

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

President Farmer called the public hearing on the proposed electric rate increase to order at 10:00 a.m. The hearings and regular meeting were held in the PUD 3 auditorium (Skookum Room) at 2621 E Johns Prairie Road in Shelton, Washington, on Tuesday, September 10, 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 Services John Bennett; Director of Business Operations Michelle Burlison; Asst. Public Information & Gov Relations Manager Lynn Eaton; Telecommunications & Community Relations Manager Justin Holzgrove; Director of Engineering & Utility Services Dale Knutson; Conservation Manager Koral Miller; Public Information & Gov Relations Manager Joel Myer; Customer Service Revenue Protection Supervisor Jennifer Renecker; Administration Services Manager Mary Taylor-Monger (recorded minutes).

Member of the public in attendance was: Randy Lewis of Shelton.

PUBLIC HEARING – PROPOSED RATES

Mr. Farmer stated that the public hearing is to receive comments on the proposed electric rate increase. The increase is part of the overall financial plan for the utility.

Mrs. Creekpaum explained that the proposed rate change is a ten cent per day system charge increase to most rate schedules. This will not affect low-income senior or disability rates. There is also a proposed addition of rate schedule 27 for public electric vehicle (EV)chargers.

At Mrs. Creekpaum's request, Mr. Holzgrove explained that since June 2015, there has been a two hundred and fifty percent increase in EV registrations. Customers have expressed interest in EV charging stations. Mason County has a tourism-based economy which requires PUD 3 to move forward with the consumer needs. He stated that there are two types of chargers. Level 2, which is 240 volts and will charge a vehicle from 0 to eighty percent in approximately four hours and level 3, which is three phase and will charge a vehicle from 0 to eighty percent in thirty minutes. He stated that EV stations will provide load growth for the utility and benefit the community.

At Mrs. Creekpaum's request, Ms. Patterson provided the rate schedule principles.

- Cost of service based- Fair and equitable allocation of revenue to various customer classes of service making sure to provide revenue stability to Mason PUD 3.
- Sending the right price signals- Influence customer behavior to use equipment with a longer charging speed to put less demand on the system and mitigate peak demand risk.
- Local control- Provide customers electric service at board approved rates that follow these Rate Principles and conform to generally accepted rate setting techniques.
- Carbon Reduction- Mason PUD 3 supports a clean energy economy and uses ninety eight percent non-emitting generation and renewable resources. EVs running only on electricity have zero tailpipe emissions.
- Barrier to entry- EVs are an emerging technology that is growing fast but at a slower pace in rural areas such as Mason PUD 3. Balancing Mason PUD 3's vision to maintain cost of service-based rates; future proofing Mason 3's infrastructure; investing in the growth of our community; helping to create opportunities that enhance the economy, and quality of life; being a leader in energy innovations is paramount.

In conclusion, Mrs. Creekpaum stated that overall Mason PUD 3 is looking at safety and reliability of the PUD system and the ten cent per day increase of the system charge will benefit these areas.

With no public comments forthcoming, commissioners will consider adoption of the proposed rate at the next regular business meeting on September 24, 2019. The public hearing on proposed rates was adjourned at 10:15 a.m., at which time the public hearing for the 2019 proposed budget was called to order by Mr. Farmer.

PUBLIC HEARING – PROPOSED 2019 BUDGET

Mr. Farmer stated that the public hearing is to receive comments on the proposed 2019 operating budget.

Mrs. Creekpaum explained that the 2019 budget planning began with a \$2.4 million negative amount but has been reduced to zero with cuts.