

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

President Farmer called a public hearing 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 Microsoft Teams in Shelton, Washington, on Tuesday, November 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; Communications & Government Relations Manager Lynn Eaton; Director of Business Operations Michelle Endicott; Customer Service Manager Diane Hennessy; Customer Service Supervisor Lexie Hunter; Customer Service Supervisor Wendi Kirk; Conservation Manager Koral Miller; Network Systems & Cyber Security Administrator Joel Moore; Power Manager Michele Patterson; Administrative Services Manager Mary Taylor-Monger (recorded minutes).

Member of the public in attendance (teleconference) was Randy Lewis of Shelton

#### BUDGET HEARING

Mrs. Creekpaum gave an overview of the \$81.5 million budget for 2021. The budget is five (5) percent higher than 2020, based on the strategic plan and balancing all the needs of the customer and the District. The rate funded budget growth from 2007 to 2021 averaged 3.13 percent while power was 3.02 percent. This difference of .11 percent is the controllable portion of the budget. CPI for our area during the same time was 2.14 percent which shows we are beating inflation. As in previous years, a zero-based budget approach was used.

At Mrs. Creekpaum's request, Mrs. Speaks continued by reviewing the rate increases, including a \$0.15 increase in the daily system charge and a general energy rate increase of three (3) percent for residential customers. Large and industrial customers will receive the \$0.15 increase in daily system charge as well as \$1.50 increase in demand rate. The District anticipates spending \$3.7 million to meet renewable energy mandates. The capital budget includes the cost to prepare and design substations and transmission lines in multiple locations and reflects wholesale purchase power rate impacts from rate period 2020-2021 and included anticipated purchase power rate impacts for the BP-2022 rate case for the last few months of 2021. The COVID pandemic has added costs to the utility for telecommuting including equipment and software needs. The pole inspection and treatment program will continue in 2021, as well as a rate increase in pole attachment fees from \$22.00 to \$27.00 effective July 1, 2021.

Mrs. Gott commended staff on presenting a reasonable budget in these times.

Mr. Lewis commended the staff on a phenomenal job preparing the budget. He asked what metric was used for inflation. Mrs. Speaks answered that the Seattle/Tacoma/Bellevue area CPI was used.

#### PUBLIC RATE HEARING

Mrs. Creekpauam stated that the proper advertising was done for the new budget and rates and there were zero public inquiries or records requests.

Ms. Patterson discussed the housekeeping items addressed in the rate schedules and the addition of the Purchase Power Clause to each rate. She reiterated the previous rate increases addressed by Mrs. Speaks and added that the senior and disability rate schedules are now combined. Mr. Lewis complimented Ms. Patterson on her work and timely response to his questions.

With no further business appearing, the budget and rate hearing adjourned at 10:12 a.m.

The regular meeting was called to order at 10:12 a.m.

### MODIFICATION AND/OR APPROVAL OF AGENDA

The agenda was approved as presented

### CONSENT AGENDA

Mr. Farmer reviewed the items listed on the consent agenda. Ms. Gott 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 November 10, 2020 public hearing and regular commission meeting.
- b. Voucher Nos. (November 17, 2020) 156000 through 156060 \$ 533,063.12  
(Includes electronic funds transfer payment Nos. 24919-24949)
- c. Voucher Nos. (November 24, 2020) 156061 through 156140 \$ 1,434,720.06  
(Includes electronic funds transfer payment Nos. 24950-25145)
- Total** \$ 1,967,783.18
- d. Governance Policy Expense Approval
- e. Accounts to write off deceased customers with no assets and bankruptcies in the total amount of \$696.78
- f. Void accounts payable checks for the week ending November 24, 2020 in the total amount of \$5,275.82

\*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.

### ACTION ITEMS

Recommendation to Adopt Resolution No. 1760, "A Resolution Adopting the Budget for the Fiscal Year 2021 as Presented and/or Amended."

Mrs. Creekpauam presented the 2021 Budget as a three (3) percent increase in energy rate to schedule 12 and a \$0.15 per day increase in the daily system charge for rate schedules 12, 21, and 61. The demand rate for schedules 21 and 61 will increase \$1.50.

