

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

President Farmer called a regular 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, September 28, 2021.

District officers present were: Commissioners, Thomas J. Farmer Bruce E. Jorgenson, and Linda R. Gott; Manager Annette Creekpaum; Attorney Robert Johnson; Finance Manager/Treasurer Sherry Speaks; and Risk Manager/Auditor Brian Taylor.

The following PUD 3 personnel were present: IS Manager John Bennett; Safety and Environmental Programs Coordinator 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; Purchasing Manager Jennifer Renecker; Administrative Services Manager Mary Taylor-Monger (recorded minutes).

Member of the public in attendance was Randy Lewis of Shelton (joined meeting at 10:14 a.m.)

MODIFICATION AND/OR APPROVAL OF AGENDA

The agenda was approved as presented. It was noted that an executive session would be held for the purpose of item 42.30.110 (1) (iii) to discuss litigation or legal risks of a proposed action or current practice that the agency has identified when public discussion of the litigation or legal risks is likely to result in an adverse legal or financial consequence to the agency. The executive session is estimated to last 15 minutes, with no action to follow.

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:

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|---|------------------------|
| a. Minutes of the September 14, 2021, regular commission meeting.   |                        |
| b. Voucher Nos. (September 21, 2021) 158789 through 158844<br>(Includes electronic funds transfer payment Nos. 29799-29815) | \$ 302,517.58          |
| c. Voucher Nos. (September 28, 2021) 158845 through 158904<br>(Includes electronic funds transfer payment Nos. 29816-30011) | <u>\$ 1,840,446.89</u> |
| <b>Total</b>  | <b>\$ 2,142,964.47</b> |
| d. 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.

## PUBLIC COMMENTS

No public comment was given.

## ACTION ITEMS

Recommendation was made to adopt the modified policy for retirement notification.

At Mrs. Creekpaum's request, Mrs. Endicott provided information on the modified policy. She stated that succession planning is part of the RP3 application with American Public Power Association (APPA) which monitors the workforce planning practices and evaluates to make sure there are best practices in this area. Retirement eligibility is updated on a regular basis. This year, a deep dive into this project was done evaluating the five (5) and ten (10) year eligibility for retirement. It was discovered that twenty (20) percent of the employees meet retirement eligibility within the next five (5) years. Forty (40) percent are eligible within the next ten (10) years. Seventy-three (73) percent of Senior Leadership and one hundred (100) percent of the Operations Superintendents. Providing an incentive for notification of retirement has been found to be successful at other utilities. The advanced retirement notification enables us to plan, hire, train, and transition positions which allows for continued operation of our district services for our customers. Mrs. Creekpaum added that many employees wear different hats and training replacements takes time.

After a brief discussion, Mr. Farmer moved, seconded by Ms. Gott to adopt the modified policy for retirement notification. MOTION PASSED UNANIMOUSLY

## STAFF REPORT

Mrs. Speaks reviewed the status of the budget as of August 31, 2021, with the commissioners. The month-end receipts for August were \$6.1 million, expenditures were \$6 million. Finishing the month of August with a positive year to date budget balance of \$1.9 million.

Mrs. Speaks then provided the treasurer's report of funds through August 2021. The opening cash balance for August was \$3.7 million and was \$7.2 million at month's end. The total of all funds at month-end were \$33.8 million.

Mrs. Creekpaum reported on the current COVID-19 efforts. As of September 27, 2021, there are 3,781 confirmed COVID-19 cases, and fifty-five (55) COVID related deaths in Mason County. There were 259 new confirmed cases in the last fourteen (14) days and 399 confirmed cases per 100,000 tested. Washington State, as of September 27, 2021, has 577,493 confirmed COVID-19 cases, 7,528 COVID related deaths, and 8.9 million vaccinations given. COVID booster shots are now approved for certain segments of the population. Pioneer School has closed this week due to excessive COVID cases within the school

At Mrs. Creekpaum's request, Mr. Holzgrove provided an update on the service request in the Parkerville area at Lake Cushman. The initial request to the commission was provided by a customer from the area in July 2018. While the project was cost prohibitive and required agreements with the United States Forest Service (USFS), it was able to move forward because the nearby Big Camp Campground had power extended to its location making it more affordable for the Parkerville residents. The PUD has since received an application for service and a line extension fee from the original

requestor in the Parkerville neighborhood. PUD 3 staff and general counsel have worked to secure an agreement with the USFS which allows PUD 3 to install power lines on US Forest Service property. PUD 3 attorney, Mr. Johnson explained to the commission that despite negotiations, the USFS amended the agreement to include a strict liability clause which may require PUD 3 to pay for any fire mediation costs independent of any negligence on behalf of PUD 3, however, the liability would be capped at \$500,000 although the cap could be raised by USFS in the future. It was noted that the line extension through USFS property would be underground further limiting the PUD's liability. A discussion ensued about the risk of the liability versus the obligation to serve. Mrs. Gott expressed that it is a reasonable solution. Mr. Farmer stated that PUD 3 is in the business of providing power to the community and believes protections have been put in place to reduce the liability to the utility. Therefore, he agrees to move forward with the USFS agreement.

After further discussion, Ms. Gott moved, seconded by Mr. Farmer to accept the USFS strict liability language and self-insure against any potential future penalty. MOTION PASSED UNANIMOUSLY.

Mrs. Creekpaum reported that the moratorium on customer disconnects ends on September 30, 2021. The month of October will be focused on assisting the affected customers.

At Mrs. Creekpaum's request, Mrs. Eaton provided an update on the Blue Star Banner meeting held on September 27, 2021. She stated that PUD 3 was invited to present at the North Mason Community Voice meeting to explain the PUD 3's position on the banners. The overall safety concerns were explained as well as information on how heavily regulated the poles are and attaching without permission is illegal. She also provided the legal opinion that Mr. Johnson provided regarding content specific signage and how it could put the utility at risk of creating an open forum for free speech on the poles. The Executive Director of the Blue Star Banner program was present and provided information on the history of the program. Ultimately the group decided to form a committee to look at options of placing banners on private property. The meeting was well received by all in attendance.

#### COMMISSIONERS' REPORT

Ms. Gott commended Mrs. Eaton for her exceptional presentation at the Blue Star Banner meeting.

Mr. Farmer reported that he attended the September WPUDA meetings and the North Mason banner meeting.

#### GOOD OF THE ORDER

Following the calendar review, the commission meeting recessed at 10:48 a.m. and reconvened to meet in executive session for no more than 15 minutes.

At 11:03 a.m. the executive session adjourned and the regular meeting reconvened.

With no further business appearing, the commission meeting adjourned at 11:03 a.m.

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THOMAS J FARMER (Oct 12, 2021 10:54 PDT)

Thomas J Farmer, President

*Linda R. Gott*

Linda R. Gott (Oct 12, 2021 11:17 PDT)

Linda R. Gott, Vice President

ATTEST:

*Bruce E. Jorgenson*

Bruce E. Jorgenson (Oct 12, 2021 11:32 PDT)

Bruce E. Jorgenson, Secretary