

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, October 8, 2013.

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

The following PUD 3 personnel were present: Director of Business Services John Bennett; Director of Engineering Terry Peterson; and Executive Assistant/Records Program Supervisor Lynn Eaton (recorded minutes).

No members of the public were in attendance.

MODIFICATION AND/OR APPROVAL OF AGENDA

The agenda was approved as presented. It was noted that an executive session was scheduled for the purposes of item 42.30.110(1)(c) to consider the minimum price at which real estate will be offered for sale or lease. The executive session was estimated to last 10 minutes with no action to follow.

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 September 24, 2013, regular commission meeting.
- b. Voucher Nos. (dated October 1, 2013) 124087 through 124181 — \$ 109,789.24  
(Includes electronic funds transfer payment Nos. 1052-1056.)  
Voucher Nos. (dated October 8, 2013) 124182 through 124276 — 529,605.69  
(Includes electronic funds transfer payment Nos. 1057-1070.)  

TOTAL \$ 639,394.93
- c. Void accounts payable checks for the week ending September 27, 2013, in the total amount of \$6,427.18.  
Void accounts payable checks for the week ending October 4, 2013, in the total amount of \$154.76.

\* 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.

STAFF REPORTS

Mrs. Speaks reported to the commissioners on the status of the budget as of September 30, 2013. September expenditures for the year were 72 percent and revenues year to date were 74 percent of what was anticipated in the adopted 2013 budget. Year-to-date expenditures totaled \$42.7 million while year to date revenues were at \$43.5 million.

Mr. Taylor reviewed the September treasurer's report with the commissioners. He pointed out that the total of all funds at the end of September was \$39,030,442. Mr. Taylor also explained the addition of an accounts receivable line item which is tracking the income from the sale of PUD 3's engineering building to Northwest Resources. After the initial payment and fees, the remaining balance is \$268,000 to be paid over the term of the contract.

Mrs. Creekpaum informed commissioners that the Bonneville Power Administration (BPA) notified the PUD that the 9.66 percent rate increase would go into effect as of October 1, 2013. The rate increase also includes an 11 percent increase in transmission rates. In response to BPA's rate increase, a rate increase is anticipated to be passed on to PUD 3 customers effective in February and a rate hearing will be scheduled in November.

Mrs. Creekpaum reported that PUD 3's contract customer was notified of a 9.66 percent rate increase to reflect the increase in rates from BPA. This increase was also effective October 1, 2013.

She reported that PUD 3 experienced outages due to the storm from September 28 through September 30 and that the outage center was open for 32 hours. The cost of the outage to the utility was approximately \$70,000.

Mrs. Creekpaum said that everything went as planned during the outage and that it was good practice for the utility to have the outage center open and operating before the major storm season hits. Customers were appreciative of the communication and quick response by the PUD.

Mrs. Creekpaum reported on the PUD's participation in the Shelton Skookum Rotary's Oysterfest last weekend. She said the PUD booth was very busy with the safety demonstration along with other displays. In addition PUD 3 provided a wireless hotspot at the request of the Rotary and that over 100 people were signed on during its peak.

Mrs. Creekpaum asked Mrs. Eaton to share the education committee's schedule for Public Power Week events. Mrs. Eaton explained to commissioners that nearly 600 fifth-graders will be attending the Energy Expo throughout the week that includes such demonstrations as safety, hydroelectricity, solar energy, fiber-optics, conservation, meter-reading and others. She also shared that the public was invited to an open house on Thursday, October 10 to see similar demonstrations. In addition the PUD is hosting a Business After Hours event for the Shelton Mason County Chamber of Commerce on Wednesday, October 9.

#### COMMISSIONERS' REPORT

Ms. Gott reported her attendance at the Energy Northwest (ENW) strategic planning and executive board meetings as well as a nuclear board training in Atlanta.

Mr. Jorgenson reported that as of October he will be able to begin attending meetings on a regular basis again.

Mr. Farmer reported his attendance at the Public Power Council (PPC) meeting last week.

#### DISCUSSION ITEMS

The meeting schedule for December was discussed. It was suggested that due to the holidays, the regular meetings scheduled for December 10 and December 24 be cancelled and specials meetings held on December 3 and December 17.

Mr. Jorgenson moved, motion seconded by Ms. Gott, to cancel the regular meetings in December on the second and fourth Tuesdays and to call special meetings on the first and third Tuesdays. MOTION PASSED UNANIMOUSLY.

#### GOOD OF THE ORDER

Following a calendar review and with no further business appearing, the commission meeting recessed at 10:25 a.m. for a short break, and reconvened at 10:29 a.m.

The commissioners then adjourned and met in executive session for 10 minutes to consider the minimum price at which real estate will be offered for sale or lease. No action would follow the executive session.

The executive session adjourned at 10:39 a.m. and the regular meeting reconvened.

It was announced that the executive session, to consider the minimum price at which real estate will be offered for sale or lease, would be extended an additional five minutes. The regular meeting adjourned at 10:40 a.m. and the commissioners met in executive session.

The executive session adjourned at 10:45 a.m. and the regular meeting reconvened.

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

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Thomas J. Farmer, President

ATTEST:

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Bruce E. Jorgenson, Vice President

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Linda R. Gott, Secretary