

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

President Gott called the regular meeting of the Mason PUD 3 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 11, 2022.

District officers present were: Commissioners Linda R. Gott, Bruce E. Jorgenson, and Thomas J. Farmer; 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; Communications & Government Relations Manager Lynn Eaton; Director of Business Operations Michelle Endicott; Customer Service Manager Diane Hennessy; Director of Engineering & Utility Services Justin Holzgrove; Operations Manager Chris Miller (arrived at 10:10), Energy Services Manager Koral Miller; Network Systems & Cyber Security Joel Moore, Power Manager Michele Patterson, Purchasing Manager Jennifer Renecker, and Administration Services Manager Mary Taylor-Monger (recorded minutes).

Member of the public in attendance was Randy Lewis of Shelton.

MODIFICATION AND/OR APPROVAL OF AGENDA

The agenda was approved as presented.

CONSENT AGENDA

Ms. Gott reviewed the items listed on the consent agenda. Mr. Farmer 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 7, 2021, regular commission meeting. | | |
| b. Voucher Nos. (December 14, 2021) 159601 through 159696
(Includes electronic funds transfer payment Nos. 31039-31259) | \$ | 1,385,837.64 |
| c. Voucher Nos. (December 21, 2021) 159697 through 159782
(Includes electronic funds transfer payment Nos. 31260-31320) | \$ | 2,522,648.50 |
| d. Voucher Nos. (December 28, 2021) 159783 through 159860
(Includes electronic funds transfer payment Nos. 31321-31528) | \$ | 1,806,519.03 |
| e. Voucher Nos. (December 30, 2021) 159861 through 159893
(Includes electronic funds transfer payment Nos. 31529-31539) | \$ | 439,990.06 |
| f. Voucher Nos. (January 4, 2022) 159894 through 159905
(Includes electronic funds transfer payment Nos. 31540-31593) | \$ | 24,843.12 |
| g. Voucher Nos. (January 11, 2022) 159906 through 159955
(Includes electronic funds transfer payment Nos. 31594-31608) | \$ | <u>347,646.34</u> |
| | Total | \$ 6,527,484.69 |
| h. Governance Policy Expense Approval | | |
| i. BPA Customer Portal Access and Use Agreement | | |

- j. Void accounts payable checks for the week ending December 10, 2021, in the amount of \$3,812.94, week ending December 17, 2021, in the amount of \$4,667.75, week ending December 24, 2021 in the amount of \$211.74, week ending December 30, 2021 in the amount of \$57.71,

*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 was made to Approve Resolution No. 1779, "A Resolution to Declare a Major Disaster and to Designate Agents from PUD 3 to Sign Application for FEMA Funds".

At Mrs. Creekpaum's request, Mrs. Eaton provided an overview of the recent snowstorm that caused a series of outages in Mason County. The major disaster date was confirmed by Governor Inslee as December 17, 2021, with an end date to be determined.

Mrs. Gott moved, motion seconded by Mr. Farmer to approve Resolution No. 1779. MOTION PASSED UNANIMOUSLY.

CORRESPONDENCE

Mrs. Creekpaum stated that a letter of appreciation was received from PUD 1 for the mutual aid assistance provided to them during the recent storms.

Mrs. Eaton reported on a letter that was sent to 84 customers in the Wallace Kneeland area following two outages December 31 and January 1. The letter explains the extreme weather causing a cabinet to short out, causing a power outage. This affected many of our key accounts (WalMart, Fred Meyer). Repairs were made on December 31 with the intention to make permanent repairs during regular work hours. Unfortunately, the repair did not hold, and it affected the same 84 customers on January 1. The crew responded quickly, and power was re-routed to get the customers restored. Temporary repairs were completed, and power was restored.

STAFF REPORT

Mrs. Creekpaum reported on the current COVID-19 efforts. As of January 9, 2022, there are 6,488 confirmed COVID-19 cases, and eighty-eight (88) COVID related deaths in Mason County. There were 844 new confirmed cases in the last fourteen (14) days. Washington State, as of January 9, 2022, has 864,064 confirmed COVID-19 cases, 10,028 COVID related deaths, and 12.1 million vaccinations given. We are seeing the wave of infections throughout the district and PUD 3 with fifteen (15) percent of PUD's workforce affected. Appointments for customers visiting the office is still required and will be monitored and re-evaluated as COVID numbers decrease.

At Mrs. Creekpaum's request, Mrs. Speaks provided information on price escalation for materials. She reviewed the cost of 25kVA transformers from the current average unit cost to the cost of the new transformers being purchased. The price difference is an increase of over \$4,000 or 230 percent. An escalation amount is currently being added to estimates of new service applications until the purchase can be fully executed and the new average unit cost is updated in the system

Mrs. Creekpau reported on the executed purchase and sale agreement with the Bonneville Power Administration (BPA) to finalize the purchase of a 0.7-acre piece of real property and easement which has been in the works since 2018. The property sits adjacent in the SE corner of the existing Potlatch substation property, which the last of Mason PUD 3's substations owned by the BPA. The Potlatch substation is currently shared with Mason PUD 1 and both utilities have been in talks with the BPA for many years regarding the maintenance standards and need for upgrades. The BPA was not interested in upgrading the substation to the PUD's standards and would prefer to sell or surplus the substation. After much consideration, Mason PUD 3 determined it was in the best interest of its rate payers to build a new substation on the adjacent land, which would meet its current standards and allow for redundancy therefore ensuring a higher level of reliability to customers in the Lake Cushman area. The purchase price of the property was \$150,000 and is under the manager's purchasing authority.

At Mrs. Creekpau's request, Mrs. Eaton provided a legislative report.

Mrs. Creekpau provided a Telecom report. She said that eighty-nine (89) new telecom applications were received in December 2021, with a year-to-date total of 564. This is compared to 2020 with a total of 473.

Mrs. Creekpau announced that PUD 3 received the American Public Power Association (APPA) Smart Energy Provider Designation. This designation shows we are a leader in providing energy efficient sustainable electric service while prioritizing customer experiences, reliability and affordability.

Mrs. Creekpau reported on a heroic action by Belfair Serviceman Matt Harcourt. He was driving along State Route 106 when he witnessed a truck leave the roadway, hit the bank, and go into the canal. Matt quickly jumped into the cold water of the canal and assisted the driver to the edge of the road where he waited with him until emergency medical assistance arrived.

COMMISSIONERS' REPORT

Mr. Farmer reported that he attended the virtual Public Power Council (PPC) meeting.

Ms. Gott reported that she attended the American Public Power Association (APPA) Joint Action Agency Conference on behalf of Energy Northwest.

GOOD OF THE ORDER

With no further business appearing, the commission meeting adjourned at 10:37 a.m.

Linda R. Gott

Linda R. Gott (Jan 25, 2022 14:24 PST)

Linda R. Gott, President


Thomas J Farmer (Jan 25, 2022 16:01 PST)

Thomas J. Farmer, Vice President

ATTEST:

Bruce E. Jorgenson
Bruce E. Jorgenson (Jan 25, 2022 16:21 PST)

Bruce E. Jorgenson, Secretary