

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 10:52 a.m. The meeting was held in the PUD 3 auditorium (Skookum Room) at 2621 E Johns Prairie Road in Shelton, Washington, on Tuesday, May 28, 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 Burleson; Communications & Community Relations Coordinator Asia Cline; Engineering Manager Tim DeVries; Operations Crew Coordinator Nick Earsley; Customer Service Manager Diane Hennessy; Telecommunications & Community Relations Mgr. Justin Holzgrove; Operations Manager Chris Miller; Conservation Manager Koral Miller; Public Information & Govt. Relations Manager Joel Myer; Power Manager Michele Patterson; Asst. Public Information & Govt. Relations Manager Lynn Eaton (recorded minutes).

Members of the public in attendance were: Randy Lewis of Shelton and Dedrick Allen of *Mason Web TV*.

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:

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| a. Minutes of the May 14, 2019 regular commission meeting. | |
| b. Voucher Nos. (May 21, 2019) 150067 through 150107
(Includes electronic funds transfer payment Nos. 16939–16957) | \$ 371,502.01 |
| c. Voucher Nos. (May 28, 2019) 150108 through 150169
(Includes electronic funds transfer payment Nos. 16958–17133) | <u>\$ 1,266,258.58</u> |
| TOTAL | \$ 1,637,760.59 |
| d. Void accounts payable check for the week ending May 17, 2019 in the total amount of \$1,939.24 | |
| e. Tacoma Power Operating Reserve Service Agreement No. 01TX-10421 modification. | |

*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

Public comment was given by resident Lewis.

ACTION ITEMS

Recommendation was made to approve an Interlocal Agreement with Mason County regarding the Harstine Island Bridge LED Street Lighting Refurbish. Mr. Holzgrove explained that this proposal was brought to Mason

County in 2017 and that the County Commission recently approved it as they are applying for a grant to resurface the bridge. Mr. Holzgrove explained that the lights on the bridge have been disconnected for decades and that the interlocal spells out ownership of the equipment and that the lights will be billed under the District's standard rate schedule 41.

Mr. Jorgenson moved to approve an Interlocal Agreement with Mason County regarding the Harstine Island Bridge LED Street Lighting Refurbish. The motion was seconded by Ms. Gott. MOTION PASSED UNANIMOUSLY.

Recommendation was then made to Adopt Resolution No. 1728, authorizing the application to the United States Department of Agriculture (USDA) ReConnect Grant and Naming the Assigned Representative-Signature-Certify and Administrator. Mr. Myer explained that this is the first opportunity that Mason PUD 3 has had to apply for federal grants and if successful, the project would benefit residents in the three fingers area of Grapeview for a total project cost of \$3.3 million. The District is requesting a grant in the amount of \$2.5 with a twenty-five percent (25%) match. Because the area is primarily underground, it is a difficult and expensive build that would not likely qualify for a Fiberhood without grant funding. He noted that the grant deadline is May 31, 2019.

Mr. Farmer moved, Ms. Gott seconded to Adopt Resolution No. 1728, authorizing the application to the United States Department of Agriculture (USDA) ReConnect Grant and Naming the Assigned Representative-Signature-Certify and Administrator. MOTION PASSED UNANIMOUSLY.

A recommendation was made to approve the purchase of directional boring equipment. Mrs. Creekpau explained the benefits of bringing this function in-house. From increased difficulty in contracting laws, to contractor availability, to efficiency and consistency, and safety and emergency response improvements. She noted that the crew was previously approved through the budget process and the money for the equipment has been set aside in the Equipment and Vehicle Replacement (EVR) fund.

Ms. Gott moved, Mr. Jorgenson seconded to approve the purchase of directional boring equipment as follows:

- Directional Drill with basic tooling up to \$315,000
- Kenworth Chassis with flatbed for mud mix system up to \$175,000
- Kenworth Chassis Dump Truck up to \$200,000
- Support Truck 550/5500 Chassis with bed/bin configuration up to \$115,000

MOTION PASSED UNANIMOUSLY.

STAFF REPORT

At Mrs. Creekpau's request, Mrs. Speaks reviewed the status of the budget as of April 30, 2019, with the commission. The month-end receipts for April were \$6.8 million, expenditures were \$6.6 million. Finishing the month of April with a positive budget balance of \$606,093.

Mrs. Speaks then provided the treasurer's report of funds through April 2019. The opening cash balance for April was \$3.4 million and was \$3.3 million at month's end. The total of all funds at month-end were \$31 million.

Mrs. Creekpau shared a thank you note from Sally Jewell who served as the 51st United States Secretary of the Interior under President Obama's administration. Ms. Jewell wanted to thank the PUD for bringing her Harstine Island neighborhood into the 21st century by extending broadband to the area.

Mrs. Creekpau then announced that Mason PUD 3 has received a second round of Community Economic Revitalization Board (CERB II) funding in the form of a grant/loan. She noted that the award is for one million

dollars in grant funding and one million dollars in low interest loan. She said a resolution for the commission to accept the award would follow at the next meeting.

Mr. Myer gave a brief legislative update and reported on the visit from U.S. Congressman Derek Kilmer. He noted that Representative Kilmer announced the re-introduction of his "Broadband for All Act" at the PUD's auditorium on Friday, May 24th. The act would provide for citizens to claim a seventy-five percent (75%) tax credit for the cost of extending broadband.

Mrs. Creekpaum reminded the commission that there would not be a quorum at the June 11, 2019 meeting and asked if they wished to reschedule. After a brief discussion, Ms. Gott moved to cancel the June 11, 2019 meeting. The motion was seconded by Mr. Farmer. The MOTION PASSED UNANIMOUSLY. The commission and manager will look at rescheduling a special meeting based on availability.

Mrs. Creekpaum reported that the auditor has completed her work on location at the PUD offices and an exit conference is scheduled for June 21st.

Mrs. Creekpaum announced that the 80th anniversary history books arrived. The book is intended to have a permanent documentation of the District's history and will be available to employees and disseminated to others once the anniversary plans have been finalized.

Mrs. Eaton noted that the education committee has worked with the facilities department to design and decorate PUD vehicles to participate in the

Ms. Patterson provided a purchased power report.

COMMISSIONERS' REPORT

Mr. Jorgenson reported his attendance to the Memorial Day event in Allyn.

Ms. Gott reported her attendance to the Northwest Wholesale Power Markets meeting in Portland. She also reported her attendance to the Northwest Public Power Association (NWPPA) Annual Meeting in Sacramento.

Mr. Farmer reported his attendance to the Port of Grapeview ribbon cutting, the Washington Public Utility Districts Association (WPUDA) strategic planning meeting, the Northwest Public Power Association (NWPPA) Annual Meeting in Sacramento, and Derek Kilmer's "Broadband for All Act" reintroduction meeting at PUD 3.

DISCUSSION ITEMS

Draft Resolution No. 1729, "Approving the Pole Attachment License Agreement Form" and Draft Resolution No. 1730, "Adopting Joint Use Rules & Regulations with Rate/Fee Schedule" were introduced and will be brought forward for action at a later date.

GOOD OF THE ORDER

With no further business appearing, the commission meeting adjourned at 11:27 a.m.

Respectfully submitted,

Lynn Eaton
Assistant Public Information & Government Relations Manager