

MINUTES OF REGULAR 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, February 20, 2018.

District officers present were: Commissioners, Thomas J. Farmer (phoned in), 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; Director of Business Operations Michelle Burlson; Communication & Community Relations Coordinator Asia Cline; Records Specialist Sarah Cooper; 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; 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 Iris Ziller of Allyn.

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 February 6, 2018 regular commission meeting.
- b. Voucher Nos. (February 13, 2018) 144985 through 145075 \$ 4,171,172.04  
(Includes electronic funds transfer payment Nos. 10760–10951)
- c. Voucher Nos. (February 20, 2018) 145076 through 145152 \$ 405,581.89  
(Includes electronic funds transfer payment Nos. 10952-10974)
- TOTAL \$ 4,576,753.93
- d. Void accounts payable checks for the week ending February 9, 2018, in the total amount of \$2,242.38.
- e. Void accounts payable checks for the week ending February 16, 2018, in the total amount of \$8,731.39.

\* 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 advanced meters and opt-out fees.

Colleen Walls expressed her opposition to the advanced meters and opt-out fees.

Iris Ziller expressed concerns about advanced meter privacy.

### ACTION ITEMS

Recommendation was made to Adopt Resolution No. 1704, "A Resolution Revising the Policy and Procedures for Auditorium Use."

Mrs. Creekpaum explained that it was necessary to modify how reservations are taken for rooms and streamline processes to reduce staff time managing recurring reservations. She also stated that billing for the locker rental will be billed semi-annually.

Ms. Gott moved, motion seconded by Mr. Farmer, to approve Resolution No. 1704, "A Resolution Revising the Policy and Procedures for Auditorium Use." MOTION PASSED UNANIMOUSLY.

Recommendation was made to adopt Resolution No. 1705, "A Resolution Terminating the Voluntary Employees' Medical Expense Plan Administered by Mason County PUD No. 3 and Authorizing the Manager to Direct that the Trust Transfer All Assets of the Plan to HRA VEBA Trust".

Mrs. Creekpaum explained that the Trust Committee performed a two (2) year study and recommends that the HRA VEBA assume responsibility for fiduciary oversight, investment selection, and all participant services. PUD will retain the current level of benefits to employees and plan participants and will mitigate the additional costs necessary to administer the plan.

Mr. Farmer moved, motion seconded by Ms. Gott, to approve Resolution No. 1705, "A Resolution Terminating the Voluntary Employees' Medical Expense Plan Administered by Mason County PUD No. 3 and Authorizing the Manager to Direct that the Trust Transfer All Assets of the Plan to HRA VEBA Trust". MOTION PASSED UNANIMOUSLY.

Recommendation was made to adopt Resolution No. 1706, "A Resolution Rescinding the Hiring Policy of Public Utility District No. 3 of Mason County".

Mrs. Creekpaum and Mr. Johnson explained that employment laws outline the procedures for fair hiring practice. Additionally, the policy restrictions for hiring relatives are broad and difficult to enforce.

Ms. Gott moved, motion seconded by Mr. Farmer, to approve Resolution No. 1706, "A Resolution Rescinding the Hiring Policy of Public Utility District No. 3 of Mason County". MOTION PASSED UNANIMOUSLY.

### STAFF REPORT

Mrs. Speaks reviewed the status of the budget as of January 31, 2018, with the commissioners. The month-end receipts for December were \$7 million, expenditures were \$6.3 million. Finishing the month with a budget balance of \$675,000. Mrs. Speaks then provided the treasurer's report of funds through January 2018. The opening cash balance for January was \$5 million. The total of all funds at month-end were \$34 million.

At Mrs. Creekspaum's request, Mr. Myer provided information on winter weather affecting Mason County. On February 17, 2018, a wind storm affected North Mason County and caused power outages to 1900 customers. The advanced metering system reported the first outage at 9:44 a.m. with final restoration completed by 10:00 p.m.

At Mrs. Creekspaum's request, Mr. Myer provided a legislative update. He spoke about various issues in the legislature that may affect the utility industry.

Mrs. Creekspaum updated the commission on the current number of PUD 3 net meter customers. She explained that the state requires utilities to provide net metering for customers up to one half of one percent (.005) percent of one (1) percent of the utility's 1996 system peak. The legislature is considering a four (4) to six (6) percent cap and intends to explore other alternatives of how loads are used to mitigate the peaks in distribution systems. This is far exceeding what many utilities have as part of its program. Many state programs being proposed assume utilities have grid modernization infrastructure in place to manage and monitor data for net metering and distributed energy resource activities on their systems. She noted that PUD 3 currently has sixty-nine (69) customers generating their own electricity. PUD 3 estimates that it can accommodate approximately forty-four (44) additional accounts before meeting the threshold of one half of one percent (.005).

### COMMISSIONERS' REPORT

Ms. Gott reported that she attended the NoaNet meeting on February 14<sup>th</sup> and will be attending the Energy Northwest meeting where they will be interviewing six (6) candidates for the Energy Northwest CEO position.

Mr. Farmer reported that he attended three (3) days of WPUDA meetings last week which included the Day on the Hill event in Olympia.

### GOOD OF THE ORDER

With no further business appearing, the commission meeting adjourned at 10:48 a.m.

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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, Secretary