

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

President Farmer called a special 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, December 17, 2013.

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

The following PUD 3 personnel were present: Customer Service Manager Diane Archer; Director of Business Services John Bennett; 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 Supervisor Lynn Eaton (recorded minutes).

There were no members of the public in attendance.

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 December 3, 2013, special commission meeting.		
b.	Voucher Nos. (dated December 10, 2013) 125021 through 125102 (Includes electronic funds transfer payment Nos. 1112-1113.)	—	\$ 613,896.17
c.	Voucher Nos. (dated December 17, 2013) 125103 through 125187 (Includes electronic funds transfer payment Nos. 1112-1113.)	—	<u>\$ 478,510.69</u>
		TOTAL	\$ 1,092,406.86

\* 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

A recommendation was made to adopt Resolution No. 1614, which is "A Resolution Amending the Voluntary Employees' Beneficiary Association (VEBA) Plan." In order to comply with the Internal Revenue Service (IRS) notice of guidance on the provisions of the Affordable Care Act. The amendment includes an opt-out provision and a minimum value clause.

Mr. Jorgenson moved, motion seconded Mr. Farmer, to adopt Resolution No. 1614, "A Resolution Amending the Voluntary Employees' Beneficiary Association (VEBA) Plan." MOTION PASSED UNANIMOUSLY.

The commissioners reviewed a listing of organizations to which the PUD belongs and the person(s) who represents the PUD at each. Mr. Farmer noted the list includes local, regional, national and state organizations.

With no changes, Mr. Farmer moved, motion seconded by Mr. Jorgenson, to approve the organizational representation listing for 2014. MOTION PASSED UNANIMOUSLY.

The commissioners took up the election of officers for the board of commissioners for 2014. Mr. Jorgenson moved, motion seconded by Ms. Gott, to continue with Mr. Farmer serving as president of the commission, with Ms. Gott as board secretary and Mr. Jorgenson remaining as vice president. The MOTION PASSED UNANIMOUSLY.

STAFF REPORTS

Mrs. Speaks reported to the commissioners on the status of the budget as of November 30, 2013. November expenditures for the year to date were at 88 percent and revenues year to date were also at 88 percent of what

was anticipated in the adopted 2013 budget. Year-to-date expenditures totaled \$51.9 million while year to date revenues were also at \$51.9 million leaving the District with a positive budget balance of \$39,000.

Mr. Taylor reviewed the November treasurer's report with the commissioners. He pointed out that the total of all funds at the end of November was \$33,755,610.

Mr. Samuelson reported that a revision to the power sales contract with the Bonneville Power Administration (BPA) will be brought before the commission within the next few weeks. It is Revision No. 1 to Exhibit H of Power Sales Agreement No. 09PB-13068. The revision is related to the Residential Exchange Program (REP) Settlement Agreement allowing IOUs to receive fourteen percent of all future Renewable Energy Credits (RECs) integrated into BPA's Tier 1 portfolio. Currently PUD 3 has elected not to sign the Residential Exchange Agreement, however since its validation in the 9<sup>th</sup> Circuit, Terry Mundorf has made a recommendation to sign the revision to avoid future charges for the IOUs portion of the RECs from BPA.

Mrs. Creekpaum shared with the commission Ms. Gott's appointment to the American Public Power Association (APPA) Policy Makers Board of which she received notice of today.

Mrs. Creekpaum reported that employees of PUD 3 pledged nearly \$16,000 during the annual United Way workplace campaign. In addition, she added that the PUD Employees Association (PUDEA) raised \$1,100 to sponsor a Mason County family who is struggling with medical and financial issues for the holidays.

Mrs. Creekpaum informed commissioners that Congressman Denny Heck would be visiting the Johns Prairie Operations Center today at 3:30 p.m.

Mrs. Creekpaum announced that the new 90-foot aerial lift truck took second place in the motorized division during the Christmas parade in downtown Shelton on December 7<sup>th</sup>. Employees decorated the truck with lights for the parade.

Mrs. Creekpaum reminded commissioners that the Economic Development Council (EDC) meeting will be held this Friday at 11:30 at the Colonial House.

#### COMMISSION REPORT

Ms. Gott reported her attendance at the NoaNet meeting where the board passed its 2014 budget. She said it has been the best year financially for NoaNet.

Ms. Gott thanked Mr. Myer for submitting the application to APPA.

Mr. Farmer congratulated Ms. Gott for her appointment. He reported he will be attending the Washington Public Utilities Association (WPUA) meetings tomorrow and the EDC meeting on Friday.

#### GOOD OF THE ORDER

Following a calendar review and with no further business appearing and with no further business, the commission meeting adjourned at 10:25.

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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