

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 virtually using WebEx video conference in Shelton, Washington, on Tuesday, April 14, 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 Burlison; Asst. Public Information & Government Relations Manager Lynn Eaton; Customer Service Manager Diane Hennessy; Telecommunications & Community Relations Manager Justin Holzgrove; Director of Engineering & Utility Services Dale Knutson; Conservation Manger Koral Miller; Network Systems & Cyber Security Administrator Joel Moore; Public Information & Government Relations Manager Joel Myer; Engineering Manger Amber Orr (joined 10:02); Power Manager Michele Patterson; Administration Services Manager Mary Taylor-Monger (recorded minutes).

A member of the public in attendance (teleconference) was Randy Lewis of Shelton (joined 10:05).

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 24, 2020 regular commission meeting.  |                        |
| b. | Voucher Nos. (March 31 ,2020) 153551 through 153616<br>(Includes electronic funds transfer payment Nos. 21358-21550) | \$ 1,495,673.99        |
| c. | Voucher Nos. (April 7 ,2020) 153617 through 153690<br>(Includes electronic funds transfer payment Nos. 21551-21574)  | \$ 412,489.25          |
| d. | Voucher Nos. (April 14, 2020) 153691 through 153745<br>(Includes electronic funds transfer payment Nos. 21575-21774) | <u>\$ 1,554,568.36</u> |
|    | <b>TOTAL</b>   | <b>\$ 3,462,731.60</b> |
| e. | Void accounts payable checks for the week ending March 27,2020, in the total amount of \$1,536.93.                   |                        |
| f. | Governance Policy Expense Approval   |                        |
| g. | Bonneville Power Administration (BPA) Contract Revisions. Service Agreement No. 01TX-10421                           |                        |
| h. | 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 approve Interlocal Agreement with Kitsap PUD – Fiber Network Intertie.

At Mrs. Creekpaum's request, Mr. Holzgrove explained to commission that the proposed Fiber Network Intertie with Kitsap is similar to the previously approved Interlocal Agreement with Grays Harbor PUD. It will provide system redundancy and geodiversity for both Districts' telecommunications networks. This intertie also reduces exposure to localize NoaNet outages and increases reach for local businesses that have regional sites within each of our service territories.

After a brief discussion, Ms. Gott moved, Mr. Farmer seconded to approve the Interlocal Agreement with Kitsap PUD – Fiber Network Intertie. MOTION PASSED UNANIMOUSLY.

### STAFF REPORT

Mrs. Creekpaum noted that a presentation will follow during the discussion about the PUD's response specifically to customers regarding the COVID 19- Pandemic, however she wanted to note for the record the historical events that have happened to date. She began by giving an overview of the national situation. She explained that going into March, the nation was still riding on an eleven-year economic expansion and unemployment was at 3.5 percent (which was a 50-year low). The Dow Jones Industrial Average had recently gone to 30,000. By the end of March, ten million people had lost their jobs, the Dow was at 21,917, and American commerce was shutting down. This was forcing many to seek government aid – which by definition includes the PUD.

Mrs. Creekpaum reminded the commission of step by step COVID related measures that were taking place at PUD which were previously reported at the March 24, 2020 commission meeting. She additionally noted that increased communications were taking place with customers and employees. She also pointed out that the utility had adopted a new policy in response to the Families First Coronavirus Response Act, effective April 1, 2020. She reported that the PUD was developing a plan and procedures for what would happen if a positive case did happen at the PUD.

She stated that currently there are eighteen (18) confirmed COVID-19 cases in Mason County. The Governor's stay at home order has worked to decrease the spread of the virus and she believes will influence the way we work in the future. She noted that most office employees are working from home. The small number of employees left in the building are either due to duty requirements, personal choice, or connectivity issues at their home. The operations employees are rotating work weeks to allow for social distancing and reducing potential cross contamination.

Mrs. Creekpaum reported that 240 service applications have been submitted thus far in 2020. This is a thirty-eight (38) percent increase over March of 2019 at 173 applicants. The continuing growth, in addition to the preparation for an influx of applications once the residential construction restrictions are lifted, requires Service Engineering employees to work overtime in order to catch up on the back-log of applications.

At Mrs. Creekpaum's request, Mr. Myer provided commission with a legislative report. Mr. Myer stated that on April 10, the PUD submitted its formal comments on the Draft Environmental Impact Statement (DEIS) issued by the Columbia River System Operators (CRSO) for management of fourteen (14) dams for multiple uses in the river basin. PUD 3 focused its comments on two competing proposals. The preferred alternative seeks to balance the objectives of fish and wildlife, hydropower, water management, irrigation, flood control, and navigable waters. The other "Multiple Objectives Analysis 3" would require the removal of four federal Snake River dams. PUD 3 supports the more balanced approach. The dam removal option would have a damaging effect on the Pacific Northwest economy for marginal benefits to fish stocks.

