

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 10:00a.m. The meeting was held in the PUD 3 auditorium (Skookum Room) at 2621 E Johns Prairie Road in Shelton, Washington, on Tuesday, June 25, 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 was absent.*

The following PUD 3 personnel were present: Director of Business Services John Bennett; Director of Business Operations Michelle Burleson; Asst. Public Information & Gov Relations Manager Lynn Eaton; Customer Service Manager Diane Hennessy; Director of Engineering & Utility Services Dale Knutson; Conservation Manager Koral Miller; Public Information & Gov Relations Manager Joel Myer; Power Manager Michele Patterson; Administration Services Manager Mary Taylor-Monger (recorded minutes).

Member of the public in attendance was: 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 June 17, 2019 special commission meeting.
  - b. Voucher Nos. (June 25, 2019) 150382 through 150456 \$ 1,324,574.14  
(Includes electronic funds transfer payment Nos. 17360-17536)
- Total            \$        1,324,574.14**

\*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.

CORRESPONDENCE

Mrs. Creekpaum reported on a letter received from Mason County PUD 1 thanking PUD 3 for its work on the recently approved pole contact agreement.

COMMENTS FROM THE PUBLIC

No public comment was given.

ACTION ITEMS

Recommendation was made to approve Resolution No. 1732, "A Resolution Declaring General Plant Items Surplus".

Mrs. Creekpau stated that this is a housekeeping item to send old and obsolete PUD 3 items to the state surplus where they will be sold.

Mr. Jorgenson moved, seconded by Ms. Gott to approve Resolution No. 1732. After a brief discussion, Resolution No. 1732, "A Resolution Declaring General Plant Items Surplus" PASSED UNANIMOUSLY.

Recommendation was made to approve Resolution No. 1733, "A Resolution Declaring Renewable Energy Credits (RECs) Surplus".

Mrs. Creekpau said that this is the first time that RECs have been offered as surplus by PUD 3. At Mrs. Creekpau's request, Ms. Patterson explained that the RECS are only valid through 2019, therefore should be sold and taken out of PUD 3 inventory. The RECs were an estimated purchase to meet the I937 requirements. By selling them, another utility who underestimated its purchase can purchase PUD 3's unused RECs. The price is not known at this time but will be lower than the original purchase price.

Ms. Gott moved, seconded by Mr. Farmer to approves Resolution No. 1733, "A Resolution Declaring Renewable Energy Credits (RECs) Surplus". MOTION PASSED UNANIMOUSLY.

Recommendation was made to award bid L2-2019, Totten Substation Construction to low responsible bidder, Magnum Power, LLC.

Mrs. Creekpau reported that four (4) companies bid on this project with Magnum Power being the lowest responsible bidder at \$1,243,016.69 plus tax. The engineer's estimate for the project is \$1,773,562.89 plus tax.

Ms. Gott moved, seconded by Mr. Farmer to award bid L2-2019, Totten Substation Construction to low responsible bidder, Magnum Power, LLC. MOTION PASSED UNANIMOUSLY.

#### STAFF REPORT

At Mrs. Creekpau's request, Mrs. Speaks reviewed the status of the budget as of May 31, 2019, with the commission. The month-end receipts for May were \$5.8 million, expenditures were \$5.3 million. Finishing the month of May with a positive budget balance of \$519,224.

Mrs. Speaks then provided the treasurer's report of funds through May 2019. The opening cash balance for May was \$3.3 million and was \$3.9 million at month's end. The total of all funds at month-end were \$30 million.

Mrs. Creekpau reported that the state auditor exit conference was held on June 21. She is pleased to report that Mason PUD 3 received its 40<sup>th</sup> consecutive year of clean audits. Mrs. Creekpau expressed that this shows true excellence and not mediocracy. As a group, we value finance accountability, organization values and don't take for granted the efficiencies and work required to achieve this honor.

At Mrs. Creekpau's request, Mrs. Eaton reported on the upcoming 80<sup>th</sup> anniversary customer appreciation day. Mrs. Eaton said the event will take place on July 9 between 11:30 a.m. and 1:30 p.m. at the Johns Prairie Operating Center. Hot dogs and hamburgers will be provided for attendees. They will also receive the completed Mason PUD 3 history book. This is a great opportunity to celebrate being a community partner and provide information on public power.

Mrs. Creekpau stated that work continues on the policy and procedures project. Commission can expect more information at the upcoming meetings.

At Mrs. Creekpauum's request, Mr. Myer reported that the U.S. Department of Agriculture had notified PUD 3 that its grant application to the ReConnect program was under review. He said that there are 53 applications with a total request amount of \$635 million with only \$200 million available this funding round. PUD 3's request for the Three-Fingers area is \$3.3 million. Mr. Myer also reported that there was an unprecedented amount of car versus pole accidents were reported over the weekend. Crews responded to five (5) accidents in a twenty-four (24) hour period. PUD 3 crews exceeded the average restoration time by three (3) hours.

Mrs. Creekpauum stated that a ground-breaking ceremony at the Totten substation site will take place soon.

#### COMMISSIONERS' REPORT

Ms. Gott reported that she will be attending the Energy Northwest meeting and NoaNet strategic planning.

Mr. Farmer reported that he attended state auditor exit interview and will be attending the North Mason Chamber event this week.

#### DISCUSSION ITEMS

No items were discussed

#### GOOD OF THE ORDER

With no further business appearing, the commission meeting adjourned at 10:27 a.m.

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Thomas J Farmer, President

ATTEST:

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Linda R. Gott, Vice President

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Bruce E. Jorgenson, Secretary