

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, April 23, 2019.

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

The following PUD 3 personnel were present: General Foreman Phillip Arkin; Director of Business Operations Michelle Bureson; Communications & Community Relations Coordinator Asia Cline; Asst. Public Information & Govt. Relations Manager Lynn Eaton; Customer Service Manager Diane Hennessy; Telecommunications & Community Relations Mgr. Justin Holzgrove; Director of Engineering & Utility Services Dale Knutson; Operations Manager Chris Miller; Conservation Manager Koral Miller; Public Information & Govt. Relations Manager Joel Myer; Power Manager Michele Patterson; Line Foreman Allen Pod; Customer Service Revenue Protection Supervisor Jennifer Renecker; Safety & Environmental Manager Dennis Simon; System Analyst II Ryan Smith; Lineman Foreman Randy VanAagten; Administration Services Manager Mary Taylor (recorded minutes)

Members of the public in attendance was: Dedrick Allen of *Mason Web TV*; 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 April 9, 2019 regular commission meeting.
- b. Voucher Nos. (April 16, 2019) 149719 through 149805 \$ 4,112,863.87
(Includes electronic funds transfer payment Nos. 16363–16548)
- c. Voucher Nos. (April 23, 2019) 149806 through 149857 \$ 307,778.02
(Includes electronic funds transfer payment Nos. 16549- 16566)
- TOTAL \$ 4,420,641.89**
- d. Write off deceased, no assets, and bankruptcies in the total amount of \$127.74.

*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 Grays Harbor PUD.

Mrs. Creekpaum stated that this interlocal agreement has been in discussions for over a year. By approving this interlocal agreement it provides geo-diverse and redundant access to both district's networks and increase reliability. Allows for opportunity to serve telecommunications carriers and high capacity transport customers across county-lines. The intertie between Districts will provide access for those high capacity circuits to run to Olympia and Seattle via Mason County. Provide customers along State route 108 who are unserved the ability to obtain high-speed broadband. This project is designed in partnership with a 2019 scheduled maintenance project in the Hurley Waldrip area.

Mr. Farmer motioned to approve the approval of an interlocal agreement with Grays Harbor PUD. Motion seconded by Ms. Gott. After a brief discussion MOTION PASSED UNANIMOUSLY.

Recommendation was made to approve to add an additional line crew and equipment.

Mrs. Creekpaum stated that this addition will include one (1) foreman, two (2) linemen and a crew bucket truck, digger derrick and foreman truck. She said that PUD 3 is experiencing growth and increasing applications for

service. This addition will help in meeting our current and future workload needs. Although the customer base has grown significantly, there has not been an increase in crews since the early 1980's. More requirements for compliance work, forest land fire risk mitigation, and broadband expansion all require more crew time. The addition of the crew will not affect customer rates. Refinancing bonds this year or next will pay staffing costs. If approved, the half year cost will be \$250,000 for pay and benefits overhead and \$725,000 for equipment. The \$975,000 will be used from operating reserves.

Ms. Gott motioned to approve the addition of a line crew and equipment. Motion seconded by Mr. Jorgenson. After a brief discussion MOTION PASSED UNANIMOUSLY.

STAFF REPORT

At Mrs. Creekpau's request, Mrs. Speaks reviewed the status of the budget as of March 31, 2019, with the commissioners. The month-end receipts for March were \$7.5 million, expenditures were \$6.8 million. Finishing the month of March with a budget balance of \$664,092.

Mrs. Speaks then provided the treasurer's report of funds through March 2019. The opening cash balance for March was \$3 million and was \$3.4 million at month's end. The total of all funds at month-end were \$30.8 million.

Mrs. Creekpau reported that she was contacted by Standard and Poors to have PUD 3 bonds re-rated. She stated that the new criteria included management philosophy and governance as well as succession planning. The rating will be completed by the end of the month. Mrs. Creekpau and the Treasurer have been discussing with Northwest Municipal Advisors regarding a refinancing of bonds to take advantage of lower interest rates.

Mrs. Creekpau stated that staff is completing the pole contacts agreement for licensees. Letters will be mailed to licensees on May 1 reminding of the new agreement and an invitation to attend a question and answer session on May 10. A workshop with commission is scheduled for May 28.

Mrs. Creekpau introduced a video highlighting the apprentice transbanker equipment that is now operational at Grays Harbor PUD. She reported that ten (10) southwest public utilities participated toward the purchase of the transbanker for apprentice and lineman training. PUD 3 lineman, Phil Arkin, was instrumental in the organizing of the effort. He was an apprentice school instructor for 23 year and will be retiring from PUD 3 April 30 after 35 years of service.

Mrs. Creekpau reported on a recent article in the NWPPA Bulletin. It highlighted Emerald Power and the progress that they have made becoming compliant for the pay equity laws in the state. She stated that Mason PUD 3 has been adhering to and has been at full compliance with the equal pay laws since 2004.

At Mrs. Creekpau's request, Mr. Myer provided a legislative report.

Mrs. Creekpau stated that Mr. Myer and Mr. Holzgrove presented an Energy 101 class at WPUA in Olympia. Attendees complimented the two on an outstanding presentation.

At Mrs. Creekpau's request, Mrs. Eaton provided a report on a recent Pioneer School science fair. Mrs. Eaton stated that this was the first kindergarten through 5th grade science fair at Pioneer and it was a great success. PUD 3 created a display on pulling tension. Kids were required to use algebra skills to complete the pulling of the cable. The board was educational and fun and will be added to future Public Power Week demonstrations.

COMMISSIONERS' REPORT

Mrs. Gott reported that she attended a risk assessment meeting with the state auditor that is currently at PUD 3. She will be attending Energy Northwest meetings this week.

Mr. Farmer reported that he attended the recent NoaNet meeting, North Mason Chamber, and WPUA meetings in Olympia.

GOOD OF THE ORDER

With no further business appearing, the commission meeting adjourned at 10:52 a.m.

Thomas J Farmer, President

ATTEST:

Linda R. Gott, Vice President

Bruce E. Jorgenson, Secretary