

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, September 26, 2017.

District officers present were: Commissioners, Thomas J. Farmer, Linda Gott, and Bruce E. Jorgenson. Manager Annette Creekaum, Attorney Robert Johnson, Auditor Sherry Speaks and Treasurer Brian Taylor.

The following PUD 3 personnel were present: Director of Operations Michelle Burleson; Asst. Public Information & Government Relations Manager Lynn Eaton; Customer Service Manager Diane Hennessy; Telecommunications & Community Relations Manager Justin Holzgrove; Director of Engineering & Utility Services Dale Knutson; Network Systems Supervisor Joel Moore; Public Information & Government Relations Manager Joel Myer; Energy Resources Manager Michele Patterson; Customer Service Revenue Protection Supervisor Jennifer Renecker; 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; Kathy McDowell *Shelton City Commissioner*; and Douglas Smith of Belfair.

MODIFICATION AND/OR APPROVAL OF AGENDA

Mr. Jorgenson requested that item 6.b. "A motion to reduce the outdoor lighting rates for the City of Shelton by 30 percent from the high pressure sodium (HPS) rate levels conditional on the award and payment of the Transportation Improvement Board grant through the Relight Washington program" be stricken from the agenda and added at a later date after more data is reviewed.

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 September 12, 2017, regular commission meeting.
- b. Voucher Nos. (dated September 19, 2017) 143219 through 143290 \$ 2,221,402.64  
(Includes electronic funds transfer payment Nos. 8767-8791)
- c. Voucher Nos. (dated September 26, 2017) 143291 through 143403 \$ 1,477,300.80  
(Includes electronic funds transfer payment Nos. 8961-9141)
- TOTAL \$ 2,050,092.82
- d. Write off deceased, no assets, and bankruptcies in the total amount of \$3,840.33
- e. Void accounts payable checks for the week ending September 22, 2017, in the total amount of \$5,779.88.
- f. Bonneville Power Administration Contracts #09PB-13068
  - Exhibit D-Additional Products and Special Provisions
  - Exhibit F-Transmission Scheduling Service

\* 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

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

### ACTION ITEMS

Recommendation was made to Adopt Resolution No. 1691, "A Resolution Defining Commissioner's Hours for Pension Reporting Purposes and Providing for Administrative Oversight". Mr. Farmer moved, Ms. Gott seconded the motion to Adopt Resolution No. 1691. THE MOTION PASSED UNANIMOUSLY.

### DISCUSSION ITEMS

Mr. Farmer referred to the stricken line item 6.b. of the agenda stating that the City lighting grant is an excellent opportunity. It is cost effective for city residents. Mr. Farmer would like to vote at the next commission meeting and move forward with the approval to lower lighting rates for the city if the grant is approved. Mr. Jorgenson asked for more information on the project to review.

### STAFF REPORT

Mrs. Speaks reviewed the status of the budget as of August 30, 2017, with the commissioners. The month-end receipts for August were \$5.3 million, expenditures were \$5.1 million. Finishing the month with a positive budget balance of \$207,000 for the month and \$2.2 million year to date.

Mr. Taylor gave the treasurer's report of funds through August 2017. The opening cash balance for August was \$3.9 million and was \$4.3 million at month's end. The total of all funds at month-end were \$36 million.

At Mrs. Creekpaum's request, Mr. Myer introduced Jason Robertson of J. Robertson and Company to explain the Community Economic Revitalization Board Grant wrap up (CERB). Mason PUD 3 and the Economic Development Council of Mason County (EDC) have completed a project focused on the future of the former PUD 3 administration building in downtown Shelton. The project was funded by a \$50,000 grant from the state, and nearly \$17,000 from EDC. The study initially focused on the potential use of the building as a business resource center. Although the property was sold in the midst of the process, the study refocused its efforts on how the services (and not necessarily the building) of a resource center could be established. The relocation of the EDC staff to joint occupancy with the PUD at the Shelton Payment Center set the stage for implementing added services to the business community. The building sale would generate \$1.8 million yearly to downtown direct and indirect economic benefits.

Mr. Myer discussed the Mason County hazard mitigation project. Mason PUD 3 is working with other agencies to inventory critical infrastructure, potential susceptibility to damage from natural disasters.

The project will identify ways that the county's roads, public facilities, energy delivery services, telecommunications and other assets can be upgraded to withstand disaster-related damage. The program will provide the basis for grants, loans, or other financial support for infrastructure upgrades.

At Mrs. Creekpau's request, Ms. Patterson provided the commission with the power supply update. Ms. Patterson reported that total kWh delivered in August came in at over 44 million at a cost of \$1.8 million. The year to date cost of power from Bonneville Power Administration (BPA) is \$16 million and the non-federal resources is \$1.1 million. The total cost of power year to date is \$18 million.

Mrs. Creekpau requested Mr. Holzgrove update the commission on the power outage that affected customers on Sunday, September 17, 2017. Mr. Holzgrove stated that a polymer line post insulator for the 115 kV transmission line that feeds Pioneer Substation failed near Krabbenhoft Road causing the substation to go down. The relay at Benson Substation opened within four-cycles, offering adequate system protection. The insulator was within its life expectancy and there are no known manufacture defects. The equipment was replaced, and the line patrolled and re-energized.

Mrs. Creekpau reported that Mason County experienced communication outages last week. These outages were not caused by any action of the PUD. Hood Canal Communications and Comcast were affected and reportedly have restored service.

Mrs. Creekpau stated that Mason PUD 3 won five "Excellence in Communications Contest" awards from the Northwest Public Power Association (NWPPA) in a recently completed competition.

#### COMMISSIONERS' REPORT

Ms. Gott reported that she, along with Mrs. Creekpau, attended the retirement celebration for Doug Miller at Pacific County PUD.

Ms. Gott will be attending the Energy Northwest meeting on September 27<sup>th</sup> and will also attend the retirement celebration in Seattle for NoaNet Chief Executive Officer, Greg Marney.

#### GOOD OF THE ORDER

After a calendar review and with no further business appearing, the commission meeting adjourned at 10:49.

Respectfully submitted,

Mary Taylor  
Administration Services Manager

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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