

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 Microsoft Teams in Shelton, Washington, on Tuesday, January 12, 2021.

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; Director of Engineering & Utility Services Justin Holzgrove; Conservation Manager Koral Miller; Network Systems & Cyber Security Administrator Joel Moore; Purchasing Manager Jennifer Renecker; Administrative Services Manager Mary Taylor-Monger (recorded minutes).

Members of the public in attendance (teleconference) were Dedrick Allen of *Mason Web TV*, 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 Ms. Gott to adopt the consent agenda. MOTION PASSED UNANIMOUSLY. By adopting the consent agenda, the following items were approved:

- a. Minutes of the December 8, 2020 public hearing and regular commission meeting.
- b. Voucher Nos. (December 8, 2020) 156233 through 156337 \$ 3,669,016.98  
(Includes electronic funds transfer payment Nos. 25199-25430)
- c. Voucher Nos. (December 22, 2020) 156338 through 156405 \$ 502,448.64  
(Includes electronic funds transfer payment Nos. 25431-25460)
- d. Voucher Nos. (December 29, 2020) 156406 through 156456 \$ 1,311,482.11  
(Includes electronic funds transfer payment Nos. 25461-25663)
- e. Voucher Nos. (December 31, 2020) 156457 through 156461 \$ 48,362.83  
(Includes electronic funds transfer payment Nos. 25664-25730)
- f. Voucher Nos. (January 05, 2021) 156462 through 156521 \$ 587,038.97  
(Includes electronic funds transfer payment Nos. 25731-25806)
- g. Voucher Nos. (January 12, 2021) 156522 through 156591 \$ 4,058,769.02  
(Includes electronic funds transfer payment Nos. 25807-26003)
- Total** \$ 10,177,118.55
- h. Governance Policy Expense Approval
- i. Void accounts payable checks for the week ending December 11, 2020 in the total

amount of \$5,110.20, December 18, 2020 in the total amount of \$12,657.56, January 8, 2021 in the total amount for \$375.00.

\*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.

Commissioner Farmer stated that he received a letter from Commissioner Gott regarding a claim of violation of the governance policy and code of ethics by Commissioner Jorgenson. Mr. Farmer would like to move forward with the claim to fulfill the obligations of the governance policy by making a motion. "I move to serve a formal admonition to Commissioner Jorgenson for violating the following provisions of the governance policy; section 4.0 code of conduct, section 4.1, 4.2,4.3 and section 7.0 board compensation and expense section 7.2". Motion seconded by Ms. Gott. Mr. Farmer continued by stating the PUD 3 auditor performed an investigation regarding claims of Mr. Jorgenson attending WPUDA meetings that were not substantiated resulting in a reduction in pay. Because of these actions he would like to formally admonish Mr. Jorgenson. After a brief discussion with Mr. Jorgenson and Ms. Gott, motion passed by Commissioners Farmer and Gott.

#### PUBLIC COMMENT

No public comment was given.

#### ACTION ITEMS

Recommendation to Approve Organizational Membership Representations for 2021. Mrs. Creekpau noted there was an increase in changes due to staff retirements and reorganization.

Ms. Gott moved, seconded by Mr. Farmer to approve. MOTION PASSED UNANIMOUSLY.

#### STAFF REPORT

Mrs. Creekpau reported on the January 6, 2021 event in Washington, DC. While lawmakers convened in a joint session in the House of Representatives a violent mob stormed the capital, interrupting democracy. Our political views may vary but we have no tolerance for spreading disinformation, racism, or violence on democracy in a civil society. It is upsetting to employees, so we have called attention to EAP and other resources for employees to utilize. There have been 19 individuals charged with a federal crime.

Mrs. Creekpau reported on the current COVID-19 efforts. As of January 11, 2021, there are 1,420 confirmed COVID-19 cases and sixteen (16) COVID related deaths in Mason County. There have been 249 new cases in the past fourteen (14) days, bringing the positive cases to 383 per 100,000 tested. As of January 10, 2021, Washington State has 265,312 confirmed COVID-19 cases and 3,699 COVID related deaths. As of November 30, 2020, unemployment in Mason County was 8.7 percent and Washington state were 5.9 percent.

