

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

President Farmer 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, March 26, 2019.

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

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

Members of the public in attendance was: Ken Adkison of Shelton; Randy Lewis of Shelton

MODIFICATION AND/OR APPROVAL OF AGENDA

The agenda was approved as presented.

CONSENT AGENDA

Mr. Farmer reviewed the items listed on the consent agenda Mr. Jorgenson 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 March 12, 2019 regular commission meeting. | | |
| b. Voucher Nos. (March 19, 2019) 149381 through 149453
(Includes electronic funds transfer payment Nos. 16084–16107) | \$ | 291,052.23 |
| c. Voucher Nos. (March 26, 2019) 149454 through 149567
(Includes electronic funds transfer payment Nos. 16108-16309) | \$ | <u>1,193,008.18</u> |
| | TOTAL | \$ 1,484,060.41 |
| d. Void accounts payable check for the week ending March 15, 2019 in the total amount of \$860.27. | | |
| e. Void accounts payable check for the week ending March 22, 2019 in the total amount of \$326.23. | | |
| f. Write off deceased, no assets, and bankruptcies in the total amount of \$30.14. | | |

*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 provide a motion to approve Prequalified Contractors for the Public Works Roster.

Mrs. Creekpaum said the PUD annually approves contractors who meet the requalification requirements to be included on the district's public works roster.

Mr. Farmer motioned to approve the Prequalified Contractors for the Public Works Roster. Motion seconded by Mr. Jorgenson. MOTION PASSED UNANIMOUSLY.

STAFF REPORT

At Mrs. Creekpaum's request, Mr. Taylor reviewed the status of the budget as of February 28, 2019, with the commissioners. The month-end receipts for February were \$6.9 million, expenditures were \$7.6 million. Finishing the month of February with a negative budget balance of \$790,242. Mr. Taylor stated

that historically state taxes were due at the end of May. The state requirement now requires reporting and remitting by the end of February. Labor was higher in February due to storm activity.

Mr. Taylor then provided the treasurer's report of funds through February 2019. The opening cash balance for February was \$3.9 million and was \$2.9 million at month's end. The total of all funds at month-end were \$29.7 million.

Mrs. Creekpauum said that she and Mr. Holzgrove attended a meeting with the Community Economic Revitalization Board (CERB). This meeting discussed round one (1) of the CERB grant that PUD received last fall and the flexibility of the \$150,000 match required of the PUD. Mr. Holzgrove stated the twenty-five (25) percent of this may apply to the cost of labor on the project and the remainder toward materials.

Mrs. Creekpauum reported that a representative from U.S. Senator Maria Cantwell's office visited the PUD March 19 to discuss rural broadband and local construction programs. The meeting included discussion about the potential of using a common trench for underground power upgrades as Hood Canal Communications extends a fiber optic network to portions of the Lake Cushman area. Other issues were the suitable use of federal funds; the so-called "one-touch rule" for utility trenches; open access networks; and, prevailing wages for publicly-funded work. HCC received a \$2.3 million grant from the USDA's Rural Utility Service Telecommunications program for the Lake Cushman project. The meeting included a field trip to Lake Nahwatzel for an update on the public/private Fiberhood program for broadband, and the practice of pole attachments. Mrs. Creekpauum said it was a positive and informative meeting.

Mrs. Creekpauum reported that Magnum Power began work on the transmission line extension from the Skookum substation to the location of the future Totten substation. At Mrs. Creekpauum's request, Mr. Knutson reported that the project will extend the transmission line across Highway 101. This will require traffic slow downs which will be coordinated with the state patrol and department of transportation. EPM- Substation Specialist Mike Simmons will be the project Manager and Safety & Environmental Manager Dennis Simon will be the inspector of the project.

Mrs. Creekpauum stated that PUD 3 will be hosting a Northwest Public Power Association (NWPPA) warehousing course March 26 and 27. An NWPPA electrical system operating class was hosted on March 19 and 20. Both classes had good attendance of many employees from Northwest utilities.

Mrs. Creekpauum reported that PUD 3 has an electric vehicle (EV) club. At Mrs. Creekpauum's request, Mr. Holzgrove explained that the EV club discusses rates for EV cost recovery and providing information to customers. He discussed an interlocal agreement with Mason County transit for charging stations that was approved three (3) years ago. Mason transit is now ready to move forward with this agreement.

At Mrs. Creekpauum's request, Mr. Myer provided a legislative report. Senate Bill 5511 and House Bill 1498 which are the Governor's requested broadband legislation was introduced in both houses. The bills remain alive, but with some small differences. They passed on overwhelming floor votes. The Senate bill has amendments that discuss the time that PUDs can help customers whose retailers go out of business and the makeup of a technical committee that reviews grant proposals. House Bill 1380 would add extra prison time for an assault on a utility worker, over and above a simple assault conviction. It passed overwhelmingly in the House. It's being heard in the Senate Rules Committee prior to floor consideration.

At Mrs. Creekpauum's request, Ms. Patterson provided a purchase power statement.

COMMISSIONERS' REPORT

Mr. Farmer reported that he attended the WPUA meeting in Olympia and the North Olympic Broadband symposium. At the symposium PUD broadband plans, that many utilities would like to emulate, were discussed.

GOOD OF THE ORDER

With no further business appearing, the commission meeting adjourned at 10:31 a.m.

Thomas J Farmer, President

ATTEST:

Linda R. Gott, Vice President

Bruce E. Jorgenson, Secretary