

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, June 23, 2015.

District officers present were: Commissioners, Thomas J. Farmer, and Linda R. Gott (*Commissioner Bruce Jorgenson was on vacation*). Manager Annette Creekpau; 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; Energy Resources Manager Justin Holzgrove; Public Information & Government Relations Manager Joel Myer; Director of Engineering Terry Peterson; Risk Manager Bob Smith; Director of Business Operations Michelle Wicks and Executive Assistant/Records Supervisor Lynn Eaton (recorded minutes).

Members of the public in attendance were Louis Cofoni of Shelton and Dedrick Allen of *Mason Web TV*.

MODIFICATION AND/OR APPROVAL OF AGENDA

The agenda was approved as presented. It was noted that two executive sessions would be held for the purposes of item 42.30.110(1) (i) to discuss with legal counsel potential litigation and item 42.30.110(1) (c) to consider the minimum price at which real estate will be offered for sale or lease. The estimated time for each session is 5 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. Farmer, to adopt the consent agenda. MOTION PASSED UNANIMOUSLY. By adopting the consent agenda, the following items were approved:

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| a. Minutes of the June 9, 2015, regular commission meeting.  |                       |
| b. Voucher Nos. (dated June 16, 2015) 132541 through 132635<br>(Includes electronic funds transfer payment Nos. 1623-1631.)  | — \$ 2,214,638.63     |
| c. Voucher Nos. (dated June 23, 2015) 132636 through 132705<br>(Includes electronic funds transfer payment Nos. 1632-1636.)  | — \$ 381,524.23       |
|  | TOTAL \$ 2,596,162.86 |
| d. Void accounts payable check for the week ending June 12, 2015, in the total amount of \$395.00. Void accounts payable check for the week ending June 19, 2015, in the total amount of \$100.00. |                       |

\* 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 PUBLIC

Mr. Cofoni expressed his support of the federal hydro system through the Bonneville Power Administration and recalled learning about the dams when he was in school. He said he hoped that kids were still able to learn about the benefits of harnessing this cheap, clean, energy source.

ACTION ITEMS

Recommendation to adopt Resolution No. 1645 was brought before the commission. It is “A Resolution Authorizing the Execution of Amendment No. 2 (extending the expiration date by two years) to the Energy Conservation Agreement (Contract No. 09ES-11121) with the United States of America Department of Energy Acting by and through the Bonneville Power Administration.” The resolution authorizes the manager to sign a contract on behalf of the utility.

Ms. Gott moved, motion seconded by Mr. Farmer to adopt Resolution No. 1645 “A Resolution Authorizing the Execution of Amendment No. 2 (extending the expiration date by two years) to the Energy Conservation Agreement (Contract No. 09ES-11121) with the United States of America Department of Energy Acting by and through the Bonneville Power Administration.” MOTION PASSED UNANIMOUSLY.

STAFF REPORTS

Mr. Holzgrove went over the Power Situation Statement for May 2015 with commissioners. The total amount of purchased power for the month of May was 46,409 MWh which was 1.5 percent more power purchased from the Bonneville Power Administration (BPA) than May of 2014. He pointed out that this was the first month that more power was purchased compared to 2014 and attributed it to more people cooling and the increase in heat

pump installations over the past year. The cost of purchased power was \$1.6 million which was 3.1 percent less than the same period last year. Mr. Holzgrove also informed the commission that the cost to comply with the Energy Independence Act (I-937) was \$453,242 year to date, which is approximately 3 percent of the total purchase power costs year to date.

At Mrs. Creekpaum's request, Mr. Myer gave a legislative update to commissioners, highlighting the various happenings during the special session that are of interest to the utility.

Mrs. Creekpaum reported that the service engineering applications continue to rise. Year to date, service engineers have accepted 696 applications compared to 599 for the same time period in 2014.

Mrs. Creekpaum reported that Mr. Myer attended the Shelton Visioning session hosted by the City of Shelton, the Shelton Mason Chamber of Commerce, and Green Diamond. She noted that many of the groups identified the PUD's administrative building as an opportunity to house a business center for small business startups and support.

Mrs. Creekpaum let the commission know that the community solar project bid opening will take place on July 8. Staff anticipates at least four contractors to show for the opening. Awarding of the bid will be brought to the commission once the bids are received.

Mrs. Creekpaum informed the commission that staff would be attending the final strategic planning session today.

Mrs. Creekpaum gave a report on the status of the grid modernization project. She let commissioners know that the NISC contract has been signed and the Landis + Gyr contract is still being reviewed.

Mrs. Creekpaum shared that the PUD was highlighted in a 3-page article in a national magazine called *Transmission/Distribution World* featuring the Light Emitting Diode (LED) street light project. The article was written by Joel Myer and Justin Holzgrove.

Mrs. Creekpaum notified the commission that NoaNet held a meeting regarding lessons learned from a major fiber optic outage on its system. The organization is looking at making changes to internal processes, future response actions as well as prevention tactics.

#### COMMISSION REPORT

Ms. Gott reported her attendance at the meeting with Energy Northwest, Bonneville Power Administration and various financial institutions to review bond transactions in New York.

#### GOOD OF THE ORDER

Following the calendar review and with no further business appearing, the commission meeting recessed at 10:18 a.m. for a short break, and reconvened at 10:23 a.m.

The commissioners then adjourned and met in executive session for no more than 10 minutes to discuss with legal counsel potential litigation and to consider the minimum price at which real estate will be offered for sale or lease. No action would follow the executive session.

At 10:33 the executive session adjourned and the regular meeting reconvened. With no further business appearing, the commission meeting adjourned at 10:33.

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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