

Mason County PUD No. 1 Regular Board Meeting February 22, 2022 1:00 p.m.

Join Zoom Meeting https://us02web.zoom.us/j/858 69053743

Meeting ID: 858 6905 3743 1 (253) 215-8782

1:00 p.m. Call to Order & Flag Salute

		Grand Total	\$3!	58.004.09
		Payroll Wire	\$	73,300.50
		A/P Sub-Total	\$2	84,703.59
		Check Nos. 121282-121325	\$2	24,534.46
	Disbursements:	Accounts Payable Wire	\$	60,169.13
1)	<u>Consent Agenda</u> Minutes:	February 8, 2022 Regular Board Meeting		

2) <u>Public Comment-</u> Members of the public wishing to comment may request permission to do so during the Public Comment portion of the agenda. Comments shall be limited to no more than 5 minutes per speaker. There will be no action or discussion of public comment items, although the board may defer to PUD management for any necessary response.

3) Business Agenda

- a. Approve the Wildfire Mitigation Plan
- b. Approve the Vegetation Management Plan
- c. Authorize the GM to sign the ARPA contract with Mason County for Broadband Project funding
- d. Authorize the GM to sign the Amended ARPA contract with Mason County for Arrearages
- e. Authorize the GM to sign a 3 year contract with Big Blue Landscaping

4) Staff Reports

- a. General Manager
- b. District Treasurer
- c. Water Resource Manager
- d. Legal Counsel
- 5) <u>Correspondence</u>
- 6) Board Comments
- 7) Other Business/Public Comment
- 8) Executive Session None
- 9) Adjournment

2022 Calendar

February 23	WPAG	9:00 am
March 2-3	PPC	Sheraton Portland Airport
March 16-18	WPUDA	ТВА
March 24	WPUDA	TBA (Water Committee Meeting)
March 24	WPAG	9:00 am
April 6-7	PPC	Virtual
April 13-15	WPUDA	ТВА
April 28	WPAG	9:00 am
May 4-5	PPC	Embassy Suites Portland Airport
May TBA	WPUDA	Telecom Workshop
May TBA	WPUDA	Managers Committee
May 18	WPAG	9:00 am
May 22-25	NWPPA	Annual Conference
June 1-2	PPC	Virtual
June (TBA)		Employee Appreciation
June TBA	WPUDA	Strategic Planning Committee Meeting
June 10-15	APPA	National Conference
June 23	WPUDA	TBA (Water Committee Meeting)
June 23	WPAG	9:00 am
July 13-15	WPUDA	TBA (Association Meetings)
July 28	WPAG	9:00 am
August 3-4	PPC	Sheraton Portland Airport
August 25	WPAG	9:00 am
August 31/Sept 1	PPC	Virtual (Executive Committee Meeting)
September 14-16	WPUDA	TBA (Association Meetings)
September 22	WPAG	9:00 am
September 21-23	WPUDA	TBA (Water Workshop)
October 5-6	PPC	Virtual (Executive Committee Meeting)
October 7	PUD Campus	Customer Appreciation
October 13	WPUDA	TBA (Budget Committee meeting)
October 22	WPAG	9:00 am
November 16-18	WPUDA	TBA (Association Meetings)
November 16	PPC Town Hall	Sheraton Portland Airport
November 17	PPC Annual Mtg.	Sheraton Portland Airport
Nov/Dec	WPAG	Date/Time TBA



Present:

Visitors: None.

Mike Sheetz, President (Online) Jack Janda, Vice President (Online) Ron Gold, Board Secretary (Online) Kristin Masteller, General Manager (Online) Katie Arnold, District Treasurer (Online) Brandy Milroy, Water Resource Manager (Online) Julie Gray, Executive Assistant (Online) Rob Johnson, Legal Counsel (Online)

CALL TO ORDER: Mike Sheetz called the Regular Board meeting to order at 1:00 p.m.

APPROVAL OF CONSENT AGENDA:

	Grand Total	\$ 647,239.50			
	Payroll Check 121241	\$ 1,218.00			
	Payroll Wire	\$ 78,396.44			
	Payroll Expense				
	A/P Sub Total	\$ 567,625.06			
	121242-121281	\$ 387,376.20			
	Check Nos. 121219-121240	\$ 116,070.23			
	Accounts Payable Wire	\$ 64,178.63			
Disbursements:	Accounts Payable Check Register				
Minutes:	January 25, 2022 Regular Board Meeting				

Jack made a motion to approve the consent agenda as presented, Ron seconded the motion. Motion carried.

