

MINUTES OF 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, November 6, 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; Safety & Environmental Assistant Ali Burgess; Director of Business Operations Michelle Burleson; Engineering Manager Tim DeVries; Customer Service Manager Diane Hennessy; Facilities Manager Jenny Goos; Power Manager Michele Patterson; Customer Service Revenue Protection Supervisor Jennifer Renecker; Journeyman Meterman Carlton Sessoms; Administration Services Manager Mary Taylor (recorded minutes)

Members of the public in attendance were: Josh Combs of Shelton, Shawna Combes of Shelton, Francine Gough of Shelton, Ashlee Hughes of Shelton, Jerry McCullough of Grapeview, Kathy McCullough of Grapeview, Elizabeth Powers of Shelton, Caleb Sessoms of Shelton,

CALL TO ORDER – BUDGET WORKSHOP

At Mrs. Creekpaum's request, Mrs. Speaks reviewed the preliminary \$75.5 million budget for 2019, which is a 5.6 percent increase over the 2018 budget. She stated that the budget proposal does not include a retail rate increase. The utility uses a zero-based budgeting approach, meaning staff starts at a zero and builds the budgetary amounts on the needs of the utility.

After a brief discussion, the workshop adjourned, and the regular meeting was called to order. The public will have an opportunity to make comment regarding the budget at the public hearing scheduled for November 20, 2018.

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 November 6, 2018 regular commission meeting.
- b. Voucher Nos. (October 30, 2018) 147811 through 147887 \$ 1,138,315.81
(Includes electronic funds transfer payment Nos. 14096–14264)
- c. Voucher Nos. (October 23, 2018) 147888 through 147964 \$ 391,573.77
(Includes electronic funds transfer payment Nos. 14265–14284)
- TOTAL \$ 1,529,889.58
- d. Void accounts payable check for the week ending October 26, 2018, in the total amount of \$2,290.20.
- e. Bonneville Power Administration TC-20 settlement proposal adoption

*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 the design, programming, installation, and purchase of Lenel Security System by Aronson Security Group for \$368,800.00 plus tax.

Mrs. Creekpau explained that the current, almost 20-year-old security system, is obsolete with no manufacturer support. The new system was decided upon after thorough investigation by staff and the ability to purchase at a lower cost using the master contract with the State of Washington. A new security system was approved in the 2018 budget.

After a brief discussion, Ms. Gott moved, motion seconded by Mr. Farmer to approve the design, programming, installation, and purchase of a Lenel Security System by Aronson Security Group. MOTION PASSED UNANIMOUSLY.

Recommendation was made to approve the purchase of Supervisory control and Data Acquisition Security System (SCADA) by Open Systems International, Inc.(OSI) for \$204,407.00 plus tax.

Mrs. Creekpau stated that the current SCADA system is at its end of life. She said the system is no longer operational and a contract has been drafted for the purchase of a system through Open Systems International, Inc. (OSI). The purchase of this system is part of the grid modernization project.

After a brief discussion, Mr. Farmer moved, motion seconded by Ms. Gott to approve the purchase of Supervisory control and Data Acquisition (SCADA) system from Open Systems International, Inc. MOTION PASSED UNANIMOUSLY.

STAFF REPORT

At Mrs. Creekpau's request, Mrs. Burgess announced the twelve 2018 art contest winners. She said the theme of the art and photography was Energy of the Future. The winners were based on creativity and originality and each received a \$50.00 cash prize. Many of the winners attended the commission meeting to be recognized and take pictures with Mrs. Creekpau and the Commissioners.

A break was taken from 10:22 a.m. until 10:25 a.m. to take pictures with the art winners.

Mrs. Creekpau reported that Northwest Public Power Association (NWPPA) is giving a ten percent credit to all public power companies for its 2019 dues because of excess funds at the association.

At Mrs. Creekpau's request, Ms. Patterson provided the commission with an update on the TC-20 settlement. She stated that settlement negotiations have concluded, and the NT focus group was successful in achieving its goals. Slight modifications were made but none of them have a significant impact on Mason 3 and other NT customers.

Mrs. Creekpau reported that the Communicators are attending a Communicators Conference with American Public Power Association (APPA).

COMMISSIONERS' REPORT

Ms. Gott reported that she attended the Energy Northwest Board meeting and Public Power Forum, Clean Tech Alliance Annual Energy Leadership Summit, PURMS meeting and the PNUCC Annual Meeting.

Mr. Farmer reported that he attended the Public Power Forum, PPC, and PNUCC meetings.

DISCUSSION ITEMS

GOOD OF THE ORDER

After a calendar review and with no further business appearing, the commission adjourned at 10:39 a.m.

Bruce E. Jorgenson, President

ATTEST:

Thomas J. Farmer, Vice President

Linda R. Gott, Secretary