

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 10:00 a.m. The meeting was held in the PUD 3 auditorium (Skookum Room) at 2621 E Johns Prairie Road in Shelton, Washington, on Tuesday, February 18, 2020.

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

The following PUD 3 personnel were present: IS Manager John Bennett; Director of Business Operations Michelle Burlison; Asst. Public Information & Government Relations Manager Lynn Eaton; Customer Service Manager Diane Hennessy; Director of Engineering & Utility Service Dale Knutson; Public Information & Government Relations Manager Joel Myer; Power Manager Michele Patterson; Customer Service Revenue Protection Supervisor Jennifer Renecker; Administration Services Manager Mary Taylor-Monger (recorded minutes).

A member of the public in attendance was Randy Lewis of Shelton.

MODIFICATION AND/OR APPROVAL OF AGENDA

Mrs. Creekpaum requested a modification of the agenda, adding Action Item 7a, Modification of Organization Memberships 2020.

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 February 4, 2020 regular commission meeting.  |              |                        |
| b. Voucher Nos. (February 11,2020) 153015 through 153096<br>(Includes electronic funds transfer payment Nos. 20644-20853) | \$           | 1,086,934.22           |
| c. Voucher Nos. (February 18,2020) 153097 through 153183<br>(Includes electronic funds transfer payment Nos. 20854-20878) | \$           | <u>4,697,417.75</u>    |
|   | <b>TOTAL</b> | <b>\$ 5,784,351.97</b> |
| d. Void accounts payable checks for the week ending February 13, 2020 in the total amount of \$1,600.00                   |              |                        |
| e. Accounts to write off-deceased customers with no asset and bankruptcies in the total amount of \$179.07.               |              |                        |
| f. Energy Northwest Packwood Project - Financing  |              |                        |

\*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 modify the organization memberships for 2020. This modification will change the Washington Public Utility Districts Association (WPUDA) Governmental Relations representative from Mr. Jorgenson to Mr. Farmer.

Mr. Jorgenson moved to approve the modification of the organization memberships for 2020. Motion seconded by Ms. Gott. After a brief discussion, MOTION PASSED UNANIMOUSLY.

STAFF REPORT

At Mrs. Creekpaum's request, Mr. Taylor reviewed the status of the budget as of December 31, 2019 and January 31, 2020, with the commission.

The month-end receipts for December were \$7.4 million, expenditures were \$7.1 million. Finishing the month of December with a budget balance of \$377,060.

Mr. Taylor stated that 2019 labor expenditures were higher than normal due to a storm that was declared state of emergency but did not qualify for a federal emergency. This event accrued \$700,000 in overtime that was not reimbursed by FEMA. He also explained that the cost of substations was 128 percent of the budget which is normal considering substations are a two to three-year project and will cause variances until completed. 2019 budgeted power revenues were based on a trending pattern of increased kWh consumption. However, in 2019 there was a decrease in consumption due to weather patterns and customer conservation causing a decrease in power revenues.

Mr. Taylor reviewed the status of the budget as of January 31, 2020, with the commission. The month-end receipts for January were \$7.1 million, expenditures were \$6.9 million. Finishing the month of January with a positive budget balance of \$229,260.

Mr. Taylor then provided the treasurer's report of funds through January 2020. The opening cash balance for January was \$4.8 million and was \$4.9 million at month's end. The total of all funds at month-end were \$27 million.

Mrs. Creekpau reported that engineering new service applications totaled 79 for the month of January. This is a 42 percent increase over applications in January 2019.

At Mrs. Creekpau's request, Mr. Knutson provided an update on the construction of Totten substation. Mr. Knutson stated that construction is ramping down and focus is now on the control building. Testing of electronics is taking place as well as communication with the BPA (Bonneville Power Administration). Completion is on schedule for the end of March 2020.

At Mrs. Creekpau's request, Mr. Myer provided commission with a legislative report. Mr. Myer informed commission that there are three Senate and House Bills that are being closely watched.

- o Senate Bill 6135, energy reliability under clean energy transformation act.
- o House Bill 2892 and Senate Bill 6628, clean air rule authority
- o House Bill 2505, conservation B & O tax exemption fix.

Mrs. Creekpau advised commission that previous Clallam PUD Commissioner, Hugh Hafner, passed away recently from stroke complications.

Mrs. Creekpau stated that the Economic Development Council (EDC) Annual Meeting will be held on Wednesday, February 19. The Mason General Hospital ribbon cutting will take place on Friday, February 21.

Mrs. Creekpau announced that at the recent United Way auction event, Mason PUD 3 was awarded the "Top 5 Workplace Campaign 2019" for employee contributions in Mason County.

Mrs. Creekpau reported that Oregon Governor Kate Brown drafted a letter to Governor Inslee, requesting that he authorize to breach the lower Snake River dam. In response, Public Power Council (PPC) drafted a letter of disapproval of the request to Mr. Inslee and proclaimed that PPC is not in support of such a request. Many other trade organizations are sending letters to Governor Inslee expressing support of PPC's stance.

At Mrs. Creekpau's request, Ms. Patterson provided a Power Situation report.

#### COMMISSIONERS' REPORT

Ms. Gott reported that she attended the NoaNet meeting February 5<sup>th</sup>. She stated that NoaNet finished 2019 strong and the merger/acquisition with Energy Northwest is being discussed. She is anticipating a presentation soon providing an update. Ms. Gott attended the Washington Public Utility District Association (WPUDA) meetings in Olympia.

Mr. Farmer reported that he attended the WPUDA meetings in Olympia where they participated in Day on the Hill. The event had many attendees, including staffers and legislators.

#### DISCUSSION ITEMS

No items were discussed

#### GOOD OF THE ORDER

With no further business appearing, the commission meeting adjourned at 10:37 a.m.