

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, August 22, 2017.

District officers present were: Commissioners, Thomas J. Farmer, Linda R. Gott and Bruce E. Jorgenson. Acting Manager Michelle Bursleson, Attorney Robert Johnson, Auditor Sherry Speaks and Treasurer Brian Taylor. (Manager Annette Creekpaum was on vacation)

The following PUD 3 personnel were present: Director of Business Services John Bennett; Asst. Public Information & Government Relations Manager Lynn Eaton; Telecommunications & Community Relations Manager Justin Holzgrove; Director of Engineering & Utility Services Dale Knutson; Engineering Project Manager Ben Mangeng; and Administration Services Manager Mary Taylor (recorded minutes).

Members of the public in attendance were: Dedrick Allan 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 August 8, 2017, regular commission meeting.
- b. Voucher Nos. (dated August 15, 2017) 142800 through 142869 — \$ 947,727.94  
(Includes electronic funds transfer payment Nos. 8191-8378)
- c. Voucher Nos. (dated August 22, 2017) 142870 through 143004 — \$ 2,303,701.43  
(Includes electronic funds transfer payment Nos. 8379-8391)
- TOTAL \$ 3,251,429.37

\* 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 requested the removal of the \$50.00 opt-out fee from the fee schedule.

Gary Huard also expressed his opposition to the grid modernization program and the \$50.00 opt out fee.

Randy Lewis stated that he recently visited the new Skokomish Tribal Community Center. He was impressed with the large quantities of solar panels on the building. The community center is in PUD 1 service territory.

### ACTION ITEMS

Recommendation was made by Ms. Burleson to Adopt Resolution No. 1688. This resolution would revise the previous contract No. 09ES-11121 with The Bonneville Power Administration (BPA). This contract has been extended every two years since 2009. The new contract has no substantial changes, however because of the previous extensions, it contains content that is no longer relevant or is not reflective of current operating policy. BPA saw this as an opportunity to streamline and clarify language and better reflect current policy and process. The term of the new agreement will be for four years.

After a brief discussion, Mr. Farmer moved, Ms. Gott seconded the motion to Adopt Resolution No. 1688 “A Resolution Authorizing the Execution of Revised Energy Conservation Agreement (Contract No. 17ES-11509 previously Contract No. 09ES-11121) With the United States of America Department of Energy Acting by and Through the Bonneville Power Administration”. THE MOTION PASSED UNANIMOUSLY.

Recommendation was made to approve a one-year trial interlocal agreement with Energy Northwest. This is another joint-procurement program that provides the district with more choices when purchasing materials, equipment and supplies. If the program continues after the trial year, staff will bring a recommendation to commission at that time.

Ms. Gott moved, Mr. Farmer seconded the motion to approve an interlocal agreement with Energy Northwest. THE MOTION PASSED UNANIMOUSLY.

Recommendation was made to Adopt Resolution No. 1689 which declares the listing of items surplus that are no longer usable to the District.

Mr. Farmer moved, Ms. Gott seconded the motion to Adopt Resolution No. 1689 “A Resolution Declaring General Plant Items Surplus”. THE MOTION PASSED UNANIMOUSLY.

It was recommended to Award Bid SMW-2017.6, Cushman Fiber Backbone Extension. This project is for installation of fiber optic backbone from Skokomish River Valley (specifically Sunnyside Rd.) to Tacoma Power’s Cushman tower for the installation of the last collector for the Grid Modernization Project. MLS Enterprise was the lowest responsible bidder at \$174,785.00.

Mr. Farmer moved, Ms. Gott seconded the motion to Award Bid SMW-2017.6, Cushman Fiber Backbone Extension. After a brief discussion, THE MOTION PASSED UNANIMOUSLY.

### STAFF REPORT

Mrs. Speaks reviewed the status of the budget as of July 31, 2017, with the commissioners. Month end expenditures were \$4.7 million with a year to date positive budget balance of \$2 million.

Mr. Taylor gave the treasurer's report of funds through July 2017. The opening cash balance for July was \$3.8 million and \$3.95 million at month's end. As previously approved on July 11, 2017, \$2.5 million was transferred through treasury to a designated reserve account for the Fiberhood projects. The total of all funds at month-end were \$35 million.

Ms. Burleson reported that engineering applications are up 15 from this time last year. There has been a steady yearly increase in applications.

Ms. Burleson updated the commission on the Grid Modernization project. There have been 14,000 meters installed, 179 routers, and 10 collectors.

PUD 3 employees participated in the Annual Day of Caring with the United Way of Mason County. A handful of employees spent the day assisting with clearing a lot in Shelton to make way for new affordable housing to be built.

PUD 3 experienced a short outage on August 20 that affected approximately 2500 customers. The Dayton substation was partially down due to a BPA outage when a cedar tree came in contact with its lines. PUD 3 is waiting on the official report from BPA.

#### COMMISSIONERS' REPORT

Mrs. Gott reported that on August 15, NoaNet interviewed two internal applicants for the Executive Director position of NoaNet. A recommendation will be presented at the next NoaNet meeting on September 13.

Mrs. Gott will be attending the Energy Northwest retreat on August 23-25.

Mr. Farmer stated that he attended the ribbon cutting ceremony for the State Route 3 widening project in Belfair.

Mr. Farmer, along with Justin Holzgrove, attended a Fiberhood community meeting at Tahuya River Valley on August 12. Approximately 65 rate payers were in attendance and Justin's presentation was well received.

Mr. Jorgenson stated that he has been studying ways to reduce expenses for the PUD and has discovered a possibility to save \$10,000 per month. He challenged Mr. Farmer and Ms. Gott to also examine cost saving items and meet or beat his savings plan.

#### GOOD OF THE ORDER

After a calendar review and with no further business appearing, the commission meeting adjourned at 10:31 a.m.

Respectfully submitted,

Mary Taylor  
Administration Services Manager

