

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

President Bruce Jorgensen called the public hearing on the proposed Fee Schedule “A” and fees for public records requests to order at 10:00 a.m. The hearing and regular meeting were held in the PUD 3 auditorium, at 2621 E Johns Prairie Road in Shelton, Washington, on Tuesday, April 10, 2018.

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

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; Assistant Public Information & Government Relations Manager Lynn Eaton; Customer Service Manager Diane Hennessy; Telecommunications & Community Relations Manager Justin Holzgrove; Director of Engineering and 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; and Records Specialist Sarah Cooper (recorded minutes).

Members of the public in attendance were: Ken Bender of Tahuya; David Bilodeau of Belfair; Sally Bilodeau of Belfair; Ben Eaton of Grapeview; Diane Eaton of Grapeview; Patrick Hennessy of Shelton; Gary Huard of Belfair; Randy Lewis of Shelton; Mark Miller of Shelton; Dieter Pressler of Hoodspport; Marina Ross of Belfair; Wendy Smith of *Port of Shelton*; Deborah Soper of *Port of Shelton*; Renee Taylor of Belfair; Colleen Walls of Belfair; Marilyn Vogler of Shelton; and Steven Ward of Hoodspport.

PUBLIC HEARING – PROPOSED FEE SCHEDULE

**Explanation & Overview**

Mrs. Creekpaum opened by explaining that a workshop was held in the PUD 3 auditorium on Monday, April 9, 2018 to provide information to the commission on the proposed changes to Fee Schedule “A” as well as the fees for fulfilling public records requests.

At Mrs. Creekpaum’s request Mr. Myer gave a brief review of PUD 3’s fee setting principles. He explained that staff considers laws, financial principles, industry standards, and the values of the District when setting rates or fees.

Mrs. Speaks reviewed the principles and process that go into setting a fee, such as industry standards, best practices, and governmental accounting principles. She noted that at the beginning of the Grid Modernization project the manual meter read fee was based on existing fees for similar functions, whereas with the project substantially complete, the proposed fee is based on actuals.

Mrs. Hennessy reviewed the four proposed manual meter read fee program options. Noting that the commission will select the program they want at the April 24, 2018 commission meeting.

Mrs. Speaks explained that calculations for the manual meter read fee are based on travel time to each address in a given billing cycle route, time to read the meter, and time to process the billing. Along with the manual read fee, other fees were also reviewed.

Then Mrs. Eaton reviewed the proposed changes to the fees for public records requests. These changes stem from legislation that amended the Public Records Act RCW 42.56 and the model rules under the Washington Administrative Code (WA 44.14) in how agencies handle public records requests and recover costs associated with fulfilling those requests.

**Public Input**

Renee Taylor asked whether the manual meter reading program options were just being proposed or already approved.

Colleen Walls indicated that she was confused by the information that was given at the workshop. She noted that she disagreed with the calculation of the fee and did not approve of any of the options proposed.

Gary Huard commented that he felt the original \$50 opt-out fee was an arbitrary fee and he indicated he was concerned that the new fee was not based on the most efficient route.

Diane Eaton explained she is suffering from a medical condition induced by cell phones and noted she wanted to keep her analog meter.

Mark Miller commented that he is sensitive to electromagnetic fields and said he would like to understand what the \$50 miscellaneous fee is on his bill.

Marina Ross objected to the opt-out fee and felt that the PUD violated its contract with her. She noted that she believes she has health issues due to her neighbors having advanced meters.

Steven Ward expressed that he feels he has a right to choose what is installed on his home. He also noted that he believes that the grid modernization decision is coming from somewhere not in Mason County. He said he wanted to keep his analog meter and felt the \$50 fee was criminal.

Randy Lewis noted that he disagreed with the conceptual pricing of the opt-out calculation and would not personally hang his pricing hat on government best practices.

Mary Taylor read a letter from Joyce Nass of Newport, CA regarding the opt-out fee being the highest in the nation.

After some discussion, Mr. Jorgenson explained that commissioners will consider adoption of the proposed fee schedule and public records request fees at the next regular business meeting on April 24, 2018. The public hearing was adjourned at 10:57 a.m., at which time Mr. Jorgenson announced there would be a five-minute break before the start of the regular commission meeting.

President Bruce Jorgensen called a regular meeting of the Mason County PUD No. 3 board of commissioners to order at 11:07 a.m.

#### MODIFICATION AND/OR APPROVAL OF AGENDA

The agenda was approved as presented. It was noted that an executive session would be held as authorized by the Open Public Meetings Act, RCW 42.30.110 (1)(i)(ii) to discuss with legal counsel potential litigation: The executive session is estimated to last approximately 15 minutes, with no action to follow.

#### CONSENT AGENDA

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

a.	Minutes of the March 27, 2018 regular commission meeting.		
b.	Voucher Nos. (April 3, 2018) 145550 through 145654 (Includes electronic funds transfer payment Nos. 11563-11581)	\$	137,390.71
c.	Voucher Nos. (April 10, 2018) 145655 through 145738 (Includes electronic funds transfer payment Nos. 11582-11599)	\$	<u>434,016.11</u>
	TOTAL	\$	571,406.82

\* 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

Steven Ward shared his opinion that the PUD is not being honest about the fees associated with manually reading meters for opt-out customers.

Renee Taylor expressed her concerns for her family and belief that advanced meters are a health concern.

