

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, June 14, 2016.

District officers present were: Commissioners, Thomas J. Farmer, Linda R. Gott and Bruce E. Jorgenson Manager Annette Creekspaum; Treasurer Brian Taylor; and Attorney Robert Johnson. Finance Manager/Auditor Sherry Speaks was absent.

The following PUD 3 personnel were present: Administration & Strategic Coordinator, Asia Cline; Customer Service Manager, Diane Hennessy; Conservation Technician, Daniel Parsons; Power Supply Manager Michele Patterson; Director of Engineering Terry Peterson; Safety and Environmental Compliance Manager Bob Smith; and Administration and Communication Services Manager 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) (g) to review the performance of a public employee. The executive session is estimated to last approximately 15 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 May 24, 2016 regular commission meeting.
- b. Voucher Nos. (dated May 31, 2016) 137046 through 137109 — \$ 663,697.32  
(Includes electronic funds transfer payment Nos. 3247.)
- c. Voucher Nos. (dated June 7, 2016) 137110 through 137169 — \$ 212,023.42  
(Includes electronic funds transfer payment Nos. 3248 – 3250.)
- d. Voucher Nos. (dated June 14, 2016) 137170 through 137282 — \$ 2,312,425.44  
(includes electronic funds transfer payment Nos. 3251 – 3414.)

TOTAL \$ 3,188,146.18

- e. Void accounts payable check for the week ending June 03, 2016 in the total amounts of \$517.04.

\* 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 recommendation made to place a moratorium on new solar incentive agreements, officially known as “Renewable Energy System Cost Recovery Annual Incentive Payment Program Agreements.” The state has a cap that limits the amount of incentive that can be claimed by a utility for its customers. The cap is currently 0.5 percent of the PUD’s taxable power sales. The shared solar cap is 0.125 percent. PUD 3 is nearing that cap. In order to protect benefits for current solar customers, staff is recommending placing a moratorium on future incentive applications. This would not limit customers who seek to install and interconnect a net metering system from receiving all of the other benefits of net metering at PUD 3. It would, however, limit them from applying for the Washington State Renewable Energy System Cost Recovery Incentive Payment through PUD 3. In limiting future applications for the incentive, PUD 3 is making a good faith effort to ensure that existing interconnected customers will receive the highest amount of incentive available to them. The other option for dealing with the cap, according to RCW 82.16.120, is to prorate the incentives.

Ms. Gott moved, Mr. Jorgenson seconded, to place a moratorium on new Renewable Energy System Cost Recovery Annual Incentive Payment Program Agreements effective immediately. Customers who have an existing net metered system interconnected with PUD 3, or those who have paid an application fee and are in the process of installing an interconnected system will continue to be eligible for the state solar production incentives. MOTION PASSED UNANIMOUSLY.

STAFF REPORTS

At Mrs. Creekpaum's request, Mr. Myer reported that the PUD participated in the Cascadia Rising Emergency Response Drill.

Mr. Myer also informed the commission that City Administrator, Dave O'leary was replaced by Ryan Wheaton.

Mrs. Creekpaum reported on the System Maintenance and Betterment Planning Study created by the engineering staff. The study includes over 125 projects ranging from underground single-phase tap rebuilds to future substation needs.

Mrs. Creekpaum informed the commission that the second set of letters notifying customers of meter changeouts in their area for the grid modernization project went out. It was noted that the project is running smoothly.

Mrs. Creekpaum introduced the new Conservation Technician, Daniel Parsons.

#### COMMISSIONERS REPORT

Mrs. Gott reported her attendance at NoaNet, PURMS meeting, and the Public Power Council meetings.

#### GOOD OF THE ORDER

After a calendar review and with no further business appearing, the commission took a short break at 10:35.

Upon return, the commission went into executive session at 10:40 for the purposes 42.30.110(1) (g) to review the performance of a public employee. The executive session is estimated to last approximately 15 minutes, with no action to follow.

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

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Linda R. Gott, President

ATTEST:

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Bruce E. Jorgenson, Vice President

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Thomas J. Farmer, Secretary