

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 8, 2014.

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 Rob Johnson.

The following PUD 3 personnel were present: Director of Business Services John Bennett; Customer Service Manager Diane Hennessy; Conservation Manager Justin Holzgrove; Public Information/Government Relations Manager Joel Myer; Director of Engineering Terry Peterson; Records Coordinator Jennifer Renecker; 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 with the addition of an executive session under item 13 of the agenda. It will be held to discuss potential litigation with legal counsel as authorized under RCW 42.30.110(1)(i). The executive session will last 10 minutes, and no action will be taken following.

CONSENT AGENDA

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

- a. Minutes of the June 24, 2014, regular commission meeting.
  - b. Voucher Nos. (dated July 1, 2014) 127878 through 127982 — \$ 169,171.54  
(Includes electronic funds transfer payment Nos. 1320-1321.)
  - c. Voucher Nos. (dated July 8, 2014) 127983 through 128055 — 453,990.56  
(Includes electronic funds transfer payment Nos. 1322-1332.)
- TOTAL \$ 623,162.10
- d. Void accounts payable checks for the week ending July 4, 2014 in the total amount of \$74.93.

\* 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 was in attendance.

STAFF REPORTS

Mrs. Speaks reviewed the status of the budget as of June 30, 2014, with the commissioners. Month-end receipts were \$4,308,410, which brought the year to date receipts to approximately 52 percent of the total annual budget, while expenditures for the month of June were \$4,322,893, also at 52 percent of budget for the year.

Mr. Taylor gave the treasurer's report of funds through June 2014. The total of all funds at month-end were \$35,038,234.52 which an increase of \$656,604.83 over the previous month.

Mr. Samuelson reported that the Bonneville Power Administration (BPA) issued a white paper summary regarding the transmission segmentation issue. The current methodology calculates costs for the transmission system across the region. PUD 3 and members of the Washington Public Agencies Group (WPAG) support the current approach for several reasons. However, other utilities are proposing alternative methods to distribute the cost of the system. He explained that the BPA will render an opinion, and whichever method they choose will be reflected in the next rate case.

Mrs. Creekpaum updated commissioners on the engineering applications report. She shared that year to date in 2014, approximately 695 new and altered service applications have been received. Compared to the same period in 2013, which had approximately 555 total applications. She speculated that much of the increase could be due to the conservation push at the beginning of the year for ductless heat pumps.

At Mrs. Creekpaum's request, Mr. Myer and Mr. Holzgrove shared a video they created to educate customers

regarding a recent car vs. pole accident and the crew's ability to repair the service while lines were live, without the need for a large-scale outage.

Mrs. Creekpau informed the commission that staff has submitted several applications for the Northwest Public Power Administration (NWPPA) communication awards, which will be awarded in September.

Mrs. Creekpau notified commissioners that staff met with the city's commissioner of public works, Tracy Moore regarding a proposal for a long-term LED street lighting program and a potential low-flow shower head joint-promotion program in the form of billing inserts.

Mrs. Creekpau announced that the PUD will be present at the following events over the next few weeks: the Shelton-Mason County Chamber of Commerce Business Expo, which will be held at the Shelton High School mini-dome; Allyn Days at the Port of Allyn; and the Mason County Fair and Rodeo being held at the fairgrounds.

Mrs. Creekpau reported that the real estate listing for the downtown administration building has expired. She said a request for proposal (RFP) has been issued, and responding agencies will be interviewed the week of August 12. She expects to bring a recommendation to the commission at the August 26 meeting. Mrs. Creekpau also noted that three entities are currently looking into purchasing the building.

#### COMMISSIONER'S REPORTS

Mr. Farmer commended Mr. Myer and Mr. Holzgrove for the quality production of the video created in-house.

Ms. Gott reported her attendance at the Energy Northwest executive board meeting in Portland where the main topic of discussion was regarding regional debt cooperation with the Bonneville Power Administration.

#### GOOD OF THE ORDER

Following a calendar review and with no further business appearing, the commission meeting recessed at 10:23 a.m. for a short break, and reconvened at 10:28 a.m.

The commissioners then adjourned then met in executive session for 10 minutes to discuss potential litigation. No action would follow the executive session.

The executive session adjourned at 10:38 and the regular meeting reconvened. With no further business appearing, the commission meeting adjourned at 10:38.

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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