PUBLIC COMMENT: None

BUSINESS AGENDA:

End of Year and December 2021 Financials – Katie reported that gross revenue was \$1,397,927 for the month of December 2021 and gross expenditures were \$1,260,792. She also reported year end financials and the status of the budget. The overall revenue was 14% higher than budgeted. This due in large part to the increased kWh usage for the electric division at 4.6 million additional kWh's as compared to 2020. Both electric and water divisions had a record number of new service connections in 2021, with 101 for electric and 118 for water. The overall expenditures were within 4% of the budget for 2021, with power purchase being 10% higher than budgeted, which coincides with the increased consumption of kWh's.



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Distribution Operating & Maintenance, General & Administrative, and Tax, Depreciation and Interest all were either at 100% of the budget, or within 1% of the budget.

Financial Metrics as Compared with Prior Year:	December 2021	December 2020
Total General Cash and Investments	\$1,000,462	\$1,172,356
Current Ratio (Current Assets/Current Liabilities)	2.39 to 1	3.02 to 1
Debt Service Coverage (O&M/ Debt Service)	2.39	2.49
Long-Term Debt to Net Plant	36%	49%
Total Debt to Equity Ratio (Total Liabilities/Total Equity)	49%	60%
Long Term Debt to Equity Ratio (Long Term Debt / Total Equity)	45%	55%
Times Interest Earned Ratio (Earnings before Interest & Taxes/Total Interest)	3.94	3.58
Cash on Hand	43 Days (General)	44 Days (General)
(Total Available Cash/Average Daily Costs)	196 Days (All Funds)	170 Days (All Funds)

Award Eldon Pole Replacement Project to Magnum Power – Jack made a motion to award the Eldon Pole Replacement Project to Magnum Power in the amount of \$157,939.11, tax included. Ron seconded the motion. Motion carried.

Staff Reports -

General Manager – Kristin reported that she had conversation with Elizabeth Whitney from McGuire Whitney to get started on the grant writing process. The goal is to have all potential projects identified and vetted by June so applications can be wrapped up as funding starts to open by the end of the year. She reported that Rob had been working on an easement or possible purchase of the property at Bay ast so the PUD can move forward with the grant application for the manganese treatment system. She will be meeting with the Mason County Commission next week regarding moving money from the ARPA arrearages funding to the Hood Canal-101 broadband project. The Colony Surf project has started. The bore should be done by the end of this week. The crew is working on the Eells Hill rebuild project this week. The project was mostly funded by FEMA, only costing the PUD 12.5% of the total rebuild cost. She reported the Wawa Point project should be done by the end of the month. She also reported that she and Katie have been working on the annual report and it is almost complete. It will be sent to the designers this week and hopefully will be available to the public by the end of February.

Director of Finance – Katie reported that she had submitted the requests for information for the overhead to underground conversion FEMA grant. She reported that she had asked for additional funding due to the increase in labor and material costs. She stated that we would know within a few months whether the District will be awarded the grant. She reported that they received an invitation to



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submit a full application for FEMA for the "Power Resiliency" project that would upgrade underground and overhead lines throughout the District's service territory. That application is due April 14, 2021.

Water Resource Manager – Brandy reported that the water crew is working on leaks from the cold weather in January. She and Mary are working on Consumer Confidence Reports. She reported that the landscape bids for the well houses, substations and office campus is due in on Friday, February 11. She also reported the PFAS samples have arrived, and the crew will work on getting those done this week. They will be doing those samples along with their regular sampling for the next 7 weeks. The Lake Wood water system closing date has been set for February 28th.

Rob Johnson, Attorney – Rob reported that there may be a problem with the purchase of the Lake Wood Water System. The current owners have tied the water system land in with their home refinance. He will be in contact with the title company.

Correspondence – Notes of appreciation from customers.

Board Reports –

Mike – None.

Jack – Jack reported that he will be applying for an Energy Northwest executive board position again. Ron – Ron reported he had attended the Hood Canal Coordinating Council meeting at the end of January.

PUBLIC COMMENT - None

EXECUTIVE SESSION – None

Adjournment: 2:04 p.m.

