

MINUTES OF 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, June 27, 2017.

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 Services John Bennett; Director of Business Operations Michelle Burleson; Communications & Community Relations Coordinator Asia Cline; Asst. Public Information & Government Relations Manager Lynn Eaton, Customer Service Manager Diane Hennessy; Director of Engineering & Utility Services Dale Knutson; Public Information & Government Relations Manager Joel Myer; Energy Resources Manager Michele Patterson; Customer Service Revenue Protection Supervisor Jennifer Renecker; Administration Services Manager Mary Taylor (recorded minutes).

Members of the public in attendance were: Dedrick Allen of *Mason Web TV*; Gary Huard of Belfair; Randy Lewis of Shelton; 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. 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 June 13, 2017, commission meeting.
- b. Voucher Nos. (dated June 20, 2017) 142060 through 142122 — \$ 237,606.53
(Includes electronic funds transfer payment Nos. 7572-7582.)
- c. Voucher Nos. (dated June 27, 2017) 142123 through 142224 — \$ 2,743,626.50
(Includes electronic funds transfer payment Nos. 7583-7759.)
- TOTAL \$ 2,981,233.03
- d. Write off deceased, no assets, and bankruptcies in the total amount of \$353.07.

* 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

Colleen Walls addressed the commission to express her opposition to the installation of new advanced meters and to the \$50.00 per month opt-out fee for advanced metering. She also made a formal request to the commission to remove the \$50.00 opt-out fee from the fee schedule.

STAFF REPORTS

Mrs. Speaks reviewed the status of the budget as of May 31, 2017, with the commissioners. The month-end receipts for May were 6 million, expenditures were 4.9 million. Finishing the month with a positive budget balance of 1.1 million for the month and 3.5 million year to date. Mrs. Speaks noted that construction season is here which will result in an increase in expenses.

Mr. Taylor gave the treasurer's report of funds through May 2017. The opening cash balance for April was \$5.7 million and was \$7.1 million at month's end. The total of all funds at month-end were \$33,814,412.62.

Mrs. Creekpaum reported that Cascade Natural Gas is doing work in the Shelton Hills area. The City of Shelton has received a 20 acre grading permit for this area.

Mrs. Creekpaum stated that the grid modernization project is progressing. There have been 12,700 AMI meters installed, 156 routers, and 12 collectors.

Mrs. Creekpaum reported that Mason County received record high temperatures over the weekend and is pleased to report that no underground faults occurred.

The Bonneville Power Administration (BPA) released the draft record of decision (ROD) and as anticipated, the average increase for wholesale power will be 5.5%. Mason PUD 3 may see a higher increase due to its contract with BPA. The rate increase for PUD 3 customers will not see a rate increase this year. Mrs. Creekpaum said that Roger Gray of Northwest Requirement Utilities (NRU) will attend the July 11, 2017 commission meeting to discuss BPA competitiveness.

The BPA "hydro power flows here" campaign began June 1, 2017. Mason PUD 3 will start its campaign July 1, 2017 and will share with ratepayers the benefits of using hydro power.

Mr. Myer reported on the social media statistics of the utility. Mason PUD 3 joined Facebook in September 2012. Since then, it has reached 2 million people. PUD 3 is rated number one in Washington State and in the top 100 nationally for highest percentage of customers reached.

At Mrs. Creekpaum's request, Mr. Myer provided the commission with an update on legislative activities. This included an update on the state budget and the possibility of 30,000 state employees being affected by a shut down if the budget is not reached by June 30, 2017.

Mrs. Creekpaum stated that the state auditor's office has completed the annual audit and Mason PUD 3 successfully achieved its 38th clean audit. An audit exit interview took place on June 20, 2017.

Mrs. Creekpaum requested a motion to schedule a broadband workshop for June 30, 2017 at 10:00 a.m. Mrs. Gott moved and Mr. Farmer seconded the motion to schedule a broadband workshop for June 30, 2017 at 10:00 a.m. THE MOTION PASSED UNANIMOUSLY.

COMMISSIONERS' REPORT

Ms. Gott reported that she attended the Mason PUD 3 exit interview with the state auditor on June 20 at PUD 3. She also reported her attendance at the NoaNet meeting on June 14. She noted that Executive Director, Greg Marney, will retire at the end of July and it was decided to focus on internal candidates for his replacement.

Mr. Farmer reported his attendance at the Mason PUD 3 exit interview with the state auditor on June 20. He also reported his attendance at a chamber event.

GOOD OF THE ORDER

After a calendar review and with no further business appearing, the commission meeting adjourned at 10:36 a.m.

Respectfully submitted,

Mary Taylor
Administration Services Manager

Bruce E. Jorgenson, President

ATTEST:

Thomas J. Farmer, Vice President

Linda R. Gott