

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, October 11, 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 Operations Michelle Burleson; Customer Service Manager Diane Hennessy; Engineering Services & Community Relations Manager Justin Holzgrove; Public Information & Government Relations Manager Joel Myer; Energy Resource Manager Michele Patterson; Director of Engineering Terry Peterson; Records Coordinator Jennifer Renecker; Safety Manager Bob Smith; and Administration & 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.

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 September 27, 2016 regular commission meeting.   |                       |
| b. Voucher Nos. (dated October 4, 2016) 138753 through 138889<br>(Includes electronic funds transfer payment Nos. 4603 - 4610.)  | — \$ 413,437.01       |
| c. Voucher Nos. (dated October 11, 2016) 138890 through 138970<br>(Includes electronic funds transfer payment Nos. 4611 - 4776.)   | — \$ 780,237.83       |
|  | TOTAL \$ 1,193,674.84 |
| d. Void accounts payable checks for the week ending September 30, 2016, in the total amount of \$2,118.06.<br>Void accounts payable checks for the week ending October 7, 2016, in the total amount of \$323.36. |                       |
| e. Write-off deceased, no-assets, and bankruptcies in the total amount of \$1347.46. Partial write-off due to bankruptcy in the total amount of \$712.47.  |                       |

\* 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 public was in attendance.

ACTION ITEM

Recommendation was made to Adopt Resolution No. 1670, which is a "Resolution Defining Commissioner Imputed Hours for Reporting Purposes and Providing for Administrative Oversight." The Washington Public Utilities District Association (WPUDA) recommended utilities adopt a resolution clarifying how utilities report commission hours spent outside of meetings towards pension service credits.

Mr. Jorgenson moved, motion seconded by Mr. Farmer to Adopt Resolution No. 1670, a "Resolution Defining Commissioner Imputed Hours for Reporting Purposes and Providing for Administrative Oversight." MOTION PASSED UNANIMOUSLY.

STAFF REPORTS

Mrs. Creekspaum reported that Grid Modernization project has approximately 4,800 meters, 5 collectors, and 80 routers installed to date. She shared photos of the progress on the towers as well.

Mrs. Creekspaum informed the commission that the Grays Harbor PUD manager, Dave Ward, has decided not to renew his term on the Public Power Council (PPC) board and recommended that she (as his alternate) be nominated to take his seat. Traditionally the board would make such a nomination.

Mr. Jorgenson moved that the Mason County PUD 3 board of commissioners nominate Annette Creekspaum to serve on the PPC board. The motion was seconded by Mr. Farmer. MOTION PASSED UNANIMOUSLY.

At Mrs. Creekpaum's request, Mr. Myer gave a legislative report. He highlighted several issues that have potential impacts to the District. Some of the issues include the National Environmental Protection Act and Biological Opinions, the Washington State Initiative-732, carbon reduction, transportation electrification, and fuel mix reporting.

Mrs. Creekpaum reported that through September of 2016, the engineering department has accepted 236 applications compared to the same period in 2015, which resulted in 167 applications.

At Mrs. Creekpaum's request, Mr. Peterson gave a history of the Mason PUD 3 substations. He covered the eleven substations, when they were built, whether or not they were purchased from the Bonneville Power Administration (BPA), and whether or not they had been upgraded.

Mrs. Creekpaum expressed that there are upcoming expenses related to substation upgrades that will affect the 2017 budget, so further discussion will happen on this topic.

Mrs. Creekpaum noted that she has been asked to give several presentations over the next month.

#### COMMISSIONERS REPORT

Mr. Farmer reported his attendance to the Public Power Council (PPC) and gave a brief overview of Elliot Mainzer's (BPA Administrator) report on upcoming BPA rate increases.

Ms. Gott shared her experience with a recent outage at her home due to a car versus pole accident.

#### GOOD OF THE ORDER

With no further business appearing, the commission adjourned at 10:35 a.m.

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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