

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

President Farmer called a regular teleconference 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 Mt. View Room at 2621 E Johns Prairie Road in Shelton, Washington, on Tuesday, March 24, 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

The following PUD 3 personnel were present: IS Manager John Bennett; Environmental & Admin Specialist Ali Burgess; Director of Business Operations Michelle Burleson; Asst. Public Information & Government Relations Manager Lynn Eaton; Human Resources Supervisor Thedra Flink; Customer Service Manager Diane Hennessy; Telecommunications & Community Relations Manager Justin Holzgrove; Director of Engineering & Utility Services Dale Knutson; Network Systems & Cyber Security Administrator Joel Moore; 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 (teleconference) was Randy Lewis of Shelton.

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 Mr. Farmer to adopt the consent agenda. MOTION PASSED UNANIMOUSLY. By adopting the consent agenda, the following items were approved:

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|----|----------------------------------------------------------------------------------------------|--------------|------------------------|
| a. | Minutes of the March 10, 2020 regular commission meeting and March 16, 2020 special meeting. | | |
| b. | Voucher Nos. (March 17 ,2020) 153364 through 153489 | \$ | 3,821,267.99 |
| | (Includes electronic funds transfer payment Nos. 21114-21342) | | |
| c. | Voucher Nos. (March 24 ,2020) 153490 through 153550 | \$ | <u>254,826.37</u> |
| | (Includes electronic funds transfer payment Nos. 21343-21357) | | |
| | | TOTAL | \$ 4,076,094.36 |
| d. | Governance Policy Expense Approval | | |

*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 adopt Resolution No. 1751, Adopting “Rules, Regulations, and Rates for Communication Facilities”. Mrs. Creekpaum stated that the revised Rules and Regulations will clarify and enhance the document. Some of the proposed changes are:

- Clarifying and enhancing the application process to include a required on-site visit with a District representative.
- Adding language as it relates to stand-off brackets.
- Clarifying the district’s intention to audit Communication Facilities.
- Codifies that Pole Mounted Wireless Equipment is governed under a separate agreement than the communication Facilities Rules, Regulations, and Rates.
- Clarifies billing determinants and adjusts rates so they are uniform through the Tower zones at each facility and reflective of current practices.

Mr. Holzgrove added that these changes were benchmarked through recent research and experience with other entities.

Mr. Farmer moved, Ms. Gott seconded to adopt Resolution No. 1751, Adopting “Rules, Regulations, and Rates for Communication Facilities” MOTION PASSED UNANIMOUSLY.

STAFF REPORT

At Mrs. Creekpaum’s request, Mrs. Speaks reviewed the status of the budget as of February 29, 2020, with the commissioners. The month-end receipts for February were \$7.4 million, expenditures were \$8 million. Finishing the month of February with a negative budget balance of \$681,000. Mrs. Speaks stated that historically the month of February is a negative budget balance due to the significant privileged payment tax that is due by the end of the month.

Mrs. Speaks then provided the treasurer’s report of funds through February 2020. The opening cash balance for February was \$5 million and was \$9 million at month’s end. The total of all funds at month-end were \$26.7 million. Mrs. Speaks explained the cash balance is higher than normal due to the liquidation of the Bond Surety Account in preparation of the 2020 Bond closing on March 3, 2020. The funds liquidated from the Bond Surety Account will be used to defease the 2010A and 2012 Bonds.

Mrs. Creekpaum reported that PUD 3 earned its 15th consecutive International Government Finance Officers Association (GFOA) award. The award is the highest form of recognition in governmental accounting and financial reporting.

Mrs. Creekpaum shared with commission that engineering new service applications are up 35 percent over this time last year. Between February 2018 and 2019 a 41 percent increase was seen. She is encouraging engineering overtime work to decrease the backlog of submitted applications.

Mrs. Creekpaum reported on PUD 3’s response to the Covid-19 virus. First, in response to the governors “stay at home” order on March 23, 2020, She pointed out for the record that the PUD is an essential service and is exempt from that order. Not only the electric service we provide for our customers but also that the PUD’s backbone in conjunction with NoaNet supports the Emergency 9-1-1 services. With that said, we have taken several decisive and difficult steps to respond to this unprecedented situation – which changes daily and sometimes by the hour.

