

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, July 6, 2010.

President Linda Gott called the meeting to order at 10:00 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; Treasurer Sherry Speaks; and Attorney Kristin French.

PUD 3 employees in attendance were: Power Supply Analyst Diane Archer; Maintenance Engineering Supervisor Nick Earsley; Administrative Services Assistant Lynn Harvey; Energy Services & Power Supply Manager Jay Himlie; Telecommunications Manager Dale Knutson; E&O Support Supervisor Mary McKay; Public Information & Government Relations Manager Joel Myer; Acting Human Resources Manager Ilene Olson; Assistant Power Supply Manager Matt Samuelson; GIS Technician Brian Schneidmiller; Operations Manager Bob Smith; and Assistant to the Manager Nancy Bolender (recorded minutes).

Members of the public in attendance were: John Komen of Grapeview; Louis Cofoni of Shelton; and Natalie Johnson of *The Shelton-Mason County Journal*.

MODIFICATION AND/OR APPROVAL OF AGENDA

The agenda was approved as presented.

CONSENT AGENDA

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

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

- A. Minutes of the June 29, 2010, regular commission meeting.
- B.\* Voucher Nos. 107470 through 107601 — \$ 668,953.83
- C. Void accounts payable check for the week ending July 2, 2010, in the amount of \$157.53.
- D. Write off of closed, uncollectible, deceased no assets (\$1,671.78) and small balance (\$285.43) accounts in the total amount of \$1,957.21.

\* 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

Ms. Gott referenced a letter each commissioner received from Harmony Hill inviting them to attend the Business/Environment/Energy (“BEE”) Forum on July 19<sup>th</sup>. According to the invitation, the forum seeks to provide a balanced look at the issues surrounding biomass energy as it relates to the local community and the Olympic Peninsula.

The commissioners also received a letter from Mason County Fire District 5 Fire Chief Richard Knight thanking them for allowing the opportunity to discuss the Fire District 5/City of Shelton annexation proposal.

COMMENTS FROM THE PUBLIC

Mr. Cofoni commented on a newspaper article detailing electricity generation from nuclear power in the United States. He noted that the US gets about 15 percent of its electricity from nuclear, compared to France, which has nearly 80 percent from nuclear. Mr. Jorgenson stated that modular nuclear generators, in the 40 megawatt range, have been discussed as a way to decentralize power production and reduce electricity transmission congestion.

ACTION ITEMS

Recommendation was made to approve Addendum No. 1 to bid L3-2010 Hartstene Pointe South URD Rebuild and Fiber Conduit Install. The addendum modifies the engineer’s estimate for contracted labor and equipment to \$313,233.39 plus taxes. The original estimate was \$273,169.99 plus taxes; however, conduit and sweeps were not included in the work order total. The addendum also corrects two items in the bid documents relating to conduit length and a page number reference.

Mr. Jorgenson moved, motion seconded by Mr. Farmer, to approve Addendum No. 1 to bid L3-2010 Hartstene

Pointe South URD Rebuild and Fiber Conduit Install. Following questions on pulling cable through conduit, the MOTION PASSED UNANIMOUSLY.

STAFF REPORTS

Mr. Samuelson reported that Energy Northwest (ENW) will be unable to use stimulus funds to upgrade the Packwood hydroelectric project in east Lewis County. ENW was in line to obtain \$800,000 for the \$1.6 million dollars needed to improve the generating capacity of the hydro turbine at the facility. He cited the inability of ENW to find a US manufacturer that could guarantee the required five percent efficiency improvement in the rebuild. US manufactured equipment is also a requirement of the stimulus funding.

Mr. Samuelson also reported PUD 3 staff has submitted a request to the Bonneville Power Administration (BPA) for transmission services to bring the PUD's share of the Packwood project's output to local customers. The PUD has a 10 percent share in the plant's output. That would be in the range of one average megawatt, or enough to power about 600 homes.

Ms. Gott asked about the outage that occurred in downtown Shelton on Friday, July 2<sup>nd</sup>. Mr. Smith explained that a breaker(s) opened in the Mt. View substation causing the Mason substation to go down. Staff is unsure as to what caused the event and continues to investigate it.

DISCUSSION ITEMS

The commissioners discussed a request from the Mason County Democrats to consider adopting a resolution related to a proposed wood-fired power plant near Shelton. The resolution would ask elected officials to postpone any final decisions for the project until it meets or exceeds state and federal standards for environmental quality.

The commissioners noted that the PUD is not a permitting agency, but it supports the permitting process that requires any project to meet state and federal regulations prior to permit issuance.

Staff was directed to draft a response letter to the Mason County Democrats based on the discussion and provide it to the board at next Tuesday's commission meeting.

GOOD OF THE ORDER

Following a calendar review and good of the order, and with no further business appearing, the regular meeting adjourned at 10:21 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