Mike Sheetz, President

Jack Janda, Vice President

Ron Gold, Secretary

02/18/2022 8:20:41 AM

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Accounts Payable Check Register

02/07/2022 To 02/18/2022

Bank Account: 4 - COLUMBIA BANK - DISTRICT

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
616 02/16/20	22 WIRE	IRS	WEST COAST BANK	FEDERAL TAX LIABILITY	31,587.69
617 02/16/20	22 WIRE	WASH 1	WA DEPT OF RETIREMENT SYS	STATE RETIREMENT - PLAN 2	17,033.34
618 02/16/20	22 WIRE	WASH 7	WA STATE TREAS-MS: PO-11	DEFERRED COMPENSATION	8,437.25
619 02/16/20	22 WIRE	HRA	HRA VEBA TRUST CONTRIBUTI	VEBA MEDICAL SAVINGS	3,110.85
2266 02/14/20	22 DD	PAPE KENWORT	PAPE KENWORTH	VEHICLE #76-PART	0.00
2293 02/17/20	22 DD	CITI CARDS	CITI CARDS	to correct cce entries	0.00
121282 02/08/20	22 CHK	CINTAS CORP	CINTAS CORPORATION	SAFETY SUPPLIE	224.99
121283 02/08/20	22 CHK	GE SOFTWARE	GE SOFTWARE INC DBA EKOS	MONTHLY EKOS FUEL SITE MODULE	80.00
121284 02/08/20	22 CHK	GRAY	GRAY & OSBORNE, INC	CANYONWOOD BEACH WATER SYSTEM PLAN	10,518.00
121285 02/08/20	22 CHK	MARSH	MARSH MUNDORF PRATT & SUL	MONTHLY WPAG SERVICES	361.29
121286 02/08/20	22 CHK	18	TRISH MARTIN	REIMBURSE WIFI FOR DECECEMBER	73.90
121287 02/08/20	22 CHK	PARSON	PARSONS DIESEL & STEAM	SERVICE VEHICLE #76	1,909.60
121288 02/08/20	22 CHK	JOHN 3	ROBERT W. JOHNSON	DECEMBER RETAINER FEE	7,094.24
121289 02/08/20	22 CHK	UTILI1	UTILITIES UNDERGROUND LOCATION	MONTHLY UNDERGROUND LOCATES	127.82
121290 02/08/20	22 CHK	WPUDA	WASHINGTON PUD ASSOC.	MONTHLY DUES	1,758.00
121291 02/09/20	22 CHK	99999	JIM SULEWSKI	MR Refund	1,547.76
121292 02/11/20	22 CHK	GENPAC	GENERAL PACIFIC INC	(16) ELECTRIC METERS	7,725.20
121293 02/11/20	22 CHK	J&I	J & I POWER EQUIPMENT INC	VECHILE #78-STOP BUFFER & ELASTOSTART	106.75
121294 02/11/20	22 CHK	18	TRISH MARTIN	REPLACE LOST CHECK#119882-WIFI REIMBURSE	147.80
121295 02/11/20	22 CHK	MASON7	MASON COUNTY AUDITOR	EASEMENT RECORDINGS	2,045.00
121296 02/11/20	22 CHK	30	NORTHWEST ROCK, INC	ROCK	1,266.63
121297 02/11/20	22 CHK	NWPPA	NWPPA	NWPPA ENGINNERING & OPERATION-SPOKANE	2,800.00
121298 02/11/20	22 CHK	OLYMPIC TRUC	OLYMPIC TRUCK & AUTO SERVICE, IN	VEHICLE #76-ROAD CALL ENGINE ECM	1,003.90
121299 02/11/20	22 CHK	PAPE KENWORT	PAPE KENWORTH	VEHICLE #76-PART	273.46
121300 02/11/20	22 CHK	SCOTT MCLEND	SCOTT MCLENDON'S HARDWARE #2	BEL AIRE WATER-PARTS	30.36
121301 02/11/20	22 CHK	TRIPLE C FAB	TRIPLE C FABRICATORS	EQUIPMENT #104-EXCAVATOR HOOK	122.06

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Accounts Payable Check Register

