

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 26, 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; Jennifer Renecker Purchasing Manager; Administration Services Manager Mary Taylor-Monger (recorded minutes).

Member of the public in attendance (teleconference) was Dedrick Allen of *Mason Web TV*.

MODIFICATION AND/OR APPROVAL OF AGENDA

The agenda was approved as presented. It was noted that an executive session would be held as authorized by the Open Public Meetings Act, RCW 42.30.110 (1) (g) to review the performance of a public employee. The executive session is estimated to last approximately 10 minutes, with no action to follow

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:

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| a. | Minutes of the January 12, 2021 public hearing and regular commission meeting. | | |
| b. | Voucher Nos. (January 19, 2021) 156592 through 156663 | | \$ 313,867.69 |
| | (Includes electronic funds transfer payment Nos. 26004-26031) | | |
| c. | Voucher Nos. (January 26, 2021) 156664 through 156713 | | <u>\$ 1,017,326.82</u> |
| | (Includes electronic funds transfer payment Nos. 26032-26219) | | |
| | | Total | \$ 1,331,194.51 |
| d. | BPA Contract Revision – Network Operating Agreement #20TX-16968 | | |
| e. | 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.

ACTION ITEMS

Recommendation to Adopt Resolution No. 1766, “A Resolution Declaring Distribution System Items Surplus (PCB and Non-PCB Contaminated).”

Mrs. Creekpauam noted this is a housekeeping item seen periodically to surplus electrical equipment.

Mr. Jorgenson moved, seconded by Ms. Gott to approve Resolution No. 1766. MOTION PASSED UNANIMOUSLY.

Recommendation to Adopt Resolution No. 1767, “A Resolution to Declare a Major Disaster and to Designate Agents from PUD 3 to Sign Application for FEMA Funds.”

Mrs. Creekpauam noted this is a result of severe storms that occurred December 28, 2020 through January 18, 2021 and is the first part of the process to claim Federal Emergency Management Agency (FEMA) funds. There are additional requirements that must be met first at the county, state, and national level to qualify for funding.

Ms. Gott moved, seconded by Mr. Jorgenson to approve Resolution No. 1767. MOTION PASSED UNANIMOUSLY.

Recommendation to Ratify the April 1, 2021 through March 31, 2023 Local 77 IBEW Union Agreement.

Mrs. Creekpauam discussed the recommended ratification. In 2018, commission passed the first five-year agreement with the possibility of openers in the fourth and fifth years. This is the fourth year of the 2018 Local 77 IBEW Union Agreement with the only change being a market adjustment of 4.25 percent for journeymen and apprentice craft classifications.

Mr. Farmer moved, seconded by Mr. Jorgenson to approve to Ratify the April 1, 2021 through March 31, 2023 Local 77 IBEW Union Agreement. MOTION PASSED UNANIMOUSLY.

STAFF REPORT

Mrs. Speaks reviewed the status of the budget as of December 31, 2020, with the commissioners. The month-end receipts for December were \$7.6 million, expenditures were \$6.1 million. Finishing the month of December with a positive budget balance of \$1.5 million and a negative budget balance of \$315,000 for 2020. Mrs. Speaks noted the major impacts of cash receipts on CR accounts and the \$455,000 in Coronavirus Aid, Relief, and Economic Security (CARES) funding received.

Mrs. Speaks then provided the treasurer’s report of funds through December 2020. The opening cash balance for December was \$6 million and was \$6.8 million at month’s end. The total of all funds at month-end were \$32.4 million.

Mrs. Creekpau reported on the current COVID-19 efforts. As of January 25, 2021, there are 1,561 confirmed COVID-19 cases, and nineteen (19) COVID related deaths in Mason County. There were 141 new confirmed cases in the last fourteen (14) days, 217 confirmed cases per 100,000 tested, and 1,809 vaccinations given. As of January 24, 2021, Washington State has 288,948 confirmed COVID-19 cases, 4,148 COVID related deaths, and 500,105 vaccinations given.

At Mrs. Creekpau's request, Mrs. Speaks reported on aging residential account receivables. On January 4, 2021, 1,829 residential customers owed a total of \$564,200, an average of \$308 per customer. This is an increase of almost \$55 per customer since August 3, 2020. Mrs. Creekpau noted this increase could also be due to colder temperatures.

At Mrs. Creekpau's request, Mrs. Eaton reported on the January 12, 2021 windstorm that caused widespread outages. Nearly 500,000 homes and businesses lost power throughout the Puget Sound and approximately 27,000 PUD 3 customers lost power. This windstorm came as a surprise, as the forecast showed medium confidence of 20-25 mile per hour winds. However, 40 mile per hour gusts were seen locally, with 50-70 mile per hour gusts regionally. The outage center was opened around midnight as seven (7) of the twelve (12) substations were down, five (5) from the loss of the Bonneville Power Administration (BPA) transmission, one (1) from a BPA breaker opening, and one (1) from a tree on PUD 3 highline. By January 13, 2021 at 11:30 p.m., just 24-hours later, the outage center was closed. PUD 1 linemen were used to help wrap up the last outages on January 14, 2021 while PUD 3 crews were on rest period.

Mrs. Eaton gave a legislative update. Among updates on several bills which could possibly impact Mason PUD 3, she reported that the PUD will be providing testimony in favor of HB 1336 "PUD and ports retails telecom authority," allowing port districts and public utility districts to offer retail telecommunication services to end-user customers. The hearing is at 10:00 a.m. on January 27, 2021, and Mr. Holzgrove will be speaking in favor of the bill.

Mrs. Creekpau provided the annual telecommunications report. There were 1,102 applications in 2020, 473 new applications and 629 retailer applications. There were 26 Fiberhoods in the construction phase and 27 Fiberhoods in the sign-up phase. These statistics show the great demand for fiber in Mason County.

COMMISSIONERS' REPORT

Mr. Jorgenson asked about COVID-19 as it relates the health of PUD 3 staff. Mrs. Creekpau reported that less than five (5) staff members have tested positive since March 2020. The District is following social distancing and mask requirements.

Ms. Gott reported that she attended several virtual Washington Public Utility District Association (WPUDA) meetings, as well as the Shelton Chamber of Commerce meeting on the effects of COVID, relief measures, and predictions. She noted she will be attending the upcoming Energy Northwest meeting. Ms. Gott commended the great work of the finance department and all employees at PUD 3 coping with the effects of COVID.

Mr. Farmer reported that he attended the WPUDA meetings and the League of Women Voter's meeting.

GOOD OF THE ORDER

Following the calendar review, the commission meeting recessed at 10:36 a.m. for a short break and reconvened at 10:41 a.m. to meet in executive session for no more than 10 minutes to review the performance of a public employee.

At 10:51 a.m., the executive session adjourned and the regular meeting reconvened.

With no further business appearing, the commission meeting adjourned at 10:51 a.m.


THOMAS FARMER (Feb 9, 2021 12:08 PST)

Thomas J Farmer, President


Linda R. Gott (Feb 9, 2021 17:28 PST)

Linda R. Gott, Vice President

ATTEST:


Bruce E. Jorgenson (Feb 10, 2021 07:24 PST)

Bruce E. Jorgenson, Secretary