

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, February 21, 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 Services John Bennett; Director of Business Operations Michelle Burlison; Communications & Community Relations Coordinator Asia Cline; Customer Service Manager Diane Hennessy; Director of Engineering and Utility Services Dale Knutson; Interim Power Supply Manager Pat McGary; Engineering Project Manager – Metering Specialist Koral Miller; Public Information & Government Relations Manager Joel Myer; Energy Resources Manager Michele Patterson; Records Coordinator Jennifer Renecker; Customer Service Revenue Protection Supervisor Mary Taylor; and Administration & Communication Services Manager Lynn Eaton (recorded minutes).

Members of the public in attendance were: Kathryn Moe of Belfair; Marie Vanderwal of Shelton; Colleen Walls of Belfair; Gary Huard of Belfair; and Randy Lewis of Shelton. Lisa Holder of Belfair arrived at 10:18.

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. Farmer moved, motion seconded by Ms. Gott, to adopt the consent agenda. MOTION PASSED UNANIMOUSLY. By adopting the consent agenda, the following items were approved:

- |   |       |      |              |
|---|-------|------|--------------|
| a. Minutes of the February 7, 2017, regular commission meeting. |       |      |              |
| b. Voucher Nos. (dated February 14, 2017) 140601 through 140693 |       | — \$ | 4,459,864.77 |
| (Includes electronic funds transfer payment Nos. 5965-6132.)    |       |      |              |
| c. Voucher Nos. (dated February 21, 2017) 140694 through 140768 |       | — \$ | 249,956.93   |
| (Includes electronic funds transfer payment Nos. 6133-6137.)    |       |      |              |
|   | TOTAL | \$   | 4,709,821.70 |

\* 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.

COMMENTS FROM THE PUBLIC

Kathryn Moe raised concerns regarding increased rates and claimed that she is paying a higher daily system charge than any other utilities. She expressed displeasure with the decision to build Johns Prairie Operations Center and felt that it was overpriced for the community. She asked the commission to consider evening meetings.

Mr. Jorgenson thanked Ms. Moe for coming and expressed regret that she missed the meeting where high bills due to colder temperatures were explained in detail. He noted that PUD 3's rates are in fact lower than surrounding utilities and that the main driver of rates is the wholesale power purchased from the Bonneville Power Administration. He did note that there was not a rate increase in the budget for 2017.

Colleen Walls addressed the commission in opposition of smart meters and the opt-out fee. She noted that she is doing continuous research and got some Itron meters for testing. She said the meters are pulsing continuously. She provided the commission with additional information.

## STAFF REPORTS

Mrs. Speaks reviewed the status of the budget as of January 31, 2017, with the commissioners. Month-end receipts were approximately \$6.8 million, while expenditures were approximately \$6.3 million leaving the month with a positive budget balance of \$460,727. Mrs. Speaks explained that capital projects are low in the beginning of the year and typically pick up during the summer.

Mr. Taylor gave the treasurer's report of funds through January 2017. The total of all funds at month-end were approximately \$32 million. Mr. Taylor noted nothing substantial to report on the District's investments.

Mrs. Creekpau updated the commission on the grid modernization project. She reported that approximately 8,800 meters have been installed; 119 of the 218 routers have been installed; and 10 of the 11 collectors are installed.

Mrs. Creekpau reported that through January of 2017, our engineering department has received 31 new service applications compared to 21 applications in 2016. She said we are continuing to see upward growth.

Mrs. Creekpau informed the commission that she will be seeking a decision in an upcoming meeting regarding the safety concerns at the Belfair office. She discussed the options and the pros and cons of each. She noted that the safest option for customer service representatives and customers is to relocate the customer service function to a downtown location in order to increase visibility and speed up emergency response time. She explained that the operations functions are not dependent on the customer service function (much like the downtown Shelton office) so there is no need to have them co-located in one building.

At Mrs. Creekpau's request, Joel Myer gave a legislative report. He spoke about various issues in the legislature as well as congress that may affect the utility industry.

Mrs. Creekpau updated the commission on the progress of the broadband customer survey. She anticipates the results of the survey should be available by the end of March.

Mrs. Creekpau informed the commission that a discussion regarding substation costs and funding would be forthcoming. Staff has contracted with a consultant to help with the analysis and the report should be complete within the coming weeks.

Mrs. Creekpau announced that she signed the deed to Behavioral Health Organization for the downtown administration building, which should be closing the first part of March.

## COMMISSIONER REPORT

Ms. Gott reported her attendance at the NoaNet on February 8. She also spoke at the Harstine Community Hall regarding high bills and extension of fiber. On February 15, she attended the Economic Development Council's annual luncheon. On February 16, she noted that she was unable to attend the Washington Public Utility Districts Association (WPUDA) Day on the Hill in Olympia, as she was meeting with Greg Marney of NoaNet.

Mr. Farmer reported his attendance at the WPUDA's new commissioner orientation and received a certification. He also attended the WPUDA Day on the Hill and following business meetings in Olympia.

## GOOD OF THE ORDER

After a calendar review and with no further business appearing, the commission meeting adjourned at 10:33.

ATTEST:

---

Thomas J. Farmer, Vice President

---

Linda R. Gott, Secretary