

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 28, 2016.

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, Robert Johnson.

The following PUD 3 personnel were present: Director of Business Operations, Michelle Burleson; Administration & Strategic Coordinator, Asia Cline; Customer Service Manager, Diane Hennessy; Engineering Services & Community Relations Manager, Justin Holzgrove; Power Supply Consultant, Pat McGary; Network Systems Supervisor, Joel Moore; Public Information & Government Relations Manager Joel Myer; Director of Engineering, Terry Peterson; Safety and Environmental Compliance Manager, Bob Smith; and Administration and Communication Services Manager, Lynn Eaton (recorded minutes).

Members of the public in attendance were Dedrick Allen with *Mason Web TV* and Randy Lewis of Shelton.

MODIFICATION AND/OR APPROVAL OF AGENDA

The agenda was approved as presented.

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 June 14, 2016 regular commission meeting. | | |
| b. Voucher Nos. (dated June 21, 2016) | 137283 through 137352 | — \$ 323,338.75 |
| | (Includes electronic funds transfer payment Nos. 3415 – 3418.) | |
| c. Voucher Nos. (dated June 28, 2016) | 137353 through 137422 | — <u>\$ 1,469,553.47</u> |
| | (Includes electronic funds transfer payment Nos. 3419 – 3574.) | |
| | | TOTAL \$ 1,792,892.22 |

* 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 comments from the public.

ACTION ITEMS

Recommendation was made to surplus Vehicle No. 489, a 2010 Ford Escape. Mrs. Creekpaum explained that the vehicle was involved in an accident and was totaled. Insurance will be issuing a payment to PUD 3 and the vehicle will be sold as scrap.

Mr. Jorgenson moved, motion seconded by Mr. Farmer to surplus Vehicle No. 489, a 2010 Ford Escape. MOTION PASSED UNANIMOUSLY.

STAFF REPORTS

Mrs. Speaks reported to the commissioners on the status of the budget as of May 31, 2016. Month-end receipts were \$4,602,010, while expenditures were \$4,671,456. Expenditures year to date were \$27.5 million, or 43 percent of the adopted 2016 budget. Receipts year to date were \$28.7 million, or 45 percent of the adopted 2016 budget.

Mr. Taylor gave the treasure's report of funds through May 2016. The total of all funds at month-end were \$34,120,707.50. Outstanding warrants for the month of May were \$290,864.63.

At Mrs. Creekpaum's request, Mr. McGary gave a Bonneville Power Administration (BPA) update. Mr. McGary reported that BPA's Integrated Program Review (IPR) combined with the Capital Investment Review (CIR) will drive the inputs for BPA's current rate case. He reported the initial numbers estimate an electricity rate increase between 4 – 9 percent and an increase in transmission rates between 2.8 – 4.8 percent.

Mrs. Creekpaum informed the commission of a follow-up meeting with Jim Boldt on behalf of the West Canal Broadband Project. During the meeting Mrs. Creekpaum and Telecom Manager, Dale Knutson proposed a

wireless shot from the Belfair tower to the Jefferson tower. This is an alternative solution to Mr. Boldt's previous request for Mason PUD 3 to evaluate the formation of an LUD for telecommunications in the area north of the Hama Hama.

Mrs. Creekaum reported that the Washington State Auditor's Office conducted its exit interviews with staff. She reported that the District received clean audits.

At Mrs. Creekaum's request, Mrs. Hennessy gave an update regarding the NISC enterprise software conversion and the grid modernization project. Mrs. Hennessy explained that statistics show customers are using the electronic payment features and that the system is working as it should. Mrs. Hennessy reported the grid modernization project is ahead of schedule, sharing that 900 meters have been installed to date.

At Mrs. Creekaum's request Mr. Myer gave a government relations report. Some of the issues included: the carbon tax initiative (I-732); Columbia River Treaty; and Oregon's renewable energy initiative.

COMMISSIONERS REPORT

Mr. Farmer noted that he received a customer complaint regarding a web payment. Mrs. Hennessy, Customer Service Manager, will follow up with the customer.

Ms. Gott commended the conservation and finance staff on the clean audits and noted it takes a unified effort from the entire utility to achieve these results.

DISCUSSION ITEMS

The commissioners discussed scheduling a telecommunications workshop. Based upon a calendar review, the commissioners scheduled the workshop for Wednesday, July 20th at 1:00 p.m. in the auditorium.

GOOD OF THE ORDER

With no further business appearing, the commission adjourned at 10:57 a.m.

Linda R. Gott, President

ATTEST:

Bruce E. Jorgenson, Vice President

Thomas J. Farmer, Secretary