

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, August 11, 2015.

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; Energy Resources Manager Justin Holzgrove; Public Information & Government Relations Manager Joel Myer; Director of Engineering Terry Peterson; Records Coordinator Jennifer Renecker; Power Supply Manager Matt Samuelson; Customer Service Manager Diane Hennessy; and Executive Assistant/Records 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 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 July 28, 2015, regular commission meeting.  |                     |
| b. Voucher Nos. (dated August 04, 2015) 133190 through 133274<br>(Includes electronic funds transfer payment Nos. 1667-1669.) | — \$ 130,856.75     |
| c. Voucher Nos. (dated August 11, 2015) 133275 through 133401<br>(Includes electronic funds transfer payment Nos. 1670-1681.) | — \$ 801,157.41     |
|   | TOTAL \$ 932,014.16 |

d. Void accounts payable check for the week ending August 07, 2015, in the total amount of \$389.18.

\* 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.

ACTION ITEMS

Recommendation was made to enter into an Interlocal Agreement with National Purchasing Partners (NPPGov).

Mrs. Creekpaum explained that there is no cost to join this purchasing group and it helps with our purchasing power to get better pricing on future utility purchases.

Ms. Gott moved, Mr. Jorgenson seconded to authorize the manager to enter into the Interlocal Agreement with National Purchasing Partners (NPPGov) MOTION PASSED UNANIMOUSLY.

A recommendation was made to approve the purchase of an Altec Aerial Man Lift Truck for Telecommunications Department. The truck is for the new Communication Technician III that will begin working on his own after his training is completed. Funds for this truck were budgeted through the Equipment Vehicle Replacement (EVR) fund.

Mr. Farmer moved, motion seconded by Ms. Gott, to approve the purchase of an Altec Aerial Man Lift Truck for Telecommunications. MOTION PASSED UNANIMOUSLY with Mr. Jorgenson abstaining.

COMMENTS FROM PUBLIC

No comments from the public.

STAFF REPORTS

Mrs. Speaks reviewed the status of the budget as of July 31, 2015, with the commissioners. Month-end receipts were \$4.5 million which is approximately 56 percent of the total budget, while expenditures were \$4.6 million approximately 56 percent of budget, leaving a negative budget balance of (\$118,000). Mrs. Speaks noted that

year to date the budget is at a positive balance of \$188,000 compared to last year at this time which was at a negative budget balance of (\$495,000).

Mr. Taylor gave the treasurer's report of funds through July 2015. The opening cash balance was \$3.8 million and was \$3.7 million at month's end. The utility's investments totaled at \$11.9 million. The total of all funds at month-end were \$34,470,953.82 which was an increase of \$397,863.99 over the previous month. Mr. Taylor pointed out that there are no changes in investments at this time.

Mr. Samuelson reported that the Bonneville Power Administration is reviewing their strategic initiatives, with particular emphasis on cost control. They recognize that the upward trend of their rates may put them in a position where their rates are not competitive with market rates when they offer new preference contracts after 2028.

Mrs. Creekpau reported that staff is reviewing impact of the Bonneville Power Administration rate increases on PUD rates and the 2016 budget.

Mrs. Creekpau also spoke to commissioners about the Matlock fire that ignited on July 31, 2015. PUD 3 experienced emergency outages between the hours of 4:15 p.m. and 10:00 p.m. Over 100 acres were destroyed along with five homes and thirteen structures.

Mrs. Creekpau reported that the utility has been seeing numerous underground faults relating to the extremely hot days. The Collins Lake Substation also had an outage due to underground feeder getaways faulting. Crews pulled two feeders and replaced them with updated insulated wire.

At the request of Ms. Creekpau, Mr. Holzgrove update the commissioners on the Community Shared Solar program. At this time 65 registrations have been received with requests of 2,279 units. The target is set for 2,830 units and registration closes on September 17, 2015.

Mr. Holzgrove also updated the commission on reallocated conservation funds from the Bonneville Power Administration's end of year surplus. PUD 3 received an additional \$23,662 that will be allocated to conservation.

Mrs. Creekpau read a letter of thanks from the Star Lake Community. The water management was concerned the week of July 4<sup>th</sup> with double occupancy at the lake and no water due to power outage. Thankful for PUD's quick response they were back up and running in 3 hours.

At the request of Mrs. Creekpau, Mr. Myer also shared a thank you posted on the PUD Facebook page. The mother of a young women who was in a serious car accident on Cole Rd. was extremely grateful to Mel Ferrier and Kevin Philips who came upon her daughter and called for help and stayed with her until medics arrived.

Mrs. Creekpau informed commission that Aegis is on site for the insurance review.

Mrs. Creekpau reported to commissioners that the City of Shelton considered proposal for LED reader board to replace the banner program that will conclude December 31, 2015 at their last meeting. We anticipate a decision by September 1, 2015.

#### COMMISSION REPORT

Ms. Gott reported on her recent policy maker's council meeting with American Public Power Association (APPA) in Washington D.C. She noted there were four attendees from Washington State and they had the opportunity to meet with five of the state representatives including Senator Maria Cantwell.

#### GOOD OF THE ORDER

Following a calendar review, and with no further business appearing, the commission meeting adjourned at 10:35 a.m.

---

Thomas J. Farmer, President

ATTEST:

---

Bruce E. Jorgenson, Vice President

---

Linda R. Gott, Secretary