02/07/2022 To 02/18/2022

Bank Account: 4 - COLUMBIA BANK - DISTRICT

nt pe Vendor	Vendor Name	Reference	Amount
K ANIXTER	ANIXTER INC	CUTOUTS	764.99
K BKI ENGINEERI	BKI ENGINEERING SERVICES	EMBEDDED ELECTRICAL ENGINEERING SUPPORT	2,665.50
K BUILDERS	BUILDERS FIRSTSOURCE, INC	BEL AIRE WATER PARTS	415.61
K CENTUR	CENTURYLINK	TELEPHONE CHARGES ACCT#206-Z05-0016 020	1,050.68
K GENPAC	GENERAL PACIFIC INC	SUB STATION FEEDER PARTS	7,907.49
K GRAYS	GRAYS HARBOR COUNTY PUD	MUTUAL AID - 1/3/2022 - 1/6/2022	66,591.60
K HDFOWL	HD FOWLER COMPANY	WATER INVENTORY PART	33,489.56
K LES SCHWAB	LES SCHWAB WAREHOUSE CENTER	VEHICLE #61- FLAT TIRE REPAIR & SENSORS	80.48
K LEWIS CO PUD	LEWIS COUNTY PUD	MUTUAL AID- 2022 SNOW STORM	27,084.18
IK NISC	NISC	JANUARY 2022 RECURRING INVOICE	15,805.41
K PARSON	PARSONS DIESEL & STEAM	SERVICE VARIOUS VEHICLES	596.75
K PLATT ELECTRI	PLATT	SHOP SUPPLIES & VEHICLE #76-DEWALT CHARG	1,116.05
K SCOTT MCLEND	SCOTT MCLENDON'S HARDWARE #2	BEL AIRE WATER PARTS	75.85
K TOZIER	TOZIER BROS, INC	EQUIPMENT #105-FUEL FILTERS	189.42
K NAPA AUTO PA	WESTBAY NAPA AUTO PARTS	OIL FILTERS FOR WATER SYSTEM GENERATORS	319.17
K 2	NISQUALLY AUTOMOTIVE & TOWING	VEHICLE ##76 - TOW	623.70
K WRIGHT	WRIGHT EXPRESS FINANCIAL	MO.MASTERCARD CHARGE 5569 6200 0003 6811	3,978.33
IK IBEW	IBEW LOCAL UNION #77	UNION DUES	899.27
K PUDEMP	PUD #1 EMPLOYEE FUND	EMPLOYEE FUND	220.00
K DOX VAULT	COASTAL BSG, INC.	CONVERSION FROM PAPER TO DIGITAL	3,816.96
K SHEL 2	MASON COUNTY JOURNAL	CANAL VIEW WATER SYSTEM-SEPA DNS AD	1,795.50
K NORTHWEST RO	NORTHWEST ROCK, INC	ELLS HILL PROJECT	13,231.20
K 2	ANTHONY AN	DUCTLESS HEATPUMP & INCENTIVE REBATE-AN	1,300.00
K 2	DARREN BERNETHY	DUCTLESS HEATPUMP & BPA INCENTIVE REBATE	1,300.00
	htVendorIKANIXTERIKBKI ENGINEERIIKBUILDERSIKCENTURIKGENPACIKGENPACIKHDFOWLIKLEWIS CO PUDIKPLATT ELECTRIIKSCOTT MCLENDIKTOZIERIKNAPA AUTO PAIKBEWIKPUDEMPIKHOT VAULTIKSHEL 2IKNORTHWEST ROIK2	ht peVendorVendor NameKKANIXTERANIXTER INCKKBKI ENGINEERIBKI ENGINEERING SERVICESKKBUILDERSBUILDERS FIRSTSOURCE, INCKKCENTURCENTURYLINKKKGENPACGENERAL PACIFIC INCKKGRAYSGRAYS HARBOR COUNTY PUDKKHDFOWLHD FOWLER COMPANYKKLES SCHWABLES SCHWAB WAREHOUSE CENTERKKIEWIS CO PUDLEWIS COUNTY PUDKKNISCNISCKKPARSONPARSONS DIESEL & STEAMKKSCOTT MCLENDSCOTT MCLENDON'S HARDWARE #2KKNAPA AUTO PAVESTBAY NAPA AUTO PARTSKKSCOTHVESTBAY NAPA AUTO PARTSKKBEWIBEW LOCAL UNION #77KKDOX VAULTCOASTAL BSG, INC.KKSHEL 2MASON COUNTY JOURNALKK2MASON COUNTY JOURNALKK2ANTHONY ANKK2ANTHONY AN	nvendervender NameReferenceKANXTERANXTER INCCUTOUTSKBKLENGINEERING SERVICESBMBEDDED ELECTRICAL ENGINEERING SUPPORTKBULDERSBULDERS FIRSTSOURCE, INCBELAIRE WATER PARTSKCENTURCENTURYLINKELEPHONE CHARGES ACCT#206-205-0016 020KGENPACGENERAL PACIFIC INCBUTUAL AID - 1/3/2022 - 1/6/2022KGAYSGAYS HARBOR COUNTY PUDMUTUAL AID - 1/3/2022 - 1/6/2022KHOFOWLHOFOWLER COMPANYWATER INVENTORY PARTKLESS SCHWABLES SCHWAB WAREHOUSE CENTERVEHICLE #61 F LAT TIRE REPAIR & SENSORSKIASSONJASSON DIESEL & STEAMMUTUAL AID - 2022 SNOW STORMKPARSONPARSONS DIESEL & STEAMSENVCE VARIOUS VEHICLE #76-DEWALT CHARGKPARSONPARSONS DIESEL & STEAMSENVEE VARIOUS VEHICLE #76-DEWALT CHARGKPARSONPARSONS DIESEL & STEAMSEL AIRE WATER PARTSKPARSONSCTUTMCLENDON'S HARDWAREBEL AIRE WATER PARTSKPARAUTONSUTIAL AUTOMOTIVE & TOMKPARAUTONSUTIAL SUTIAL SUTI

