

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

Vice President Gott 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, December 10, 2019.

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

The following PUD 3 personnel were present: IS Manager John Bennett; Director of Business Operations Michelle Burlison; Customer Service Manager Diane Hennessy; Telecommunications & IS Manager Justin Holzgrove; Director of Engineering and Utility Services Dale Knutson; Conservation Manager Koral Miller; Public Information & Government Relations Manager Joel Myer; Engineering Manager Amber Orr; Power Supply Manager Michele Patterson; Revenue Protection Supervisor Jennifer Renecker; and Asst. Public Information & Government Relations Manager Lynn Eaton (recorded minutes).

Members of the public in attendance were: Randy Lewis of Shelton and Nancy Neraas of *Foster Garvey*.

MODIFICATION AND/OR APPROVAL OF AGENDA

The agenda was approved as presented.

CONSENT AGENDA

Ms. Gott reviewed the items listed on the consent agenda. Mr. Jorgenson moved, motion seconded by Mr. Farmer to adopt the consent agenda. MOTION PASSED UNANIMOUSLY. By adopting the consent agenda, the following items were approved:

- a. Minutes of the November 26, 2019 regular commission meeting.
- b. Voucher Nos. (December 3, 2019) 152341 through 152388
(Includes electronic funds transfer payment Nos. 19736-19758) \$ 257,347.68
- c. Voucher Nos. (December 10, 2019) 152389 through 152478
(Includes electronic funds transfer payment Nos. 19759-19952) \$ 1,232,030.62
- TOTAL \$ 1,489,378.30**
- d. Void accounts payable checks for the week ending November 29, 2019 in the total amount of \$174.76 and the week ending December 6, 2019 in the total amount of \$3,296.75.
- e. Governance Policy Expense Approval.
- f. Bonneville Power Administration (BPA) Contract Revision – Power Sales Agreement #09PB-13068.

*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 adopt Resolution No. 1745, “Refunding and Defeasance of the Series 2010A, 2010B, and 2012 Bonds.”

Mrs. Creekpau introduced the resolution by explaining that market conditions and timing is favorable for refunding/refinancing these bonds. She explained that if approved, staff would be looking at approving the final terms of the bonds and refunding/defeasance around the end of January (depending on market conditions). She also noted that the balance of the bonds and debt service would remain the same, however the term would be reduced from thirty years to twenty years – due to the interest rate. She further explained that the restructure will provide for additional capital which will provide flexibility for various future capital improvements while having no impact on rates.

Bond Counsel Nancy Neraas explained to the commission that Resolution No. 1745 is a delegating resolution which authorizes a bond sale, refunding, and defeasance under the direction of the Manager or Finance Manager/Treasurer to approve the final terms within the parameters of the resolution around the end of January. She noted that the substantially lower interest rates and changes in reserve requirements will provide a savings to the District while providing additional capital and flexibility.

Mr. Jorgenson moved, seconded by Mr. Farmer to adopt Resolution No. 1745, "Refunding and Defeasance of the Series 2010A, 2010B, and 2012 Bonds." MOTION PASSED UNANIMOUSLY.

STAFF REPORT

Mrs. Creekspaum reported on the PUD's recent community engagement activities. She shared that she received a letter of thanks and recognition to the PUD and its employees from the Mason County Commissioners for the PUD's help in decorating the courthouse tree in partnership with the Kristmas Town Kiwanis. Also in partnership with the Kiwanis, the PUD provided a LED holiday lighting demonstration by helping to light the tree and gazebo at the Post Office Park and participated in the annual parade. Finally, working with Rachel Hansen of *Tracing the Fjord* magazine and *Explore Hood Canal*, the PUD provided energy saving LED holiday lights for the tree maze on Franklin Street where the group is trying to win the Guinness Book of World Record for the most trees lit in one area. Unofficially, the record was won in Shelton with 797 trees lit in the shape of a maze.

Mrs. Creekspaum announced that the United Way workplace campaign is underway at PUD 3 where employees may choose to donate to local non-profits through united way using payroll deduction.

Mrs. Creekspaum gave a brief update on the status of engineering and operations projects such as the Totten substation, Potlatch substation, Community Economic Revitalization Board Grants I and II for fiber expansion, as well the status of the Federal Reconnect grant application.

At Mrs. Creekspaum's request, Mr. Myer reported on a presentation he provided to the Mason County League of Women Voters on PUD's clean energy profile as a follow up to the climate change presentation they had last month. He also provided an update on the state legislature issues the PUD will be watching as well as federal legislative concerns.

Ms. Gott inquired about the rule making for the Governor's Broadband Office which passed in the last session. Mr. Holzgrove responded that he attended a meeting at the Public Works office on December 4, 2019 for stakeholders and provided comments. He explained that two additional stakeholder meetings are scheduled. Mr. Holzgrove also mentioned that the PUD has been in contact with staff from the Public Works Office as well as the Governor's Broadband Office regarding the PUD's Fiberhood program and interest in rural broadband.

Mrs. Creekspaum announced that two representatives from Mason PUD 3 will be participating in the Sanderson Field Resiliency Project exercise on Thursday, December 12, 2019.

COMMISSIONERS' REPORT


Ms. Gott reported on her attendance at the Washington State Public Utility Districts Association annual meeting last week. She also reported that she will be attending meetings in Spokane for the Northwest Open Access Network (NoaNet) as well as the Energy Northwest (ENW) meetings in Kennewick this week.

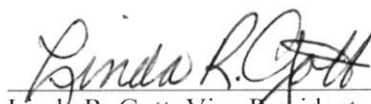
DISCUSSION ITEMS

The commission agreed to maintain the existing board positions for 2020. Tom Farmer as President, Linda Gott as Vice President, and Bruce Jorgenson as Secretary.

GOOD OF THE ORDER

With no further business appearing, the commission meeting adjourned at 10:22 a.m.


Thomas J Farmer, President


Linda R. Gott, Vice President

ATTEST:

Bruce E. Jorgenson, Secretary