

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, July 9, 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; Customer Service Manager Diane Hennessy; Telecommunications & Community Relations Manager Justin Holzgrove; 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).

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 25, 2019 commission meeting.		
b. Voucher Nos. (July 2, 2019) 150457 through 150546 (Includes electronic funds transfer payment Nos. 17537-17555)	\$	218,907.04
c. Voucher Nos. (July 9, 2019) 150547 through 150570 (Includes electronic funds transfer payment Nos. 17556-17559)	\$	<u>76,444.39</u>
Total	\$	295,351.43

*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 approve Resolution No. 1734, "A Resolution Modifying the Whistleblower Policy and Procedures for Reporting Improper Governmental Action and Protecting Employees Against Retaliation."

Mrs. Creekpau stated this modification will bring the policy current to comply with Chapter 42.20 RCW.

Mr. Jorgenson moved, seconded by Ms. Gott to approve Resolution No. 1734 “A Resolution Modifying the Whistleblower Policy and Procedures for Reporting Improper Governmental Action and Protecting Employees Against Retaliation.” MOTION PASSED UNANIMOUSLY.

Recommendation was made to approve Resolution No. 1735, “A Resolution Adopting A Purchasing Manual.”

Mrs. Creekpau explained that this resolution supersedes Resolution No. 1577. In addition, the modified policy and procedures will align with the changes made through the passing of Senate Bill 5418. She addressed several key changes which included: Items that are considered surplus will be processed through the PUD’s surplus property and procedures as outlined in the District’s Audit Directive; The manager’s authority to approve contracts, leases, purchases and change orders, including the awarding of bids, aligns with the small works limits in the Legislation which is currently at three hundred fifty thousand dollars (\$350,000); The manager shall prequalify bidders based on the preset standards outlined in the policy and procedures.

Ms. Gott moved, seconded by Mr. Jorgenson to approve Resolution No. 1735, “A Resolution Adopting A Purchasing Manual.” After a brief discussion, MOTION PASSED UNANIMOUSLY.

A recommendation was made to approve Resolution No. 1736, “A Resolution Adopting the Governance of the Mason County PUD No. 3 Commission.”

Mrs. Creekpau said the policy was created per the request of the commission. The policies reviewed from various utilities are similar. She noted that the draft presented outlines the best practices and catches the essence of board operations and will be a valuable tool for future onboarding commissioners. She explained that the draft takes a middle of the road approach on the topic of per-diem expenses and under the policy the current organization membership list would stand as pre-approved and other meetings not listed on the pre-approved list shall be either pre-approved or post approved by commission.

Ms. Gott moved, seconded by Mr. Jorgenson to approve Resolution 1736, “Adopting the Governance of the Mason County PUD No. 3 Commission.” After a brief discussion, MOTION PASSED UNANIMOUSLY.

A recommendation was made to approve Resolution No. 1737, “A Resolution clarifying the Employee Incentive /Merit Pay Program of Public Utility District No. 3 of Mason County.”

Mrs. Creekpau stated this policy clarifies the existing incentive/merit pay program established in 2004. The current policy has not been utilized since 2016 in an effort to design a program that would better meet the requirements of the state constitution. The updated policy includes utility goals as well as individual goals.

Mr. Farmer moved, seconded by Ms. Gott to approve Resolution No. 1737, “A Resolution Clarifying the Employee Incentive /Merit Pay Program of Public Utility District No. 3 of Mason County.” MOTION PASSED UNANIMOUSLY.

A recommendation was made to approve Resolution No. 1738, “A Resolution Adopting the Community Engagement Policy of Public Utility District No. 3 of Mason County.”

Mrs. Creekpau stated this resolution supersedes Resolution No. 1031 that was established in 1995. Many utilities have similar written policies.

At Mrs. Creekpau’s request, Mrs. Eaton explained that the policy documents many community related activities already being done and will tie in with the incentive programs to better promote the public power

model, having a formal program that encourages community engagement by incentivizing to be active in the community and be ambassadors of the utility helps develop the public power brand.

Mr. Farmer moved, seconded by Ms. Gott to approve Resolution No. 1738, "A Resolution Adopting the Community Engagement Policy of Public Utility District No. 3 of Mason County." After a brief discussion, MOTION PASSED UNANIMOUSLY.

A recommendation was made to approve Resolution No. 1739, "A Resolution in Support of the Federal Columbia River Power System and the Four Lower Snake River Dams."

Mrs. Creekpau explained that currently thirteen (13) utilities have approved resolutions and four (4) are being voted on today showing support for the Columbia River power system. The resolution emphasizes the value of the federal hydroelectric system and the need to protect the Lower Snake River Dams.

Mr. Jorgenson moved, seconded by Ms. Gott to approve Resolution No. 1739, "A Resolution in Support of the Federal Columbia River Power System and the Four Lower Snake River Dams." MOTION PASSED UNANIMOUSLY.

A recommendation was made to approve Resolution No. 1740, "A Resolution Declaring Distribution System Items Surplus (PCB and Non-PCB Contaminate)."

Mrs. Creekpau stated that this is a housekeeping item for the surplus of equipment.

Mr. Jorgenson moved, seconded by Ms. Gott to approve Resolution No. 1740, "A Resolution Declaring Distribution System Items Surplus (PCB and Non-PCB Contaminate)." MOTION PASSED UNANIMOUSLY.

Recommendation was made to award bid M2-2019, All-Dielectric Self-Supporting (ADSS) Aerial Fiber Optic Cable to the lowest qualified bidder, General Pacific of Fairview, Oregon.

Mrs. Creekpau stated that is for 150,000 feet of ADSS aerial fiber optic cable, 144 strands. The bid was very competitive with General Pacific being the lowest qualified bidder at \$136,500 plus taxes. The estimate for this bid is \$150,000.

Ms. Gott moved, seconded by Mr. Farmer to award bid M2-2019, ADSS Aerial Fiber Optic Cable to the lowest qualified bidder, General Pacific. MOTION PASSED UNANIMOUSLY.

STAFF REPORT

Mrs. Creekpau reported that today is the 80th Anniversary Customer Appreciation Barbecue. It will be held at the Johns Prairie office between 11:30 a.m. and 1:30 p.m. The PUD 3 history book will be distributed to attendees.

Mrs. Creekpau said that the Northwest Requirements Utilities (NRU) hiring committee has chosen a candidate for its CEO position. It will go to the full board for approval next week and announced soon.

COMMISSIONERS' REPORT

Ms. Gott reported that she attended the NoaNet Strategic Planning meeting. She will not be attending the July 23 commission meeting due to conflicting meeting out of state.

Mr. Farmer reported that he attended the Mason-Benson Club meeting where he was asked several PUD related questions. He will be attending the WPUA meeting next week.

DISCUSSION ITEMS

No items were discussed

GOOD OF THE ORDER

With no further business appearing, the commission meeting adjourned at 10:32 a.m.

Respectfully Submitted,

Mary Taylor-Monger