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	Check Register						
				02/07/2022 To 02/18/2022			
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Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference			Amount
					Total Voids for Bank Account - 4 :	(0)	0.00
					Total for Bank Account - 4 :	(50)	284,703.59

Grand Total for Payments :

Grand Total for Voids :

Grand Total :

(50)

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0.00

Accounts Payable Check Register

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PARAMETERS ENTERED:

Check Date:02/07/2022 To 02/18/2022Bank:AllVendor:AllCheck:Journal:AllFormat:SummaryExtended Reference:NoSort By:Check/TransactionVoids:CurrentPayment Type:AllGroup By Payment Type:NoMinimum Amount:0.00Authorization Listing:NoNoNo

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02/10/2022	2.20.20 T WI	Т	RANSAC	FION DETAIL	1 a,	gc. 1
Data	Journal Description	Acty BU Project	FEB 2022	To FEB 2022		
Date	Journal Description	Att be Hojet	Mou	Code		
Account: 02/16/22	0 131.2 CASH-GENERAL FUND (DISTRICT) 64662 Check Print	0	PL	2 PAYROLL	73,300.50	
			PARAMET	ERS ENTERED:		
			Accoun	ts: 0.131.2		
			Departme	nt: All		
			Activi	ty: All		
			Sort I	By: Div/Acct		
			Date Selection	on: Period		
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		Accounty v	Extended Referen	ce: No		
			Interface Deta	il: No		
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WILDFIRE MITIGATION PLAN/POLICY

1. EXECUTIVE SUMMARY

It is the intent of Mason County PUD No. 1 (PUD or District) to set basic guidelines for reacting to climate change and the impact that drought and severe weather patterns are having on the vegetation in our environment. It is also our intent to enact safety precautions to help reduce the risk of fire through electrical contact. This policy addresses ways that the District can be proactive in its operations and respond to emergency situations with regard to wildfires.

2. WILDFIRE MITIGATION PLAN OBJECTIVES

2.1 PURPOSE

The Wildfire Mitigation Plan (WMP or Plan) details the actions that the District is currently performing to prevent and mitigate wildfire ignition in its service territory which pose a risk to our services and community. The Plan accesses the PUD's service territory, topography, weather, infrastructure, and grid configuration to identify areas most prone to wildfire risks. The Plan provides strategies to mitigate the threat of electrical equipment ignited wildfires owned by the PUD.

2.2 SERVICE TERRITORY ASSET OVERVIEW

The District owns and operates approximately 11 miles of transmission, 120 miles of overhead distribution, and 140 miles of underground distribution circuits, including four substations in Mason and Jefferson Counties. The service territory is heavily treed and generally has very rocky soil.

3. WILDFIRE RISK

3.1 THE DISTRICT'S FIRE ENVIRONMENT

Over the next several decades the effects of climate change are projected to increase in Washington State. Summers are projected to be drier and warmer, and extreme weather events may become more likely. These conditions exacerbate the risks of wildfire ignition and spread. Changing weather patterns can shift tree pests and disease as well, causing additional fire load in forests and in the adjacent wildland urban interface (WUI).

3.1.1 HISTORICAL WILDFIRE ACTIVITY IN SERVICE TERRITORY

Large fires have been relatively few compared to east of the Cascades. Per the Wildfire History Map (Attachment A), there have been a few larger wildfires near the PUD's service territory. The Haven Lake fire, reportedly started in August of 2014 was the closest to the District's territory. None of these fires were started by or caused damage to the PUD's infrastructure.

3.1.2 WILDLAND URBAN INTERFACE (WUI)

The WUI is the zone of transition between unoccupied land and human development. It is the line, area, or zone where structures and other human development meet or intermingle with undeveloped wildland or vegetative fuels. Communities adjacent to and surrounded by wildland are at varying degrees of risk from wildfire.

The Washington State Department of Natural Resources (WDNR) has identified the WUI areas in District's service territory, per Attachment B.