Colleen Walls expressed her desire for the PUD to hold another evening fee workshop and indicated that she did not approve of any of the opt-out fee options proposed.

Gary Huard shared his concerns that advanced meters monitor what he is doing in his home.

Marina Ross feels the PUD is not protecting its customers and believes that advanced meters are dangerous.

Mark Miller expressed his belief that the grid modernization decision is coming from somewhere not in Mason County and noted that he does not want an advanced meter.

Mary Taylor read a letter from Bob Ulmen regarding his opposition to the advanced meters.

### DISCUSSION ITEMS

The commission discussed the upcoming Washington Public Utility Districts Association (WPUDA) and Energy Northwest (ENW) elections and nominees.

### ACTION ITEMS

Recommendation was made to Adopt Resolution No. 1707, A RESOLUTION “Authorizing the Adoption of the Mason County Multi-Jurisdiction Hazard Mitigation Plan.”

Mrs. Creekpaum explained that the Mason County Multi-Jurisdiction Hazard Mitigation Plan has been pre-approved by FEMA. Adoption of this plan will allow the District to file FEMA claims during storms and/or other natural disasters.

Mr. Myer clarified that the plan is a local community program to coordinate between local agencies in responding to catastrophic events and disasters. He also commended PUD employee Ali Burgess for her efforts in working on this plan.

After a short discussion, Mr. Farmer moved, motion seconded by Ms. Gott, to approve Resolution No. 1707, A RESOLUTION “Authorizing the Adoption of the Mason County Multi-Jurisdiction Hazard Mitigation Plan.”  
MOTION PASSED UNANIMOUSLY.

Recommendation was then made to place a temporary moratorium on high density loads (HDL) such as computing and data processing related to virtual or crypto currency mining, bitcoin, blockchain or similar purposes. The moratorium would not apply to existing approved applications.

Mrs. Creekpaum explained that given the relatively low cost of power, the region as a whole has been experiencing somewhat of a rush with these types of services. This request is intended to allow the District time to evaluate the potential effects this type of service would have on the PUD and asked for a possible motion for this moratorium.

Ms. Patterson expanded by noting that these are not typical services, because of their energy use intensity, it is very important to study the impacts upfront and do what we can to ensure one rate class is not subsidizing another. She explained that during the moratorium, a cost of service analysis will be performed to determine the appropriate rate structure for this type of load. The analysis will review the service rules and regulations and consider necessary planning standards, processes, procedures, fees, and areas within our territory that have capacity available for this type of load.

After a short discussion, Mr. Farmer moved, motion seconded by Ms. Gott, to approve placing a moratorium on high density loads. MOTION PASSED UNANIMOUSLY.

Recommendation was made to approve Small Works Contract, SMW-2018.1 Collin’s Lake Fiberhood project to low bidder Paramount Communications.

At the request of Mrs. Creekpaum, Mr. Holzgrove gave an update on the Collin’s Lake Fiberhood project.

Mr. Farmer moved, motion seconded by Ms. Gott, to approve Small Works Contract (SMW-2018.1) to low bidder Paramount Communications. MOTION PASSED UNANIMOUSLY.

### STAFF REPORT

Mrs. Creekpaum reported on the failing radio system and the status of the radio replacement project. She explained that the District has an existing cooperative purchasing agreement which will help expedite the purchase of the radio system without initiating the emergency purchase process or the time-consuming restrictions of competitive bidding. The radio replacement is in the 2018 budget and is a safety concern. It is anticipated that a resolution will go before the commission sometime in the next couple months.

At the request of Mrs. Creekpaum, Mr. Myer updated the commission on the experimental water spill program at the Columbia and Snake River dams. The experiment is aimed at determining if sending more water through dam spillways instead of using it for power generation, will help the passage of salmon in the Columbia River Basin. Concerns over cost and increased gas saturation are at the forefront. There are already limits in place on spill because if too much oxygen or nitrogen supersaturate water, it could kill fish. The combined effect of this experiment will cost Mason County electricity customers of the two public utility districts about \$500,000 of which \$450,000 is PUD 3’s share.

Mr. Myer also updated the commission on the topic of Carbon Pricing. He noted that Initiative 1631, the “Protect Washington Act,” was filed last month with the Senate. The fee would start at \$15 a metric ton of carbon and rise annually by \$2 plus the rate of inflation. According to the initiative, 70 percent of the fee money would be set aside for clean air and clean-energy investments, 25 percent for clean water and healthy forests, and 5 percent for communities. The initiative won’t count clean hydro which makes up 88 percent of PUD 3’s power resources. This is in addition to the estimated 2.8 million the District spends annually as required by Initiative 937, also known as the “Energy Independence Act.”

COMMISSIONERS’ REPORT

Mr. Farmer reported that he attended the Public Power Council (PPC) meeting on April 5<sup>th</sup>.

GOOD OF THE ORDER

Following the calendar review, the commission meeting recessed at 12:11 p.m. for a short break, and reconvened at 12:20 p.m. to meet in executive session for no more than 15 minutes to review potential litigation.

At 12:35 p.m. the commission announced it would continue in executive session for approximately 5 more minutes.

At 12:40 p.m. the executive adjourned and the regular meeting reconvened. With no further business appearing, the commission meeting adjourned at 12:41 p.m.

---

Bruce E. Jorgenson, President

ATTEST:

---

Thomas J. Farmer, Vice President

---

Linda R. Gott, Secretary