

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

The Commissioners of Public Utility District No. 3 of Mason County, Washington conducted a regular business meeting in the PUD 3 auditorium at 307 W. Cota Street in Shelton, Washington on Tuesday, May 25, 2010.

Vice President Bruce Jorgenson called the meeting to order at 10:00 a.m. District officers present were Commissioners Thomas J. Farmer and Bruce E. Jorgenson; Manager Wyla Wood; Finance Manager/Auditor Annette Creekpaum; Treasurer Sherry Speaks; and Attorney Robert Johnson. Commissioner Linda R. Gott was attending the Northwest Public Power Association annual meeting.

PUD 3 employees in attendance were: Power Supply Analyst Diane Archer; Distribution Engineer/Metering Supervisor Koral Buck; Power Supply & Energy Services Manager Jay Himlie; Administrative Services Assistant Lynn Harvey; Facilities Specialist Randy Howard; Maintenance Engineering Tech Chris Jorgensen; Telecommunications Manager Dale Knutson; Public Information & Government Relations Manager Joel Myer; Shelton Line Superintendent Scott Peterson; Engineering Manager Terry Peterson; Assistant Power Supply Manager Matt Samuelson; Operations Manager Bob Smith; Service Engineering Supervisor Brad Smotherman; and Assistant to the Manager Nancy Bolender (recorded minutes).

Members of the public in attendance were Richard Byrd of Shelton and Louis Cofoni of Shelton.

MODIFICATION AND/OR APPROVAL OF AGENDA

The agenda was approved as presented.

CONSENT AGENDA

Mr. Jorgenson reviewed the items listed on the consent agenda. Mr. Farmer moved, motion seconded by Mr. Jorgenson, to adopt the consent agenda. MOTION PASSED.

By adopting the consent agenda, the following items were approved:

- A. Minutes of the May 18, 2010, regular commission meeting.
- B.\* Voucher Nos. 106932 through 107034 — \$ 583,181.95  
(Includes electronic funds transfer payment No. 337)
- C. Void accounts payable check for the week ending May 21, 2010, in the amount of \$263.18.
- D. Write-off of closed bankruptcy accounts (\$673.48); cancelled and returned collection bureau accounts (\$898.13); deceased accounts (\$137.76); and small balance accounts (-\$1.56); in the total amount of \$1,707.81.

\* 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

Mr. Jorgenson welcomed those in attendance and stated that comments would be accepted throughout the meeting.

Mr. Cofoni commented on a news article regarding the development of wind power and how there's more to the cost than just building a wind farm. In the article he cited the U.S. Department of Energy estimated the cost of integrating future wind energy into the nation's power system at \$90 billion, including transmission and distribution costs.

ACTION ITEMS

A recommendation was made to authorize PUD 3 crews to replace and upgrade the underground cable on Kla-Che-Min Drive for a total work order estimated cost of \$131,253. The Squaxin Island Tribe has informed the utility of plans to re-pave this road. The PUD has existing single-phase, underground primary in the right-of-way that needs to be replaced and upgraded to three-phase prior to the re-paving work. The upgrade will allow for a tie between the two divisions of the tribal housing to Old Olympic Highway and the Bloomfield Road.

Mr. Farmer moved, motion seconded by Mr. Jorgenson, to approve a work order to replace and upgrade the underground cable on Kla-Che-Min Drive for a total work order estimated cost of \$131,253. MOTION PASSED.

Recommendation was then made, as part of the Kla-Che-Min Drive underground replacement project, to declare Hood Canal Communications as a sole source provider of trenching and directional boring and authorize contracting with it for a cost of \$38,000 plus applicable taxes.

Mrs. Wood explained that Hood Canal Communications is planning to replace and install new facilities along Kla-Che-Min Drive as well before the road is re-paved. It will take the lead on the project and give PUD 3 a joint trench opportunity with Hood Canal providing trenching, direction boring (only required for PUD 3 work), asphalt repair, gravel, restoration and removal of spoils.

Mr. Farmer moved, motion seconded by Mr. Jorgenson, to declare Hood Canal Communications as a sole source provider of trenching and directional boring on the Kla-Che-Min Drive underground replacement project and authorize contracting with Hood Canal Communications for a cost of \$38,000 plus applicable taxes. MOTION PASSED.

#### STAFF REPORTS

The commissioners were informed that federal agencies have filed a Supplemental Biological Opinion (BiOp) as requested by Judge Redden.

Mrs. Wood reported that there will be a staff level discussion of project participants with Energy Northwest on the proposed Radar Ridge wind project in Pacific County. The discussion will take place on May 26<sup>th</sup> in the PUD's auditorium.

Mrs. Wood also reported that the mediation, which took place last Friday between the investor-owned utilities, the Bonneville Power Administration and the public utilities regarding the residential exchange settlement, ending with no resolution.

#### GOOD OF THE ORDER

Following a calendar review and good of the order, and with no further business appearing, the regular meeting adjourned at 10:10 a.m.

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Linda R. Gott, President

ATTEST:

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Bruce E. Jorgenson, Vice President

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Thomas J. Farmer, Secretary