3.2 PUD RISK ASSESSMENT

3.2.1 WILDFIRE IGNITION AND PROPAGATION

The PUD has identified risk drivers which could hypothetically result in a wildfire. In general, one or all of these risk drivers could potentially cause electrical energy to be released as heat. Resulting in a fire ignition as the heat reaches a combustible fuel. Such as, vegetation encountering a circuit or a spark landing in dry grass. Wildfire propagation results as a fire spreads to more fuels and becomes self-sustaining. The continued growth or exacerbation of the hypothetical fire is dependent on factors such as availability, type and dryness of the fuel; wind; and terrain.

3.2.1.1 Risk Drivers

These following are the most likely risk drivers associated with the PUD's infrastructure in relation to its unique geographical service territory.

3.2.1.1.1 Contact with Powerlines

Contact with powerlines by animals or vegetation.

3.2.1.1.2 Equipment Failure

Equipment failure of transformers, conductor, blown fuses.

3.2.1.1.2.1 Conductors

Small copper conductor has been identified as the largest equipment-caused risk factor. This is due to very low strength ratings and its susceptibility for brittleness.

3.2.1.1.3 Wire to Wire Contact

Wire to wire contact can occur by excessive winds and falling or excessive vegetation growth.

3.2.1.1.4 Downed Wire

Overhead wire can be brought down by trees or via poles brought down by impacts by cars.

3.2.1.1.5 Inadvertent damage

Inadvertent damage to PUD infrastructure by vandalism, or human error via contractor or PUD.

3.2.1.2 Wildfire Hazard Potential

All of the District's transmission and distributions systems all fall under very low or low wildfire hazard potential (WHP) zones. The WHP is an index that quantifies the relative potential for wildfire that may be difficult to control, used as a measure to help prioritize where fuel treatments may be needed. Treatments such as enhanced tree trimming and heightened inspection protocols. See Attachment C for maps of the distribution system's WHP and Attachment D for maps of the transmission system's WHP.

4. WILDFIRE PREVENTION AND MITIGATION PLAN ELEMENTS

The District's priority is to provide safe, reliable, and valued utility services. Many of the Plan's elements have been ongoing, but some are new. The PUD will leverage and expand on existing programs to deliver benefits for wildfire mitigation. The Plan's overall effectiveness will be evaluated and many elements new and existing will adapt over time to align with latest best practices.

4.1 ENHANCED SITUATIONAL AWARENESS

Enhanced situational awareness requires awareness of potential infrastructure shortfalls as well as continual fire-related weather monitoring.

4.1.1 ENHANCED INSPECTION TECHNOLOGY

Regular inspections as described in the District's Inspection & Maintenance Plan were designed to verify the condition of critical infrastructure, quickly assess potential hazards, and provide remedial action before critical assets can pose undue risk. In addition, the District conducts infrared (IR) thermography testing and un-manned (drone) inspections as described in the PUD's Inspection and Maintenance Plan. IR thermography testing helps to identify specific locations that are at-risk of failure. Locations that are not identifiable by the naked eye. While the intent of the un-manned aircraft (drone) inspections is to inspect facilities in the remote and rugged parts of the service territory that are difficult to reach by land.

4.1.2 FIRE WEATHER MONITORING

The District continually monitors, throughout the year weather for conditions that can pose a risk during wildfire season, such as drought. Additionally, during wildfire season, the PUD monitors real-time weather and wildfire predictive services for conditions, that may present additional wildfire risk the service territory.

- National Weather Service (NWS) Seattle: <u>https://www.weather.gov/sew/</u>
- United States Forest Service (USFS) & United States Department of Agriculture (USFS & USDA) – Burn Probability: <u>https://wildfirerisk.org/explore/0/53/53045/</u>
- Northwest Interagency Coordination Center (NWCC) Predictive Services Fire Potential: <u>https://gacc.nifc.gov/nwcc/predict/index.aspx</u>
- InciWEB Incident Information System: <u>https://inciweb.nwcg.gov/</u>
- Washington State Department of Natural Resources (DNR) Burn Risk Map: <u>https://burnportal.dnr.wa.gov/</u>
- ESRI US Wildfire Map: <u>https://www.esri.com/en-us/disaster-</u> response/disasters/wildfires
- National Oceanic and Atmospheric Administration (NOAA) Red flag warnings, Wind Speeds, Thunderstorms, etc.: <u>https://digital.weather.gov/?zoom=6&lat=46.394&lon=-</u> <u>117.92332&layers=00BFFFTTFTT®ion=0&element=0&mxmz=false</u>

4.2 FAULT REDUCTION

The District currently employs multiple strategies to aid in the reduction of potential fire ignition. These include enhanced vegetation management practices, overhead copper wire replacement, and strategic undergrounding.

