

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

President Farmer called a special meeting of the Mason County PUD No. 3 board of commissioners to order at 10:00a.m. The meeting was held in the PUD 3 auditorium (Skookum Room) at 2621 E Johns Prairie Road in Shelton, Washington, on Monday, June 3, 2019.

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

The following PUD 3 personnel were present: Director of Business Operations Michelle Burleson; Engineering Manager Tim DeVries; Records & Compliance Manager Kristin French; Customer Service Manager Diane Hennessy; Telecommunications & Community Relations Mgr. Justin Holzgrove; Director of Engineering & Utility Services Dale Knutson; Conservation Manager Koral Miller; Network Systems & Cyber Security Administrator Joel Moore; Joint Use Administrator Brian Schneidmiller; Administration Services Manager Mary Taylor-Monger (recorded minutes).

Members of the public in attendance were: Dedrick Allen of *Mason Web TV*, Brian Benight of *CenturyLink* (phone), Rick Harms of *CenturyLink* (phone), Hans Hechtman of *Comcast*, Melitta Holland of *CenturyLink*,

MODIFICATION AND/OR APPROVAL OF AGENDA

The agenda was approved as presented. It was noted that an executive session would be held for the purposes of item 42.30.110(1)(iii) To discuss with legal counsel the legal risks of a proposed action or current practice. The executive session is estimated to last approximately 15 minutes, with no action to follow.

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 May 28, 2019 pole attachment workshop.
 - b. Minutes of the May 28, 2019 regular commission meeting.
 - c. Voucher Nos. (June 4, 2019) 150170 through 150224 \$ 328,845.75
(Includes electronic funds transfer payment Nos. 17134–17151)
- TOTAL \$ 328,845.75

*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

Mr. Benight commented that the proposed agreement does not follow the previous joint use agreements between CenturyLink and PUD 3. He commented that this proposed agreement is one-way, from Mason 3 to CenturyLink.

Ms. Holland stated that she was not notified of the meeting until May 31 by a CenturyLink coworker and would have like more time to review the agreement.

Mr. Hechtman thanked the PUD for the good working relationship with Comcast. He stated that unfortunately they do not always have that experience with other utilities. He said that PUD 3 staff has been fair and reasonable and was very helpful and open to resolving the concerns and questions that came up during this process.

ACTION ITEMS

Recommendation was made to Adopt Resolution No. 1729, A Resolution “Approving the Pole Attachment License Agreement Form.”

Mrs. Creekpaum reiterated that licensees received a one-year notice of the June 30, 2019 expiration of pole attachment agreements. Staff has engaged with licensees and held workshops detailing the proposed agreements.

Mr. Johnson stated that the PUD has made additional modifications to the agreement at the request of licensees. The commission received a copy of the red-lined changes and with these modifications, the agreement is ready to adopt.

Mr. Jorgenson asked if the agreement specifies space on the poles for PUD use. Mr. Holzgrove stated that the agreement allows for replacement or reconfiguration of poles to allow for PUD facilities if space is not available.

Mr. Farmer moved, Ms. Gott seconded the motion to Adopt Resolution No. 1729, A Resolution “Approving the Pole Attachment License Agreement Form.” MOTION PASSED UNANIMOUSLY.

Recommendation was made to Adopt Resolution No. 1730, A Resolution “Adopting Joint Use Rules & Regulations with Rate/Fee Schedule.”

Mrs. Creekpau stated that this document outlines the standards and specifications of the pole attachment program. Mr. Johnson noted that commissioners also received a red-line copy with clarified language for approval.

Mr. Jorgenson asked how many poles in the PUD system have attachments. Mr. Knutson responded that approximately 23,000 poles have attachments with an estimated three attachments per pole. Mr. Jorgenson asked if payments for attachments have been submitted promptly. Mr. Johnson stated yes, and the agreement allows for payment within 60 days without late fees. Mr. Johnson also shared that PUD 3 is attached to roughly 100 CenturyLink poles and that these attachments are mostly electrical secondary wires and some fiber optic cables. This will be addressed separately with CenturyLink.

Ms. Gott moved, Mr. Jorgenson seconded to Adopt Resolution No. 1730, A Resolution “Adopting Joint Use Rules & Regulation with Rate/Fee Schedule.” MOTION PASSED UNANIMOUSLY.

Recommendation was made to Adopt Resolution No. 1731, A Resolution “Authorizing Repayment for CERB II Grant/Loan.”

Mrs. Creekpau explained that previous authorization was approved by commission to apply for the Community Economic Revitalization Board (CERB) Round Two of funding. She noted that the PUD was awarded the grant/loan from CERB and is now requesting authorization for approval to move forward with the grant/loan. This grant/loan will serve over 675 customers in six unserved rural areas. The grant award is \$1 million, and the loan is \$1 million at a low interest rate (1.25%) for twelve years.

Mr. Farmer moved, Ms. Gott seconded to Adopt Resolution No. 1731, A Resolution “Authorizing Repayment for CERB II Grant/Loan.” MOTION PASSED UNANIMOUSLY.

STAFF REPORT

Mrs. Creekpau announced that an application for the USDA Reconnect Grant was submitted for fiber-to-the-home construction in the Three fingers area of Grapeview. The PUD received many letters of support from Congressional offices, Legislative Representatives, community members, and local governments.

Mrs. Creekpau stated that she is on the Administration and Budget committee for Public Power Council (PPC) and will be participating in the Executive Director interviews, therefore will miss the upcoming regularly scheduled PPC meeting in Portland on Wednesday but will be in attendance on Thursday.

Mrs. Creekpau provided a memo to the commission that outlined some of the impacts to the District’s purchasing policy as a direct result of the passage of Senate Bill 5418. She pointed out that the modifications to the bid limits within the legislation would change the manager’s authority (which was originally designed to be a direct correlation to the state’s bid limits). She noted that while the District’s Resolution No. 1701, allows for changes in policy due to changes in statute, staff would be bringing a modified purchasing policy for adoption by commission as there are many other changes necessary to align with current practices.

Mrs. Creekpau said that Mason PUD 3 received the “Most Creative” award in the Paul Bunyan Grand Parade on June 1, 2019. Thanks to PUD staff for their time and efforts in creating the winning entry.

Mrs. Creekpau reported that some utilities are approving resolutions showing support for the lower Snake River dams. PUD 3 is monitoring the situation and will provide information to commission and a possible resolution for approval.

At Mrs. Creekpau’s request, Mr. Knutson provided an update on the Totten substation. Mr. Knutson stated that progress is being made. The transformer has been ordered and expected delivery is later this summer. A job show is scheduled for June 6 and a bid opening on June 19. Construction completion is expected by years end.

At Mrs. Creekpau’s request, Mr. Knutson provided an update on the newly installed radio system. Mr. Knutson stated that the system is operational and running smoothly with years of good service to come.

COMMISSIONERS' REPORT

No reports were given

DISCUSSION ITEMS

No items were discussed

GOOD OF THE ORDER

Following the calendar review, the commission meeting recessed at 10:40 a.m. for a short break and reconvened at 10:45 a.m. to meet in executive session for no more than 15 minutes.

At 11:00 a.m. commission requested an additional 15 minutes to continue discussions.

At 11:15 a.m. the executive session adjourned and the regular meeting reconvened.

With no further business appearing, the commission meeting adjourned at 11: 15 a.m.

Thomas J Farmer, President

ATTEST:

Linda R. Gott, Vice President

Bruce E. Jorgenson, Secretary