Mr. Myer also reported that he is keeping in contact with state and federal representatives about possible funding for broadband in stimulus bills related to the COVID-19 emergency in addition to other assistance to utilities and/or their customers affected by the pandemic.

Mrs. Creekpau reported that strategic planning is in process and commission can expect a questionnaire to provide feedback. Once the feedback is received and the plan compiled, it will be brought back to the board for final approval.

### COMMISSIONERS' REPORT

Mr. Farmer reported that many summer homes in Mason County are being utilized during the Governor's "stay at home" directive.

### DISCUSSION ITEMS

Mrs. Creekpau gave a presentation that detailed how PUD 3 is responding to customer needs during the pandemic crisis. She explained that the District has been monitoring other utilities responses to the COVID situation and its impacts to our customers. She said we have also been communicating with our customers, help agencies, and other governmental organizations to determine the best course of action to ease customers' minds about their electricity needs while protecting the financial health of the District as we navigate through this pandemic. Some of the highlights from the presentation are below:

Mrs. Creekpau noted that many customers are still working and able to continue paying bills as usual. She warned against a one-size-fits all solution, when not all customers have been impacted equally. Additionally, she recognized that keeping up with customer bills will be easier than catching up, so the PUD is in regular contact with help agencies and other providers of funding to match help with customers who are struggling. Some key ways customers are receiving help from external sources include:

- Essential workers are still working.
- Various help agencies throughout Mason County help customers with nearly \$250,000 collectively in assistance to pay their electric bills.
- Low Income Home Energy Assistance Program (LIHEAP) which is managed through the Community Action Council and normally provides over \$135,000 per year to customers to pay their PUD bill is receiving an additional \$900 million in stimulus funds to be distributed throughout the state.
- South Puget Intertribal Planning Agency (SPIPA) usually helps PUD 3 customers with over \$36,000 per year will also be receiving a stimulus package through the federal government to increase its assistance to tribal members.
- Unemployment requirements have been expanded.
- Government stimulus funding being sent directly to customers that qualify.
- Customers who are ill due to the COVID-19 virus may be eligible for State Paid Family & Medical Leave
- Economic Injury Disaster Loan for small businesses up to \$10,000 of forgivable loans.
- Families First Coronavirus Response Act provides for additional leave and benefits.

### How PUD 3 is Helping

Mrs. Creekpau then explained that this is a long-term situation, one we don't expect to go away for our customers for many months. She reported that the PUD traditionally looks at past due accounts in a 30-60-90 day past due format. Under normal conditions, this helps prioritize accounts that need additional help or disconnection for non-payment. While she explained that the PUD hasn't yet started seeing a drastic increase in late payments, the benefit of having a strong financial balance sheet during this pandemic is the ability to carry customers' balances for a longer term when they do.

- No Disconnections for non-payment – We look at the 30-60-90 days past due to monitor the impact to customers.
- Late fees waived - Approximately 960 customers, equaling \$7,520.00 in late fees were waived in March.
- Low Income Senior and Disabled Discounts - Nearly 3,000 households take advantage of the PUDs low income discounts for seniors and disabled which amounts to over \$1.2 million dollars per year.
- Project Share assistance – Annually approximately \$25,000 is available to help customers with their PUD bills.
- Communication: COVID webpage, newsletter, billing message, radio ads, newspaper, and social media.

She concluded by stating that the PUD is very sensitive to the strained financial situation of many of its customers. As a Public Utility, she explained, it is in our blood to want to help our customers – it’s why we exist. On the other hand, she explained, this is just the beginning of this financial burden. She highlighted the importance to protect our customers in the long run from significant rate increases by continuing to monitor the situation, see what other assistance may come available, and as always, work with our customers on a case by case basis to connect them with the resources they need and protect their asset (PUD 3) so we may weather this storm alongside them.

### GOOD OF THE ORDER

With no further business appearing, the commission meeting adjourned at 10:50 a.m.

  
Thomas J Farmer (Apr 28, 2020)

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Thomas J Farmer, President

  
Linda Gott (Apr 28, 2020)

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Linda R. Gott, Vice President

ATTEST:

  
Bruce Jorgenson (Apr 28, 2020)

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Bruce E. Jorgenson, Secretary