4.2.1 ENHANCED VEGETATION MANAGEMENT

The vegetation maintenance cycle can also be used to determine the risk of a vegetation related faults. The goal is to proactively maintain vegetation and update the maintenance cycles in critical areas as the plan progresses. Ensuring that vegetation does not contact electrical infrastructure minimizes the probability that District assets may be the origin or contributing factor in the ignition of a wildfire. The PUD created the vegetation management plan with wildfire prevention in mind, collaborating with the local authorities, local fire departments, and the U.S. Forest Service on an as-needed basis. The plan will be reviewed and updated on an as-needed basis or every three-years, depending on changing conditions.

4.2.2 OVERHEAD COPPER WIRE REPLACEMENT

The District has identified areas with existing overhead copper wire and has slotted them for replacement. This is an ongoing program where areas are identified and scheduled for replacement annually.

4.2.3 STRATEGIC UNDERGROUNDING

The PUD has identified multiple locations that would benefit from being converted to underground construction. These locations have been strategically prioritized. However, underground construction is very expensive, so it is not always possible to underground within our annual budget. The leadership team consistently seeks opportunities to leverage and acquire additional funds to build as much underground as possible while maintaining the PUD's affordable rates.

4.3 FAULT PROTECTION

Automatic reclosing is critical for fast and efficient restoration of service; however, in isolated cases, arcing events can ignite dry grass or vegetation during fire weather events.

4.3.1 RECLOSE BLOCKING

Reclose blocking entails configuring specific reclosers to operate in a fire protection mode rather than reliability mode. Reclose blocking prevents immediate restoration attempts and would require line crews to be dispatched to visually inspect and declare clear before re-energization. This action is impactful to the District's operating budget, due to the increased labor and outage response expenses, especially in overtime periods.

4.3.2 NON-EXPULSION FUSES

The District, like the majority of the utility industry, installs expulsion fuses for transformer and overhead line protection. When an expulsion fuse operates to isolate the section of line where the fault occurred it vents gas and molten metal to extinguish the arc created by the fault. However, the molten metal, has the potential to be an ignition source for a wildfire.

Non-expulsion fuses such as current-limiting fuses limit the amount of energy going into failed equipment and does not emit gas, sparks, or debris. This greatly reduces the potential for wildfire ignition. Current-limiting fuses are more costly than expulsion fuses but are a viable option in areas where vegetation management is difficult to maintain, exceptionally dry areas, and or areas found have higher wildfire potentials in the future.

4.4 OPERATIONAL PROCEDURES AND EMERGENCY RESPONSE

4.4.1 CONCEPT OF OPERATIONS

Operational practices encompass standard company procedures that relate to wildfires, including vegetation management, inspection, and maintenance, and in extreme cases and in coordination with Bonneville Power Administration, Mason County Emergency Management, and other public safety agencies.

4.4.1.1 Notification

Communication is critical in emergency situations. The PUD will communicate via phone and email to delegated points of contacts for each corresponding agency- i.e.: Mason County, Jefferson County, BPA, etc. and also use social media and local news media outlets to convey important information.

4.4.1.2 Response Priorities

In the event of a wildfire incident, the District's priorities are as follows:

- Safety of personnel and communities
- Stabilization of infrastructure
- Preservation of property

4.4.1.3 Situational Awareness

The PUD monitors monitoring weather-related information on a daily basis throughout the year, including weather information related to wildfire risk. When the risk falls within prescribed activation thresholds the operational focus will shift from reliability to fire prevention. Exact steps depend on the level of fire threat.

Fire Danger Rating and Color Code	Description
Low (L) (Green)	Fuels do not ignite readily from small firebrands although a more intense heat source, such as lightning, may start fires in duff or punky wood. Fires in open cured grasslands may burn freely a few hours after rain, but woods fires spread slowly by creeping or smoldering, and burn in irregular fingers. There is little danger of spotting.
Moderate (M) (Blue)	Fires can start from most accidental causes, but with the exception of lightning fires in some areas, the number of starts is generally low. Fires in open cured grasslands will burn briskly and spread rapidly on windy days. Timber fires spread slowly to moderately fast. The average fire is of moderate intensity, although heavy concentrations of fuel, especially draped fuel, may burn hot. Short-distance spotting may occur, but is not persistent. Fires are not likely to become serious and control is relatively easy.
High (H) (Yellow)	All fine dead fuels ignite readily and fires start easily from most causes. Unattended brush and campfires are likely to escape. Fires spread rapidly and short-distance spotting is common. High-intensity burning may develop on slopes or in concentrations of fine fuels. Fires may become serious and their control difficult unless they are attacked successfully while small.
Very High (VH) (Orange)	Fires start easily from all causes and, immediately after ignition, spread rapidly and increase quickly in intensity. Spot fires are a constant danger. Fires burning in light fuels may quickly develop high intensity characteristics such as long-distance spotting and fire whirlwinds when they burn into heavier fuels.
Extreme (E) (Red)	Fires start quickly, spread furiously, and burn intensely. All fires are potentially serious. Development into high intensity burning will usually be faster and occur from smaller fires than in the very high fire danger class. Direct attack is rarely possible and may be dangerous except immediately after ignition. Fires that develop headway in heavy slash or in conifer stands may be unmanageable while the extreme burning condition lasts. Under these conditions the only effective and safe control action is on the flanks until the weather changes or the fuel supply lessens.

