

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 E Johns Prairie Road in Shelton, Washington, on Tuesday, July 23, 2013.

District officers present were: Commissioners Thomas J. Farmer and Linda R. Gott; Manager Annette Creekpau; Finance Manager/Auditor Sherry Speaks; Treasurer Brian Taylor; and Attorney Robert Johnson. Commissioner Bruce E. Jorgenson was absent as he was recuperating from back surgery.

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

A member of the public in attendance was Dedrick Allan of Mason WebTV.

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 July 9, 2013, regular commission meeting.

B. * Voucher numbers: (dated July 16, 2013)	123062 through 123147	\$ 1,424,917.77
(Includes electronic funds transfer payment Nos. 981-986.)		
Voucher numbers: (dated July 23, 2013)	123148 through 123225	<u>103,515.91</u>
(Includes electronic funds transfer payment Nos. 987-989.)		
	TOTAL	\$ 1,528,433.68

C. Void accounts payable checks for the week ending July 12, 2013, in the amount of \$1,015.70. Void accounts payable check for the week ending July 19, 2013, in the amount of \$2,560.28.

* 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 welcomed those present and stated comments would be accepted throughout the meeting.

STAFF REPORTS

Mr. Samuelson reviewed the June 2013 power situation statement with the commissioners. He pointed out that this June was 46 percent warmer than last year which likely caused a decrease of 5.4 percent in kilowatt-hours purchased by the PUD for sales to its customers. PUD 3 purchased 42,531 megawatt-hours (MWh) of electricity compared to 44,939 MWh of electricity purchased during the same period in 2012

He reported that PUD 3 paid \$1.34 million during June on wholesale energy purchases, compared to \$1.5 million for the same period in 2012; a decrease of 10.9 percent. This includes spending \$101,919 in June on "Renewable Energy Credits" to meet obligations under the Washington State Energy Independence Act (Initiative 937). Year-to-date, the PUD 3 has spent \$545,039 toward meeting the renewable energy requirements.

Mr. Samuelson also reported the PUD had received its fuel mix report from the Department of Commerce showing its fuel mix is 97.7 percent carbon free.

Mr. Samuelson informed the commissioners that Southern Louisiana Electric Cooperative Association had successfully appealed a federal determination that it was improperly registered and subject to extensive reporting and regulatory requirements as if it were a large electric utility. PUD 3 is in the process of a similar appeal, and he said that the two agencies are somewhat similar.

Mrs. Creekspaum reported the safety demonstration and unsecured wireless (Wi-Fi) network provided at Allyn Days were both received with positive comments.

Mrs. Creekspaum also reported on the following items:

- PUD employees were presented with the “High-Five Award” from the United Way of Mason County for their successful participation (in the top five) in the organization’s workplace fundraising campaign.
- The Mason substation in downtown Shelton will undergo warranty maintenance on the power transformer in the near future.
- The PUD has been responding to inquiries from Congressional offices about the Columbia River Treaty.
- PUD employees will be staffing a booth at the Mason Area Fair July 26 through 28.

At Mrs. Creekspaum’s request, Mr. Myer reported that a number of cellular phone companies have been expanding and upgrading their networks, including new or upgraded towers in various areas of Mason County.

Mr. Myer said these companies went to bid for high speed data circuits to serve the expanding network. The Northwest Open Access Network (NoaNet) was chosen in addition to other various carrier submittals. It was chosen because, among other benefits, NoaNet provides a single point of contact for a standard level of high speed data services throughout the state. PUD 3 is merely acting as a subcontractor for making the connections.

The projects have a side benefit for the PUD, as it allows it to extend its fiber optic network to more areas of the service territory enabling it to monitor the electrical distribution system, equipment and substations.

COMMISSIONERS’ REPORT

The commissioners wished Mr. Jorgenson a speedy recovery from recent surgery.

Ms. Gott reported on the NoaNet board meeting in Seattle at which the board approved another draw on the line of credit. No meetings will be held in August.

Ms. Gott also drove to Clarkston, Washington for the Washington PUD Association meetings last Thursday and Friday. Those in attendance received presentations on rate designs, and the similarities and differences between PUDs. A Washington, D.C. update was also given by Deborah Sliz, who indicated something seemed amiss in the recent Department of Energy actions that placed Bonneville Power Administration’s Administrator Bill Drummond and Chief Operating Officer Anita Decker on administrative leave over allegations of retribution against whistleblowers relating to an investigation of veterans hiring practices.

Mr. Farmer reported on his attendance at the Allyn Days events July 19-21.

GOOD OF THE ORDER

Following a calendar review, and with no further business appearing, the commission meeting adjourned at 10:19 a.m.

Thomas J. Farmer, President

ATTEST:

Bruce E. Jorgenson, Vice President

Linda R. Gott, Secretary