

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 6, 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: Line Foreman Phil Arkin; Director of Business Services John Bennett; Director of Business Operations Michelle Burleson; Records Specialist Sarah Cooper; Assistant Public Information & Government Relations Manager Lynn Eaton; 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: Randy Lewis of Shelton and Michael Siptroth of Belfair.

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) to discuss potential litigation. The executive session is estimated to last approximately 10 minutes, with no action to follow.

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 January 23, 2018 regular commission meeting.		
b. Voucher Nos. (January 30, 2018) 144842 through 144926	\$	1,270,515.90
(Includes electronic funds transfer payment Nos. 10575-10749		
c. Voucher Nos. (February 6, 2018) 144927 through 144984	\$	<u>177,296.77</u>
(Includes electronic funds transfer payment Nos. 10750-10759		
TOTAL	\$	1,447,812.67

d. Void accounts payable checks for the week ending January 26, 2018, in the total amount of \$12,942.20.

e. Void accounts payable checks for the week ending February 2, 2018, in the total amount of \$892.41.

f. Write off deceased customers with no assets and bankruptcies in the total amount of \$1,870.77.

* 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

Michael Siptroth provided information on renewable, clean energy and requested that PUD 3 consider participating in more environmental programs.

STAFF REPORT

Mrs. Creekpau informed the commission on how the recent large scale outage highlighted the benefits of the grid modernization project. She explained the processes used prior to the deployment of the new meters resulted in some inefficiencies. One example is that during large events, some isolated homes can remain without power and go unnoticed until the customers report it, which in some cases of

seasonal homes can take weeks. She explained that now the District can see when a meter is not reporting prior to moving the crews to a new area reducing the number of return trips. She also noted that the outage management software can guide the outage restoration activities to ensure the most efficient and timely method for bringing customers back into service. Additionally, she pointed out that customers are able to report and follow the progress of the outage using new tools such as the outage map and SmartHub. Finally, she reported that the engineers working the outage estimated that the new system reduced the outage from a two-day event to a one-day event.

At Mrs. Creekpaum's request, Ms. Patterson gave the Power Supply Report for December. Ms. Patterson reported that the total purchased power cost of \$2.9 million came in at approximately 96 percent of the forecasted amount. However, the kWh delivered of \$80 million was higher than forecasted by approximately 108 percent. This is a great example of how purchase power costs can be affected by the Bonneville Power Administration's (BPA) demand charge. In the month of December, it worked in favor of PUD 3 because higher demand was anticipated but came in lower than expected causing the overall purchase power costs to be lower than expected.

At Mrs. Creekpaum's request, Mr. Holzgrove reported on a situation that was identified by equipment installed through the Grid Modernization project on January 29th. The advanced meters reported high voltage at service locations installed past a single-phase regulator at the South end of Harstine Island. A crew was dispatched and able to bypass the regulator and make repairs, preventing potential damages. Without the grid modernization system, the high voltage may not have been detected until regular monthly inspections were performed. This equipment helped to eliminate line loss and the chance of damages to customer and PUD equipment.

At Mrs. Creekpaum's request, Mr. Myer reported on an unexpected windstorm that impacted Mason County on January 27, 2018. The total number of customers affected by the outage was 11,577. Mr. Myer stated that PUD 3 monitoring systems registered the outages through advanced meter notifications, and reports from the substation feeder monitors. Instead of manual outage inputs and tracking, the outage management system gave customer counts, predictive analysis and monitoring of the recovery process. In the Belfair area, where automated meters have not yet been installed, the crew had to be dispatched a second time to repair scattered, isolated customer outages. Once the automated metering system is installed, the second dispatch will not be necessary, saving the District and ratepayers from unnecessary costs.

At Mrs. Creekpaum's request, Mr. Myer provided a legislative update. He gave an overview of the current broadband bill that will promote extension of service for public and private service. There is a hearing this week on a bill that expands the list of aggravating circumstances that may support imposition of an exceptional sentence above the standard sentencing range to include assault of a utility worker who is engaged in official duties. Mr. Myer stated that there are a number of house bills to promote distributed generation, or require the evaluation of those sources of energy as part of energy planning.

Mrs. Creekpaum stated that Grays Harbor PUD is visiting today to look at PUD 3 NISC processes.

COMMISSIONERS' REPORT

Ms. Gott reported that she attended the Energy Northwest executive board meeting. She also attended a cyber-security meeting at the Columbia Generating Station.

Mr. Farmer reported that he attended the Public Power Council meeting and a presentation on fraud at the North Mason Chamber of Commerce.

GOOD OF THE ORDER

Following the calendar review, the commission meeting recessed at 10:29 a.m. for a short break, and reconvened at 10:34 a.m. to meet in executive session for no more than 10 minutes to review potential litigation.

At 10:44 a.m. the commission announced it would continue in executive session for approximately 5 more minutes.

At 10:49 a.m. the commission announced it would continue in executive session for approximately 5 more minutes.

At 10:53 a.m. the executive adjourned and the regular meeting reconvened. With no further business appear, the commission meeting adjourned at 10:54 a.m.

Bruce E. Jorgenson, President

ATTEST:

Thomas J. Farmer, Vice President

Linda R. Gott, Secretary