

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

President Gott 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, January 12, 2016.

District officers present were: Commissioners, Thomas J. Farmer, Linda R. Gott and Bruce E. Jorgenson
Manager Annette Creekspaum; 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 Business Operations Michelle Burleson; Customer Service Manager Diane Hennessy; Energy Resources Manager, Justin Holzgrove; Public Information & Government Relations Manager Joel Myer; Power Supply Manager Michele Patterson; Director of Engineering Terry Peterson; Records Coordinator Jennifer Renecker; Safety & Environmental Compliance Manager Bob Smith; 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. It was noted that an executive session would be held for the purposes of item 42.30.110(1) (i) (iii) to discuss with legal counsel the legal risks of a proposed action or current practice. The executive session is estimated to last approximately 5 minutes, with no action to follow.

CONSENT AGENDA

Ms. Gott reviewed the items listed on the consent agenda Mr. Jorgenson 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 December 22, 2015, regular commission meeting. | |
| b. Voucher Nos. (dated December 29, 2015) 135108 through 135223
(Includes electronic funds transfer payment Nos. 1804-1810.) | — \$ 1,757,227.81 |
| c. Voucher Nos. (dated December 31, 2015) 135224 through 135292
(Includes electronic funds transfer payment Nos. 1811-1813.) | — \$ 647,701.99 |
| d. Voucher Nos. (dated January 5, 2016) 135293 through 135341
(Includes electronic funds transfer payment Nos. 1814-1817.) | <u>— \$ 34,765.31</u> |
| | TOTAL \$ 3,391,497.54 |
| e. Void accounts payable checks for the week ending January 8, 2016, in the total amount of \$6,766.36. | |
| f. Award Bid SMW-2015.9 Haven & Wooten Lakes Fiber Build-Out. | |

* 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.

PUBLIC COMMENT

No members of the public were in attendance.

ACTION ITEMS

The commissioners reviewed a listing of organizations to which the PUD belongs and the person(s) who represents the PUD at each. 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 2016. MOTION PASSED UNANIMOUSLY.

Recommendation was made to approve Resolution No. 1655 “A Resolution Declaring a State of Emergency and Designating Agents for FEMA Applications.” Mrs. Creekspaum informed commissioners that the Governor has declared another state of emergency with the December storms and the utility needs to be prepared with this resolution in the event the president follows that declaration and makes FEMA funds available to recover costs associated with the storms.

Mr. Jorgenson moved, Mr. Farmer seconded to Approve Resolution No. 1655 “A Resolution Declaring a State of Emergency and Designating Agents for FEMA Applications.” MOTION PASSED UNANIMOUSLY.

STAFF REPORTS

Mrs. Speaks reviewed the 2015 year-end status of the budget report with the commissioners. She reported the year ended with a positive budget balance of \$21,321. Expenditures for the year were at \$60,048,383 or 94 percent of the budget, while receipts were \$60,069,703, which is 94 percent of budget. The amount spent for purchased power was less than forecasted at \$25,807,533 or 91 percent of anticipated budget.

Mr. Taylor provided the board with the year-end treasurer's report. PUD 3 ended December 2015 with an ending cash balance of \$4.6 million, operating reserves of \$16.1 million, designated reserves of \$2.2 million, restricted reserves of \$15.3 million, making the total of all funds \$33.6 million.

Mrs. Creekpaum reported that the PUD held an all employee annual meeting on January 5. At the meeting, staff reviewed accomplishments of 2015, highlighted the mission/vision/values from the strategic planning process, and set goals for 2016. Commissioners were shown a video of the 2015 year in review that was played at the meeting.

Mrs. Creekpaum reported that she and staff will be meeting with the correction center on January 20, regarding the Olympic View generating station.

COMMISSIONERS REPORT

Ms. Gott reported her attendance at the Public Power Council.

Mr. Farmer his attendance at the Twanoh Grange. He also announced his plans to attend the Legislative reception with the Washington Public Utilities Association (WPUDA) later this week.

GOOD OF THE ORDER

After a calendar review and with no further business appearing, the commission took a short break at 10:23.

Upon return, the commission went into executive session at 10:29 for the purposes 42.30.110(1) (i) (iii) to discuss with legal counsel the legal risks of a proposed action or current practice. The executive session is estimated to last approximately 5 minutes, with no action to follow.

At 10:34 the commission announced it would continue in executive session for approximately 5 more minutes.

The executive session adjourned at 10:36 and the regular meeting reconvened. With no further business appearing, the commission meeting adjourned at 10:37.

Linda R. Gott, President

ATTEST:

Bruce E. Jorgenson, Vice President

Thomas J. Farmer, Secretary