Mr. Farmer moved, seconded by Ms. Gott to approve Resolution No. 1760. MOTION PASSED UNANIMOUSLY.

Recommendation to Adopt Resolution No. 1761, “A Resolution Revising Certain Rate Schedules.”

Ms. Gott moved, seconded by Mr. Jorgenson to approve Resolution No. 1761. MOTION PASSED UNANIMOUSLY.

Recommendation to Adopt Resolution No. 1762, “A Resolution Revising the Joint Use Rate/Fee Schedule A and Establishing a New Pole Attachment Rate.”

Mrs. Creekpaum discussed the updated pole attachment fees and need for the increase. The current rate, which was set in 2012, is \$22.00. After the latest opinion by the courts, rates were recalculated with a result of \$29.62 per attachment. The recommendation is a rate of \$27.00 per attachment effective July 1, 2021.

Ms. Gott moved, seconded by Mr. Jorgenson to approve Resolution No. 1762. MOTION PASSED UNANIMOUSLY.

#### STAFF REPORT

Mrs. Creekpaum reported on the current COVID-19 efforts. As of November 23, 2020, there are 757 confirmed COVID-19 cases, ninety-six (96) active cases and eleven (11) COVID related deaths in Mason County. There were 136 new confirmed cases in the last fourteen (14) days and 209 confirmed cases per 100,000 tested. As of November 22, 2020, Washington State has 147,537 confirmed COVID-19 cases and 2,655 COVID related deaths.

Mrs. Creekpaum reported that Governor Inslee announced Proclamation 20-28.12, Open Public Meetings Act and Public Records Act, has been extended to December 7, 2020

Mrs. Creekpaum updated commission on the CARES (Coronavirus, Aid, Relief, and Economic Security) application process. There has been a total of 509 CARES Act applications from customers. Through a series of four (4) different internal audits, 389 applications have met compliance requirements and will be submitted to the County by the end of the month. Mrs. Hennessy reported that 73,830 messages were sent through email, push notifications and text messages in attempt to contact customers. The accounts will see the funding applied by the end of the day and letters will be sent to all applicants.

Mrs. Creekpaum reported that CARES phase two funding from Mason County for the Wi-fi units has been approved at \$155,000. Phase one was previously approved and funded for \$155,000.

At Mrs. Creekpaum’s request, Ms. Patterson provided commission with a purchase power statement update.

At Mrs. Creekpaum’s request, Mrs. Eaton gave a legislative update.

Mrs. Eaton reported that PUD 3 was requested by the Kristmas Town Kiwanis and Christmastown community groups to provide the annual LED holiday lighting demonstration with the lighting of the trees at Post Office Park and the Mason County Courthouse, as well as across Railroad Avenue. PUD crews will begin this work next week and the District sees this as a great opportunity to educate the community on Light Emitting Diode (LED) technology and the associated conservation benefits.

Mr. Jorgenson asked about COVID-19 as it relates the health of PUD 3 staff. Mrs. Creekpaum reported that two (2) staff members have tested positive since March 2020. The District is following social distancing and mask requirements.

### COMMISSIONERS' REPORT

Ms. Gott reported that NoaNet passed its bond resolution at the November 12, 2020 meeting. She attended the Washington Public Utility District Association (WPUDA) virtual meeting.

Mr. Farmer attended the NoaNet virtual meeting and thanked Ms. Gott and Mrs. Creekpaum for their participation and efforts with the NoaNet bond passing.

### GOOD OF THE ORDER

With no further business appearing, the commission meeting adjourned at 10:41 a.m.

  
Thomas J Farmer (Dec 8, 2020 13:40 PST)  
Thomas J Farmer, President

  
Linda R. Gott (Dec 8, 2020 13:55 PST)  
Linda R. Gott, Vice President

ATTEST:

  
Bruce E. Jorgenson (Dec 8, 2020 13:59 PST)  
Bruce E. Jorgenson, Secretary