

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, June 8, 2010.

President Linda Gott called the meeting to order at 10:02 a.m. District officers present were Commissioners Thomas J. Farmer, Linda R. Gott and Bruce E. Jorgenson; Manager Wyla Wood; Finance Manager/Auditor Annette Creekpau; and Attorney Robert Johnson. (Treasurer Sherry Speaks was attending a Government Finance Officers Association annual meeting.)

PUD 3 employees in attendance were: Power Supply Analyst Diane Archer; IS Manager John Bennett; Power Supply & Energy Services Manager Jay Himlie; Telecommunications Manager Dale Knutson; Public Information & Government Relations Manager Joel Myer; Telecom Office Manager Terri Oberg; Acting Human Resources Manager Ilene Olson; Engineering Manager Terry Peterson; Assistant Power Supply Manager Matt Samuelson; Operations Manager Bob Smith; and Assistant to the Manager Nancy Bolender (recorded minutes).

Members of the public in attendance were: Louis Cofoni of Shelton; Steve Ness of Shelton; Bill Burrows of Harstine Island; Stan Latin of Harstine Island; and Shawnie Vedder of Shelton.

MODIFICATION AND/OR APPROVAL OF AGENDA

The agenda was approved as presented.

CONSENT AGENDA

Ms. Gott reviewed the items listed on the consent agenda. Mr. Jorgenson moved, motion seconded by Mr. Farmer, to adopt the consent agenda. Following questions relating to the status of the payments on the substation construction project, the MOTION PASSED UNANIMOUSLY.

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

- A. Minutes of the June 1, 2010, regular commission meeting.
- B.\* Voucher Nos. 107101 through 107197 — \$ 724,757.42  
(Includes electronic funds transfer payment Nos. 340-341)

\* 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

Ms. Gott welcomed those in attendance and stated that comments would be accepted throughout the meeting.

Mr. Burrows thanked the PUD 3 commission and staff for their efforts to obtain federal stimulus funding for broadband deployment on Harstine Island. He also commended staff and line crews for their response to service calls and their follow up, especially when compared to service in other areas of Puget Sound.

Mr. Lattin of Hartstene Pointe commented that he appreciated the leadership that the PUD has brought to the broadband stimulus project. He said if his dream of a connected Harstine Island is realized, it would likely be the first island in Puget Sound with high speed fiber optic service. Mr. Lattin especially cited the efforts of Dale Knutson, telecommunications manager, and Terri Oberg, telecommunications office manager, in the project.

Mr. Cofoni commented on several news articles about electric car programs planned for Washington State. He noted his concern about the source of electricity for the charging stations, especially since building renewable energy projects has become more difficult in recent years.

STAFF REPORTS

Mrs. Creekpau reviewed the status of the budget as of May 31, 2010, with the commissioners. The PUD has a positive budget balance through May of \$1,280,441.

In Mrs. Speaks' absence, Mrs. Creekpau also reviewed the May treasurer's report with the board.

Mr. Himlie reported that an announcement is imminent on a regional pilot program aimed at managing local demand for electricity during times of tight energy supply. He said the program could also assist in matching local energy needs with renewable energy output. A formal announcement will be coordinated with other participants.

Mrs. Wood noted several housekeeping items including: the city of Shelton and Mason County Fire District 5's request to address the board regarding their annexation activities; Clallam County PUD's recent commitment to

paying its share of additional environmental studies through July for the Radar Ridge wind project; and a law firm representing environmental groups has noted its interest in the Radar Ridge project activities.

Mrs. Wood also clarified that as part of the call for bids for the Johns Prairie operations center approved last Tuesday, the PUD will be paying for the printing of plans and documents for bidders at a cost not to exceed \$40,000. Northwest Reprographics of Tacoma was the low bidder for the print costs.

#### COMMISSIONERS' REPORTS

Mr. Farmer reported on his attendance at the Allyn Community Association's general membership meeting on June 2, and at the Bigfoot social media conference hosted by the North Mason Chamber of Commerce on June 4.

Mr. Farmer informed the commissioners that the Port of Allyn has recently received full water rights for 20 years.

Ms. Gott reported that Energy Northwest held a participants' review board meeting at the Northwest Public Power Association's annual meeting. The review board is made up of utilities that take output from the Columbia Generating Station. The nine current board members were re-elected at the annual meeting. Another topic of discussion was the debt schedule which ramps up in the next few years. Options for refinancing will be discussed at future meetings.

Ms. Gott also reported on her attendance at the Green Diamond sponsored breakfast prior to the Forest Festival last weekend; and on the June Public Power Council executive meeting held in Portland.

#### DISCUSSION ITEMS

The commissioners discussed the pre-workshop exercises for the Washington PUD Association's reform meeting to be held on June 10-11. The members of the Association are evaluating the organization for possible changes to make it more functional. It was noted that the biggest hurdle is response time when it comes to legislative activities. Other issues include committee structures within the Association being different, and many members vote as their utility would vote and not what is good for the Association as a whole.

#### GOOD OF THE ORDER

Following a calendar review and good of the order, and with no further business appearing, the regular meeting adjourned at 10:42 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