She reported that PUD 3 staff have been attending daily calls with the Emergency Support Functions (ESF) Meetings, which is part of the County's comprehensive emergency management plan and is an interagency collaborative effort under the Department of Emergency Management to respond to major emergencies or disasters for the county. For Mason County this group includes the County's Department Emergency Management (DEM), Public Health and Hospitals, MACECOM (9-1-1), Law Enforcement, Fire and EMS Services, Search & Rescue, Hazmat, City & County Public Works, Schools, Tribes, Transit and PUDs. The "energy" sector has responsibilities under ESF-12. The background is important so that you understand that not only are we following our own internal pandemic and business continuity policy – but we are following the recommendations and guidelines of the county, state, and federal emergency management and department of health as well.

Some of the steps we have taken to protect and communicate with our customers include:

- We began by closing our lobbies and auditorium and encouraging customers to use other means of communication and doing business.
- The timing worked out for Shelton customers because we recently installed our first kiosk at the downtown payment center and have seen a quick adoption of that technology which allows customers to pay bills with cash among other forms of payment.
- We continue to have customer service representatives answering phones during normal business hours and have seen a slight uptick in call volumes by about 25-35 percent.
- We have suspended all disconnections – including prepay customers and have modified the prepay reminders to explain the temporary change.
- We have waived late fees and stopped mailing disconnection notices.
- We've placed an alert on our website and will be launching a new COVID-19 webpage soon.
- We have done several Facebook messages and have added messages to customer bills.
- We are also doing radio ads and Mr. Myer will be doing a radio interview to ensure customers know that we are an essential service and they can rest assured we will keep the lights on during this crisis.

Steps we have taken to protect and communicate with our employees include:

- We have provided several forms of internal communication from notices on our intranet to PUD wide announcements from me whenever new protocols take place or new information becomes available. We know the uncertainty can cause concern so we are doing everything we can to keep employees informed.
- We have taken drastic steps to encourage social distancing, such as closing conference rooms, crew and staff break rooms, and the lunchroom and removed tables and chairs.
- As of March 23, 2020, we were able to set up nearly 30 employees to work from home using PUD 3 fiber or a VPN from a laptop provided they had adequate service. This is heavily reliant on whether or not the employee has a job that can be performed from home and whether or not they have the equipment or service to do so. Our fiber department is still working hard to connect several more employees which will continue to reduce their exposure.
- To ensure continuity of service, our linemen and several other operations groups have been divided into two groups. Group 1 and Group 2. They will work a week-on / week-off rotating shift. For example, Group 1 will work their normal 40-hour work week (Mon-Fri) and be

responsible for any call-outs during a 7-day work week Monday at 8am-Monday 8am. Group 2 will be on safety leave but be home ready to respond if an emergency happens that exhausts our Group 1 resources or if Group 1 get sick. The idea is to keep the two groups separated so not to cross-contaminate should the virus hit one of our operations personnel. Several other utilities have taken this approach and we feel it is the best way to ensure the safety and protection of our workforce that is trained to do our most critical work.

- We have shifted our focus of our facilities team to primarily doing disinfecting of the common areas for the employees who are still occupying the building. We have taken measures to protect this team by having employees bag their own garbage and be responsible for disinfecting their own dishes and work areas.

Even though we have made a lot of progress in protecting customers and employees we have some major challenges such as:

- We are still required to meeting mandates and compliance issues that haven't been lifted such as the State Auditor's Office (SAO) annual audit.
- We still need to get the mail and process payments to ensure our cashflow continues.
- We still need to process payroll.
- We still have many projects with deadlines for grants.
- And the list goes on.

While we are trying to ensure the safety of our employees – we still have many obligations to meet. Each day we are identifying new processes and ways to do things leveraging technology and we will get through this together.

COMMISSIONERS' REPORT

Mr. Jorgenson expressed his concern with financial difficulties that PUD 3 customers may be experiencing and the importance of being customer oriented at this time.

Mrs. Gott reported that she is participating in a teleconference with Energy Northwest to discuss its budget. She also said that Dave Spencer of NoaNet may announce a special meeting to present a resolution discussing the extra ordinary work and expenditures that NoaNet may need to do in order to accommodate extra bandwidth use due to the COVID-19 virus situation.

Mr. Farmer reported that he participated in the teleconference meeting with WPUDA to discuss the highlights of the 2020 legislative session. There were many connection issues with the meeting. He also reported that he has seen an increase in North Mason PUD customers utilizing their summer homes for the shelter in place order placed by the Governor.

DISCUSSION ITEMS

Mr. Jorgenson requested a presentation by staff at the next commission meeting to discuss the economic effects of the Covid-19 virus on low-income customers and PUD processes to assist during this difficult time.

GOOD OF THE ORDER

With no further business appearing, the commission meeting adjourned at 10:34 a.m.

Thomas J Farmer, President

ATTEST:

Linda R. Gott, Vice President

Bruce E. Jorgenson, Secretary