

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

President Bruce Jorgenson 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 31, 2017.

District officers present were: Commissioners, Thomas J. Farmer, Linda R. Gott and Bruce E. Jorgenson. Manager Annette Creekpau; 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; Communications & Community Relations Coordinator Asia Cline; Programmer Jacob Deines; Customer Service Manager Diane Hennessy; Engineering Services & Community Relations Manager Justin Holzgrove; Director of Engineering and Utility Services Dale Knutson; Shelton Line Superintendent Chris Miller; Engineering Project Manager – Metering Specialist Koral Miller; Public Information & Government Relations Manager Joel Myer; Conservation Technician Daniel Parsons; Energy Resources Manager Michele Patterson; Facilities Superintendent Dennis Simon; Director of Engineering Terry Peterson; Records Coordinator Jennifer Renecker; Belfair Office Supervisor Stephanie Schuffenhauer; Safety Manager Bob Smith; Customer Service Revenue Protection Supervisor Mary Taylor; and Administration & Communication Services Manager Lynn Eaton (recorded minutes).

Members of the public in attendance were: Ken Adkison of Shelton; Alishia Crettol-Fenney of Belfair; Jay Himlie of Shelton; Lisa Holder of Belfair; Robert Holder of Belfair; Randy Lewis of Shelton; Kristin Masteller of *Mason County PUD 1*; Kathy McDowell of *City of Shelton Commissioner*; Dustin Nabors of Shelton; Ryan Spurling of *Mason County Sheriff's Office*; and Colleen Walls of Belfair.

MODIFICATION AND/OR APPROVAL OF AGENDA

The agenda was approved as presented.

CONSENT AGENDA

Mr. Jorgenson 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 17, 2017, regular commission meeting.
  - b. Voucher Nos. (dated January 24, 2017) 140290 through 140377 — \$ 455,366.20  
(Includes electronic funds transfer payment Nos. 5779-5785.)
  - c. Voucher Nos. (dated January 31, 2017) 140378 through 140485 — \$ 1,699,683.75  
(Includes electronic funds transfer payment Nos. 5786-5950.)
- TOTAL \$ 2,155,049.95

\* 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.

## DISCUSSION ITEMS

Mr. Myer and Mr. Holzgrove gave a winter bill briefing to commissioners and attendees. While winter bill complaints happen each year, this winter was unusually cold driving customer bills up higher. Mr. Holzgrove covered how the Heating Degree Days and Heat Loss in homes affects customer bills. Mr. Myer noted that Mason PUD 3's rates are lower than most surrounding counties and some of the lowest rates in the nation. The pair also pointed out that the money spent on maintenance of the system is important in keeping outages to a minimum. There are many factors that go into setting rates above such as purchased power costs from the Bonneville Power Administration, costly legislation such as the Energy Independence Act (I-937), among other external factors. The discussion ended with reminding customers of the assistance programs the PUD has available and noting that there will be an evening workshop for customers who would like to ask specific questions on their bills. It will be held on Thursday, February 2, 2017 beginning at 5:00 p.m.

## COMMENTS FROM THE PUBLIC

Kathy McDowell wanted to recognize Justin Holzgrove for his work on the Light Emitting Diode (LED) streetlight project that he spearheaded with the City of Shelton.

Robert Holder (co-founder of the group The People vs. PUD 3) said he is not unhappy with how the PUD takes care of its customers and recognized its reliability. He was concerned with customers having large bills and unable to pay them. He was under the impression that that customers needed to have their bills paid in full before the PUD would offer any programs. He also pointed out that customers don't have a choice of who they purchase their power from. He suggested that the commission have a meeting after hours to hear from all customers and other members of their group.

Colleen Walls addressed the commission again with concerns regarding the advanced meters the district is deploying. She noted that she did not want to have an advanced meter installed at her home as she has health concerns. She also said the \$50 opt-out fee would be a hardship. She gave some statistics...

Lisa Holder (co-founder of the group The People vs. PUD 3) informed the commission that she has started a petition to lower PUD rates. She has been unhappy with the customer service she has received from the PUD regarding her own bill. She expressed that she should not have to conserve energy in order to have an affordable bill. She also asserted that the average income is about half of surrounding counties. She urged the commission to find a way to cut costs in order to keep rates affordable.

Randy Lewis agreed with Mr. Holder that evening meetings would be beneficial to the community. He asked for clarification of how the restructure of debt in order to construct the PUD's Johns Prairie Operations Center had no net-effect on rates.

## STAFF REPORTS

Mrs. Creekpaum followed up to some of the public comment by adding that she recognizes that winter bills are tough for many people, and that is why there are many programs in place to help with things like budget billing, conservation and assistance programs. She did note however, that because it is a very complex industry and that the district has a responsibility to all of its customers to ensure that it continues to provide safe and reliable power at the most affordable rates possible. She also expressed

that she does not want to cut services because reliability is important to the district and its customers. Finally, she expressed that the utility is fiscally responsible with 37 years of clean audits and international recognition for its financial reporting by the Government Finance Officers Association (GFOA). She finished by saying that many challenges face the industry from wholesale power rates, to distributed generation, and increased regulation from such laws as I-937. She said the best option for keeping rates low is to continue pushing back against BPA and educating our legislators and community members on the harmful effects of costly legislation.

Mrs. Creekpauum informed the commission that staff will begin looking into additional security for the Belfair office due to aggressive and intimidating behavior by a member of the People vs. PUD 3 group towards the office staff.

Mrs. Creekpauum noted for the record that she has signed the official purchase and sale agreement with the Behavioral Health Organization (BHO). It will now go through the closing process.

#### COMMISSIONERS' REPORT

Ms. Gott had no report but followed up on the Belfair security concern.

Mr. Farmer reported that he attended a retirement event for Kitsap PUD commissioner John Armstrong. He also attended the Shelton-Mason County Chamber of Commerce awards gala and the North Mason Chamber meeting with the Department of Transportation regarding the road-widening project. Mr. Farmer reported his attendance at the Western Public Agencies Group (WPAG) and confirmed that the group is pushing back on the Bonneville Power Administration's rates. He noted that he is working on the North Mason School District advisory board, which is moving forward with a stadium and will be utilizing LED lights.

Mr. Jorgenson thanked the members of the public for coming and reminded them of the programs available to help with high winter bills.

#### GOOD OF THE ORDER

After a calendar review and with no further business appearing, the commission meeting adjourned at 10:56.

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Bruce E. Jorgenson, President

ATTEST:

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Thomas J. Farmer, Vice President

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Linda R. Gott, Secretary