

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

President 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 (Skookum Room) at 2621 E Johns Prairie Road in Shelton, Washington, on Tuesday, December 4, 2018.

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

The following PUD 3 personnel were present: Director of Business Services John Bennett; Director of Business Operations Michelle Burlison; Asst. Public Information & Govt. Relations Manager Lynn Eaton; Customer Service Manager Diane Hennessy; Telecommunications & Community Relations Manager Justin Holzgrove; Director of Engineering & Utility Services Dale Knutson; Public Information & Govt. Relations Manager Joel Myer; Administration Services Manager Mary Taylor (recorded minutes)

Members of the public in attendance were: Gordon Weeks of the *Mason County Journal*.

MODIFICATION AND/OR APPROVAL OF AGENDA

The agenda was approved as presented and it was noted that an executive session would be held as authorized by the Open Public Meetings Act, RCW 42.30.110 (1) (g) to review the performance of a public employee. The executive session is estimated to last approximately 20 minutes, action may be taken.

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:

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| a. Minutes of the November 20, 2018 regular commission meeting. | | |
| b. Voucher Nos. (November 27, 2018) 148246 through 148309
(Includes electronic funds transfer payment Nos. 14486–14652) | \$ | 1,143,104.52 |
| c. Voucher Nos. (December 4, 2018) 148310 through 148364
(Includes electronic funds transfer payment Nos. 14653–14665) | \$ | <u>188,280.43</u> |
| | TOTAL | \$ 1,331,384.95 |
| d. Void accounts payable check for the week ending November 23, 2018, in the total amount of \$90.72. | | |
| e. Void accounts payable check for the week ending November 30, 2018, in the total amount of \$44.91 | | |

*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

No public comment was given

ACTION ITEMS

Recommendation was made to approve Interlocal Agreement with Kitsap Public Utilities for Telecommunications.

Mrs. Creekpaum explained that the Tri-Lakes area is unserved with adequate broadband service and this Interlocal Agreement with Kitsap PUD would allow PUD 3 to operate telecommunications infrastructure in the Tri-Lakes area of Kitsap County, in the event a fiber project takes shape.

After a brief discussion, Mr. Farmer moved, motion seconded by Ms. Gott to approve the Interlocal Agreement with Kitsap PUD for Telecommunications. MOTION PASSED UNANIMOUSLY.

Recommendation was made to Adopt Resolution No. 1722, A “Resolution Declaring the 2019 Regular board of Commissioners’ Meeting Schedule and Location”.

After a brief discussion, Ms. Gott moved to Adopt Resolution No. 1722, A “Resolution Declaring the 2019 Regular Board of Commissioners’ Meeting Schedule and Location”. MOTION PASSED UNANIMOUSLY.

Recommendation was made to approve Organization Membership Representation for 2019.

Mr. Farmer moved, motion seconded by Ms. Gott to approve the Organization Membership Representations for 2019. MOTION PASSED UNANIMOUSLY.

Recommendation was made to approve the Real Property Purchase and Sales Agreement for construction of Totten Substation.

Mrs. Creekpau stated that the purchase and sales agreement with Taylor Timber Resources is a 2-acre property on the south side of Lynch Road. The Fair Market Value is \$9,000 dollars and the property has had positive Geotech results. Mr. Johnson said this purchase is necessary for the construction of the Totten Substation. The Purchase and Sales agreement is in lieu of condemnation.

Ms. Gott moved, motion seconded by Mr. Farmer, to approve the Real Property Purchase and Sales Agreement for construction of Totten Substation. MOTION PASSED UNANIMOUSLY.

Mrs. Creekpau advised commission that it is time to discuss the Board of Commission Officers for 2019.

Ms. Gott proposed to remain with the normal rotation of officers. Therefore, Mr. Farmer will serve as President, Ms. Gott as Vice President, and Mr. Jorgensen as Secretary beginning with the January 9, 2019 meeting. All were in agreeance with the movement.

STAFF REPORT

Mrs. Creekpau reported that the Belfair Customer Service Office should be completed and ready for move in mid-January. As a more specific date approaches, advertising will be done, and an open house will be scheduled.

Mrs. Creekpau said the radio project is progressing. New antennas have been installed on all towers and are ready except for Manazanita, which is waiting on power installation. Two (2) offices have new radios and next will be installation in the vehicles.

Mrs. Creekpau reported that the SCADA system is getting close to completion and will be up and running soon.

At Mrs. Creekpau’s request, Mr. Holzgrove reported on the Lake Cushman project. He reported that Hood Canal Communications (HCC) received a federal grant for installations at Lake Cushman. PUD 3 is working with Lake Cushman Maintenance and HCC to coordinate installation of conduit for electric distribution while the trenches are open for HCC. There will be a meeting to discuss the project on Saturday, December 8th at Lake Cushman.

At Mrs. Creekpau’s request, Mr. Myer provided a legislative update.

Mrs. Creekpau said that PUD 3 has an entry in the Shelton Christmas parade on Saturday, December 8th. PUD 3 has also provided a demonstration of LED lights on the trees in the park. The Christmas tree lighting is scheduled for Friday, December 7th.

Mrs. Creekpau reported that PUD 3 employees contributed \$12,654 toward the United Way workplace campaign that was recently held. PUD 3 employees are one of the top five contributors in Mason County.

Mrs. Creekpau said that Ms. Gott will not be attending the December 18, 2018 commission meeting and year end business has been completed and presented to the board. She inquired if commission would like to cancel the December 18 meeting.

COMMISSIONERS’ REPORT

Ms. Gott reported that member utilities are stepping forward to possibly assist NoaNet with funding upcoming projects. Discussions are taking place and she will keep the board updated.

Mr. Farmer reported that he attended the North Mason Chamber Meeting and will be attending the WPUDA Annual Meeting.

GOOD OF THE ORDER

Following the calendar review, the commission meeting recessed at 10:34 a.m. for a short break and reconvened at 10:39 a.m. to meet in executive session for no more than 20 minutes to review the performance of a public employee.

At 10:59 a.m. commission requested and additional 15 minutes to continue discussions.

At 11:14 a.m., the executive session adjourned and the regular meeting reconvened. Ms. Gott moved, the motion seconded by Mr. Farmer to direct the District's attorney to modify the compensation section of the manager's employment agreement as follows: the annual salary will be increased to \$210,893 per year; the automobile allowance will be set to \$6,000 per year; and the additional deferred compensation will be modified to \$10,000 per year. Such changes to be effective December 16, 2018. THE MOTION PASSED UNANIMOUSLY.

With no further business appearing, the commission meeting adjourned at 11:15 a.m.

Bruce E. Jorgenson, President

ATTEST:

Thomas J. Farmer, Vice President

Linda R. Gott, Secretary