Mrs. Creekpau reported that Governor Inslee extended Proclamation 20-05, a State of Emergency for all counties, until January 19, 2021 or until a State of Emergency has ceased, whichever comes first. .

Mrs. Creekpaum reported that PUD 3 has been lowered to a level two (2) or three (3) priority for the COVID-19 vaccination. This decision is being appealed through the PUD Association.

Mrs. Creekpaum reported that John Hairston, acting CEO at Bonneville Power Administration (BPA), was officially named CEO on January 7, 2021. He is the sixteenth (16<sup>th</sup>) administrator in BPA's 83-year history.

Mrs. Creekpaum reported on the Public Power Council (PPC) filed a complaint and press release on the issue of stopping energy production on the Detroit Dam Stop without congressional approval.

Mrs. Creekpaum reported that the NoaNet bond sale is complete. It was completed with 76 million in orders for a 25 million sale.

Mrs. Creekpaum stated that Energy Northwest's CEO, Brad Sawatzke, announced his retirement as of June 2021. He will be retiring on a positive note after Energy Northwest received two (2) large grants for SMR modular facilities and top performance awards.

Mrs. Creekpaum gave an engineering update. There were 970 new service applications in 2020, compared to 862 applications in 2019, an increase of 108 applications at 12.5 percent.

At Mrs. Creekpaum's request, Mr. Holzgrove reported on the Solar Winds recent software breach. Mason PUD 3, along with 300,000 organizations, uses Solar Winds to monitor and work with devices in their IT networks. It is very prevalent in both the private and public sectors, from the US Government to Fortune 500 companies. Mason PUD 3 uses Solar Winds to monitor telecom and IT network devices. The breach took place throughout 2020 but was only discovered in December. Industry leaders say this is one of the most "impressive" supply-chain cyber-attacks ever pulled off. Unfortunately, Mason PUD 3 was included. We had several servers that were observed having malicious software present. Joel Moore, PUD 3's Cybersecurity Administrator, did an excellent job leading our evasive action steps as soon as news broke of the attack. Our networking team immediately patched vulnerabilities and evaluated our exposure level. Then they isolated affected servers and rebuilt fresh systems from the ground up, which are back up and running now. Joel has also been staying in touch with E-ISAC and CISA contacts to ensure we continue to follow best practices in the wave of this event and learn any new information that will be useful in future events like this one. Brian Taylor worked with PURMS, MARSH, and Beazely to ensure proper notification to insurance representatives. It was determined that we are eligible for insurance reimbursement, but the deductible is \$40,000, so at this time we will not pursue that. Mrs. Creekpaum also noted this did not have any effect on customer accounts.

At Mrs. Creekpaum's request, Mrs. Eaton provided commission with a legislative update. She also noted that the City of Shelton held a meeting to discuss the approval of 400 low income manufactured homes on city owned property located beyond the disc golf on Wallace Kneeland extending to the entrance of Island Lake Dr. The PUD has reached out to the City and asked that PUD be involved in early planning to ensure capacity to support such a large power load. Since the meeting, the City has delayed moving forward as they wait for more public comment.

#### COMMISSIONERS' REPORT

Ms. Gott reported on the successful NoaNet bond sale and thanked Mrs. Creekpaum and Mrs. Speaks for their efforts. Ms. Gott reported that she attended the PPC member forum and meeting. She noted for

the record that Sid Morrison will not seek another term on the Energy Northwest Executive Board. The Board of Directors will screen applicants for the position and will vote on the replacement at the April Meeting. Drew MacEwan has applied and if elected there will be four (4) Mason County residents on the executive board.

Mr. Farmer reported that he attended the PPC member forum and meeting. He also congratulated PUD 3's participation in the successful NoaNet bond sale that will ultimately help our ratepayers extend their broadband in Mason County.

GOOD OF THE ORDER

With no further business appearing, the commission meeting adjourned at 10:40 a.m.

  
tom farmer (Jan 26, 2021 13:24 PST)

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Thomas J Farmer, President

  
Linda R. Gott (Jan 26, 2021 21:22 PST)

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Linda R. Gott, Vice President

ATTEST:

  
Bruce E. Jorgenson (Jan 27, 2021 08:59 PST)

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Bruce E. Jorgenson, Secretary