

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, April 27, 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: John Bennett IS Manager; 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; Network Systems & Cyber Security Administrator Joel Moore; Power Manager Michele Patterson; Terri Ragan Human Resources & Business Operations; Purchasing Manager Jennifer Renecker; Administrative Services Manager Mary Taylor-Monger (recorded minutes).

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. 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 April 13, 2021 regular commission meeting.
- b. Voucher Nos. (April 20, 2021) 157418 through 157472 \$ 314,193.27
(Includes electronic funds transfer payment Nos. 27507-27586)
- c. Voucher Nos. (April 27, 2021) 157473 through 157546 \$ 1,748,417.71
(Includes electronic funds transfer payment Nos. 27587-27773)
- Total** \$ 2,062,610.98
- d. Governance Policy Expense Approval
- e. Void accounts payable checks for the week ending April 16, 2021 in the amount of \$548.00 and for the week ending April 23, 2021 in the amount of \$682.08.

*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.

PUBLIC COMMENTS

No public comment was given.

STAFF REPORT

Mrs. Speaks reviewed the status of the budget as of March 31, 2021, with the commissioners. The month-end receipts for March were \$8 million, expenditures were \$6.5 million. Finishing the month of March with a positive year to date budget balance of \$286,000.

Mrs. Speaks then provided the treasurer's report of funds through March 2021. The opening cash balance for January was \$7 million and was \$7.1 million at month's end. The total of all funds at month-end were \$32.7 million.

Mrs. Creekpau reported on the current COVID-19 efforts. As of April 26, 2021, there are 1,976 confirmed COVID-19 cases, and thirty (30) COVID related deaths in Mason County. There were 110 new confirmed cases in the last fourteen (14) days and 169 confirmed cases per 100,000 tested. Washington State has 368,557 confirmed COVID-19 cases, 5,450 COVID related deaths, and 5.1 million vaccinations given. PUD 3 is working with Mason County on the Treasury Rent Assistance Program (TRAP). This is a program passed down from the Federal Government to the County. If a renter meets income and eligibility requirements, then we are working with them and will self-administer to PUD 3 customers in arrears in our community. We have requested \$300,000 in assistance and are currently going through the contract process with the County. Rental assistance is being administered by Crossroads in Mason County and Shelton Family Center.

At Mrs. Creekpau's request, Mrs. Speaks provide commission with a Federal Emergency Management Agency (FEMA) update. She stated that on April 8, 2021 a federal disaster was declared for an incident period of December 29, 2020 through January 16, 2021. Resolution No. 1767 was passed by commissioners in January 2021 declaring that time and storm a disaster. We will be submitting a request for funds to FEMA in the amount of \$250,000 in storm damage. Historically the Federal Government funds 75 percent, Washington State funds 12.5 percent and the PUD is responsible for 12.5 percent. The amount expected to be received is estimated at \$200,000.

Mrs. Creekpau stated the BP-22 settlement with the Bonneville Power Administration (BPA) contract is closer to agreement. The contract is favorable at less than 0 percent on power increase cost with transmission coming in less than the 11.6 percent originally called for.

At Mrs. Creekpau's request, Mr. Holzgrove provided commission with a maintenance engineering pole inspection test and treat program presentation (PITT). This program began in 2020 with the plan to inspect, test, and treat its entire pole inventory on a 10-year rotating PITT program. Approximately 26 percent of the district's pole fleet is 40 years or older and 44 percent are 30 years or older. There are approximately 30,000 poles in the PUD 3 system. Informally poles are inspected while engineering or working at the sites, but Mrs. Creekpau felt it was necessary to get a formal program in place. In 2020, the PITT pilot project began on Harstine Island with the inspection of 1,000 poles. This formal process begins by hiring a contractor who inspects poles within a zone identified, visually inspect the pole, below ground line inspection, test drill of the wood to check quality and strength, and fumigate

against bugs. The expectation was to find 10 percent of poles that met the reject or priority reject rate requiring pole replacement. However, only a 4.1 percent reject rate was discovered. During 2021, all transmission poles and all the Tahuya Peninsula, totaling 4,100 poles, will be inspected. Mr. Holzgrove thanked Tim Devries for his development of this forward-thinking program. Mrs. Creekpaum added that she is pleased with the progress of the PITT program as all poles will be inspected over the 10-year plan.

At Mrs. Creekpaum's request, Mrs. Eaton gave a legislative update. She affirmed that the legislature adjourned sine die on Sunday, April 25, and provided a summary of bills that passed which may have impacts on Mason PUD 3. She noted that while some had already been signed into law by the governor, others were passed within the five-day window of the close of session, giving the governor twenty days to sign the final bills. Two historical telecommunications bills which provide PUDs with retail authority passed both chambers and are awaiting the governor's signature (HB 1336 and SB 5383). Additionally, two historical climate bills also passed both chambers: SB 5126, which is known as the cap and invest bill, and HB 1091, known as the low carbon fuel standard. These two bills are intended to reduce greenhouse gas emissions and will have differing effects on PUD planning and operations. However, both bills are tied to the passing of a transportation revenue budget, which did not occur this session. She explained the governor could veto that portion of the bill before signing or call for a special session to work on a transportation revenue bill. After quickly outlining a handful of other bills which will be signed into law, she answered questions posed by Mr. Farmer.

COMMISSIONERS' REPORT

Mr. Jorgenson thanked staff for its report on the pole treatment program.

Ms. Gott reported that she virtually attended NoaNet Board meeting and WPUDA meetings. She also attended the Energy Northwest meeting in Pasco.

Mr. Farmer reported that he also attended the virtual NoaNet and WPUDA meetings.

GOOD OF THE ORDER

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


THOMAS J FARMER (May 4, 2021 21:47 PDT)
Thomas J Farmer, President


Linda R. Gott (May 5, 2021 06:54 PDT)
Linda R. Gott, Vice President

ATTEST:


Bruce E. Jorgenson (May 5, 2021 08:12 PDT)
Bruce E. Jorgenson, Secretary