

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, February 9, 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; Energy Services and Community Relations Manager, Justin Holzgrove; Public Information & Government Relations Manager Joel Myer; Power Supply Manager Michele Patterson; Director of Engineering Terry Peterson; Records Coordinator Jennifer Renecker; and Administration and Communication Services Manager Lynn Eaton (recorded minutes).

One member of the public in attendance was Jim Boldt of *Lilliwaup*.

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 10 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:

- | | |
|---|-----------------------|
| a. Minutes of the January 26, 2016 regular commission meeting. | |
| b. Voucher Nos. (dated February 2, 2016) 135594 through 135646
(Includes electronic funds transfer payment Nos. 1- 3.) | — \$ 760,239.79 |
| c. Voucher Nos. (dated February 9, 2016) 135647 through 135727
(Includes electronic funds transfer payment Nos. 1842-1850.) | — \$ 454,169.16 |
| | TOTAL \$ 1,214,408.95 |
| d. Void accounts payable check for the week ending January 29, 2016, in the total amount of \$226,385.66.
Void accounts payable check for the week ending February 5, 2016, in the total amount of \$1,522.60. | |
| e. Write off deceased customers with no assets and bankruptcies in the total amount of \$1074.09. | |

* 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

Mr. Boldt addressed the commission. He explained that while he is served by Mason PUD 1 for power, he is still in Mason PUD 3's service territory. He expressed his frustration with the lack of broadband services in his area and shared that he is looking for solutions to access this vital service. He compared the problem to the roots of public power where public utilities began serving areas that private utilities wouldn't venture. After listing several potential options, he mentioned that the most viable option in his opinion was to form an L.U.D. He let the commission know that he will be exploring this option and would like the PUD to be open to this and other possible solutions.

ACTION ITEMS

Recommendation was made to approve the Privacy Policy. The policy explains how customer information is obtained and protected. Agencies are required to adopt a Privacy Policy by September of 2016, however the District has determined that due to the timing of the Grid Modernization project, it would be best to adopt a policy now before the project is deployed.

Mr. Farmer moved, Mr. Jorgenson seconded to adopt the Privacy Policy as presented. MOTION PASSED UNANIMOUSLY.

Recommendation was then made to adopt the Automatic Meter Reading Opt-Out Policy. This policy gives customers an opportunity to choose not to participate in automatic meter reading by paying a monthly manual meter reading fee. The fee is recommended at \$50.00 per month and is being proposed in the listing of fees under the Electric Service Rules and Regulations.

Ms. Gott moved, Mr. Jorgenson seconded to adopt the Automatic Meter Reading Opt-Out Policy as presented. MOTION PASSED UNANIMOUSLY.

Staff made a recommendation to approve Resolution No. 1657, which is a resolution “Modifying Electric Service Rules and Regulations.” In addition to the addition of the manual meter reading fee of \$50.00 per month, the modified Service Rules and Regulations include updated information regarding clearances as well as adding the yard light reconnection fee to the fee schedule. The yard light reconnection fee was not a new fee, but was left off the fee schedule when the Service Rules and Regulations were last adopted.

Mr. Jorgenson moved, Mr. Farmer seconded to Approve Resolution No. 1657, “Modifying Electric Service Rules and Regulations.” MOTION PASSED UNANIMOUSLY.

Resolution No. 1658 was brought before the commission for consideration. It is a resolution “Declaring Electric System Items Surplus (Non-PCB Contaminated).” This resolution is used as a tracking mechanism for transformers, capacitors and regulators that are surplus.

Mr. Farmer moved, Mr. Jorgenson seconded to Approve Resolution No. 1658, “Declaring Electric System Items Surplus (Non-PCB Contaminated).” MOTION PASSED UNANIMOUSLY.

STAFF REPORTS

Mrs. Speaks reviewed the status of the budget as of January 31, 2016, with the commissioners. Month-end receipts were approximately \$5.8 million, while expenditures were approximately \$5.5 million leaving the month with a positive budget balance of \$302,857. Mrs. Speaks explained that there are many front-loaded costs at the beginning of the year such as insurance and privilege tax, similar to previous years.

Mr. Taylor gave the treasurer’s report of funds through January 2016. The total of all funds at month-end were \$33.7 million. Mr. Taylor noted nothing substantial to report on the District’s investments.

Mrs. Creekpau reported that the National Information Solutions Cooperative (NISC) staff was on-site at the Johns Prairie operations center this week providing scenario training for employees who will be using the customer service (CC&B) portion of the enterprise software solution.

Mrs. Creekpau let commissioners know that Michele Patterson and Pat McGary will be attending the Bonneville Power Association’s (BPA) Focus 2028 meetings this week to talk about regional issues attached to rates.

Mrs. Creekpau announced her attendance to the Northwest Regional Utilities meeting. Mason PUD 3 recently joined the group of over fifty utilities who share similar issues.

At Mrs. Creekpau’s request, Mr. Myer gave a legislative report. He spoke about the upcoming cut-off and various bills he is following that if passed would have an impact on the utility.

At Mrs. Creekpau’s request Mr. Holzgrove updated the commission on the new website project that is expected to be completed in May and launched in conjunction with the NISC Smart Hub which is a customer portal intended to improve their experience and provide additional services.

COMMISSIONERS REPORT

Mr. Farmer reported his attendance at the Washington Public Utility Districts Association (WPUDA) meetings last month. He also reported attending the North Mason Chamber of Commerce meetings and the Public Power Council (PPC) meetings.

Ms. Gott reported her attendance at the PPC meetings in Portland.

DISCUSSION ITEMS

Ms. Gott expressed a concern about the March meetings schedule. She proposed that since there are five Tuesdays in the month, and that one of the meetings conflicts with the American Public Power Association’s Legislative Rally, that the commission revise its schedule to cancel the March 8 and March 22 meetings and reschedule the meetings for March 15 and March 29.

Mr. Farmer moved, motion seconded by Mr. Jorgenson to revise its schedule in March by cancelling the March 8 and March 22 meetings and rescheduling the meetings for March 15 and March 29. THE MOTION PASSED UNANIMOUSLY.

GOOD OF THE ORDER

Following the calendar review and with no further business appearing, the commission meeting recessed at 10:44 a.m. for a short break, and reconvened at 10:48 a.m.

The commissioners then adjourned and met in executive session for no more than 10 minutes to discuss with legal counsel the legal risks of a proposed action or current practice. No action would follow the executive session.

At 10:55 the executive session adjourned and the regular meeting reconvened. With no further business appearing, the commission meeting adjourned at 10:55.

Linda R. Gott, President

ATTEST:

Bruce E. Jorgenson, Vice President

Thomas J. Farmer, Secretary