

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

President Bruce Jorgensen 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, March 27, 2018.

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

The following PUD 3 personnel were present: Director of Business Services John Bennett; HR & Business Operations Assistant Karissa Byrne; Records Specialist Sarah Cooper; Customer Service Manager Diane Hennessy; Telecommunications & Community Relations Manager Justin Holzgrove; Director of Engineering and Utility Services Dale Knutson; Interim Power Supply Manager Pat McGary; 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: Gary Huard of Belfair, Randy Lewis of Shelton, Colleen Walls of Belfair, and Steven Ward of Hoodport.

MODIFICATION AND/OR APPROVAL OF AGENDA

The agenda was approved as presented.

CONSENT AGENDA

Mr. Jorgensen 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 March 13, 2018 regular commission meeting.		
b. Voucher Nos. (March 20, 2018)	145371 through 145432	\$ 302,200.10
(Includes electronic funds transfer payment Nos. 11354–11368)		
c. Voucher Nos. (March 27, 2018)	145433 through 145549	\$ 1,359,511.86
(Includes electronic funds transfer payment Nos. 11369-11562)		
	TOTAL	\$ 1,661,711.96

d. Void accounts payable checks for the week ending March 23, 2018, in the total amount of \$1,549.49.

* 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.

CORRESPONDENCE

Mr. Farmer shared a note received from Congressman Derek Kilmer thanking him and Mason 3 for its support.

COMMENTS FROM THE PUBLIC

Public comment was given by Resident Walls, Resident Ward, and Resident Huard.

STAFF REPORT

Mrs. Speaks reviewed the status of the budget as of February 28, 2018, with the commissioners. The month-end receipts for February were \$6.3 million, expenditures were \$6.3 million. Finishing the month with a negative budget balance of \$4,871 for the month and positive \$669,771 for the year to date. Mrs. Speaks then provided the treasurer's report of funds through February 2018. The opening cash balance for February was \$5 million and was \$4 million at month's end. The total of all funds at month-end were \$34 million.

Mrs. Creekpaum stated that public notice has been issued for a fee hearing set for April 10, 2018. This hearing includes schedule A of the rate schedule and fees for public record requests. This hearing does not include rates. She asked the commission if an evening workshop on April 9, 2018 to discuss the hearing was acceptable. The commission agreed on holding the workshop the evening of April 9, 2018.

At Mrs. Creekpaum's request, Mr. Holzgrove reported on current engineering events. Mr. Holzgrove stated that a scheduled outage, affecting 560 customers, is set for the Matlock area on April 5, 2018 from 5:00 a.m. to 10:00 a.m. This outage is required for crews to cut over to new underground cable. It is the end of a year-long project that increases the system reliability for customers.

Mr. Holzgrove reported that the osprey camera is now live. This camera is the result of osprey developing a nest on a utility structure last year. A PUD crew installed a pole and platform near the developing nest in hopes that they re-nest and return to the structure this year. The camera will view the osprey and development of the nest and can be viewed via the Mason 3 website.

Mr. Holzgrove advised the commission that there will be a fiberhood job show on Wednesday, March 28. The bids for the Collins Lake fiberhood project will be due next week and possibly to commission on April 10 for approval.

Mr. Holzgrove stated that retailer Adjacent has decided to close its business and will no longer be on the fiber network. All customers currently with Adjacent are being placed with other retailers.

Mrs. Creekpaum provided a status update on substations. There will be a meeting on March 30 with the Bonneville Power Administration (BPA) to discuss the Potlatch substation. Work continues on the new Totten substation. Pre-applications have been submitted and discussions have taken place with the County about the State Environmental Policy Act (SEPA). The transformer specs are complete.

Mrs. Creekpaum advised the commission that there may be an emergency resolution soon to replace the existing radio system. The radio replacement has been in the budget and is now in a code red situation with the failing equipment. Staff is working hard on the specs to complete this project.

Mrs. Creekpaum reported that the tenant improvement building permits for the Belfair customer service office have been submitted to the county. It will take approximately eight (8) weeks to receive the approval to move forward.

Mrs. Creekpaum recommended a possible workshop to discuss the high density load accounts (bit miners) that are requesting service in PUD 3 territory. Some utilities have implemented moratoriums on these high density load accounts.

At Mrs. Creekpaum's request, Ms. Patterson provided the commission with the power supply update. Ms. Patterson reported that total kWh delivered in February came in at over 66 million at a cost of \$2.9 million. The year to date cost of power from Bonneville Power Administration (BPA) is \$8 million and the non-federal resources is \$437 thousand. The total cost of power year to date is \$9 million.

At Mrs. Creekpaum's request, Mr. Myer provided a legislative update. Mr. Myer also presented a thank you letter from Energy Northwest expressing its appreciation for the resolution PUD 3 passed in support of H.R. 3144 and the Columbia Generating Station.

Mrs. Creekpaum announced that this is the last commission meeting for Mr. McGary before his retirement at the end of March. She introduced and thanked Mr. McGary for being a great asset to the PUD for over 18 years. Mr. McGary spoke and discussed the positive changes he has seen over the years and acknowledged the capable staff that will continue the growth of the utility.

COMMISSIONERS' REPORT

Ms. Gott reported that she attended the NoaNet meeting in Olympia on March 14. Ms. Gott requested that a discussion take place at the April 10 commission meeting regarding the upcoming WPUDA and Energy Northwest election.

Mr. Farmer reported that he attended the Public Power Council (PPC) meeting on March 8.

GOOD OF THE ORDER

With no further business appearing, the commission meeting adjourned at 10:59 a.m.

Bruce E. Jorgenson, President

ATTEST:

Thomas J. Farmer, Vice President

Linda R. Gott, Secretary