolution Authorizing the Execution of Revision 2 to Exhibit E, Metering, to Regional Dialog Load Following Power Sales Agreement (Contract No. 09PB-13068)" MOTION PASSED UNANIMOUSLY.

STAFF REPORTS

Mr. Samuelson reported that with one week left in the legislature the bills relating to Initiative 937 that would have affected the PUD are now dead.

Mr. Samuelson noted that legal briefs are due by May 1 in the upcoming power and transmission rate case with the Bonneville Power Administration (BPA). He also explained that BPA has announced a proposed solution to the problem of an occasional oversupply of wind energy that conflicts with hydroelectric energy production during high water flows in the Columbia River. The proposal would result in sharing the costs of managing power supply among customers using BPA's transmission system, including wind energy generators, based on proportionate use at the time oversupply occurs.

Mrs. Creekpaum reported that a Request for Proposal (RFP) has been developed in-house which will be advertised in order to locate a commercial broker to list PUD 3's downtown properties. Interested parties will need to submit their proposals by May 15 and the selection process should be completed by June 15. She noted

that staff is continuing to talk with parties who have expressed an interest, but having a commercial broker will provide the fair market value.

Mr. Johnson explained to commission that an appraisal is not needed for listing the property with a commercial broker, but if the PUD were to continue with a private sale (without market exposure) an appraisal would be required to establish the fair market value.

Mrs. Creekpau announced that the PUD hired a new Accounting Supervisor. Brian Taylor has accepted the position. He comes from the Washington State Auditor's office as the Regional Audit Manager out of the Port Orchard office.

Mrs. Creekpau reported that PUD 3 will be contracting its mailing service. Due to the increase in postage the district can realize a substantial savings and avoid costly software updates by outsourcing the service. The process will take approximately twelve weeks to implement.

Mrs. Creekpau updated the commission about Senate Resolution No. 95, "A resolution recognizing linemen, the profession of linemen, the contributions of these brave men and women who protect the public safety, and expressing support for the designation of April 18, 2013, as National Lineman Appreciation Day." She noted that PUD 3 will be doing an in-house recognition of its linemen.

Mrs. Creekpau shared with the commission that PUD 3 is promoting a "paperless" campaign through the end of June. The campaign is designed to encourage customers to sign up for paperless billing and one customer's name will be drawn to win an Apple Ipad Mini at the end of the campaign. In just under a week since the campaign began, 264 customers have signed up to receive paperless bills.

In celebration of Earth Day, Mrs. Creekpau reported that Joel Myer and Justin Holzgrove managed a booth at the Earth Day celebration held at the new Mason County Oakland Bay Historical Park where they received approximately 150 visitors.

Mrs. Creekpau also reported that an additional allocation of Bonneville Power Administration Energy Efficiency Incentive (EEI) funds may be received from another agency who has an unused balance in the amount of approximately \$400,000. There would be no interest or fees associated with the transfer of the allocation.

COMMISSIONERS' REPORT

Ms. Gott reported her attendance at the NoaNet board of directors meeting on April 10. She also reported that she will leaving today to attend the Energy Northwest quarterly board of directors meeting in Richland. Ms. Gott shared that she attended the Economic Development Council's (EDC) luncheon last week as well as the Shelton-Mason County Chamber of Commerce Auction on Saturday night.

Mr. Farmer reported his attendance at the Tahuya Community Association monthly meeting. He attended the Washington Public Utility Districts Association (WPUDA) presentation on records management on April 17 and the WPUDA energy committee meeting on April 18. Mr. Farmer also attended the EDC luncheon last week and visited the Belfair Rotary meeting on April 20. He reported his presence at the Earth Day celebration at the Oakland Bay Historical Park. Mr. Farmer announced that he will be attending the Public Power Council meetings next week and shared that he and his wife signed up for PUD 3's paperless billing.

GOOD OF THE ORDER

Following a calendar review, with no further business appearing, the commission meeting adjourned at 10:20 a.m.

Thomas J. Farmer, President

ATTEST:

Bruce E. Jorgenson, Vice President

Linda R. Gott, Secretary