4.4.1.3.1 Activation Thresholds

Fire-Danger Classes: <u>https://www.fs.usda.gov/Internet/FSE_DOCUMENTS/fseprd646166.pdf</u>

Fire Danger Rating and Operational Action	Low (L) (Green)	Moderate (M) (Blue)	High (H) (Yellow)	Very High (VH) (Orange)	Extreme (E) (Red)
Circuit Recloser Settings	Automatic Reclosing	Automatic Reclosing	Reclose Blocking	Reclose Blocking	Reclose Blocking
Patrol following circuit outage	No ¹	No ¹	Yes	Yes	Yes

4.4.1.3.1.1 Fire Prevention Operational Actions

¹ No patrol is required. Re-test allowed following check of fault indicators, SCADA, other system indicators, and reports from the field. If the re-test fails, a patrol is mandatory.

4.5 POLICY RESPONSIBILITY

The General Manager and/or their designee is responsible for the administration of this policy.

Attachment A



Attachment B













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Rocky Brook Ra

















Attachment D































VEGETATION MANAGEMENT POLICY

I. OBJECTIVE

To maintain adequate vegetation clearance from Mason County Public Utility District No. 1 (PUD or District) electric infrastructure such as power lines and other electric utility equipment vital to the safe and reliable operation of the electric distribution and transmission systems. Properly maintaining vegetation minimizes the probability of contact with power lines and equipment thus reducing the likelihood of fire ignition and interruptions. Proactively maintaining vegetation will increase safety for PUD employees as well by providing adequate access for line operations.

II. APPLICABLE REGULATIONS

The PUD will seek required government permits or applicable authorization for vegetation and tree removal or trimming, including but not limited to, federal, state, municipal, and tribal laws, ordinances, rules, and regulations.

The PUD will use hand cutting, pruning, and mechanical cutting to maintain proper clearances in accordance with, but not limited to, the National Electrical Safety Code (NESC), Rural Utility Service (RUS), American National Standards Institute (ANSI), federal, state and local laws and regulations pursuant to the operation of electrical facilities. The PUD specifically requires that the ANSI A300 Tree Care Operations standard practices relating to quality tree care, pruning, and integrated vegetation management be followed where practical when planned maintenance is being performed in the vicinity of electric lines and equipment. Employees and contractors shall also adhere to ANSI Z133.1 Safety Standards.

III. VEGETATION MANAGEMENT

In general, vegetation management consists of three primary components, preventative vegetation management, corrective vegetation clearance, and emergency vegetation clearance. Preventative vegetation management generally includes planned activities in right-of-way (ROW) with PUD facilities and are performed on 3 to 7-year cycle depending on species and risk factors. The PUD will mail a notification for all planned vegetation management activities. (See Attachment A: "Customer Notification of Vegetation Management"). Corrective vegetation clearance consists of completing corrective and emergent vegetation orders to fix clearance discrepancies that the contractor or PUD discovers. If an order is designated as High Priority, the PUD must prioritize that work and make the correction immediately. Emergency vegetation clearance includes completing maintenance on an asneeded basis for any major disaster or emergency events. For example, if a storm results in fallen trees and branches, the PUD must mobilize as soon as possible to clear the vegetation.

ROW corridors will be managed to ten (10) feet for overhead primary and secondary routes, and thirty (30) to fifty (50) feet for transmission line routes.

The PUD will strive to remove all trees, whether hazardous or not, growing beneath the District's power lines in a public or the PUD's ROW. All trees that can be reasonably removed from private ROW, with the landowners' permission, shall be removed. A special effort shall be made to remove all young trees

in ROW while they are small and before they become a hazard to the power line. Brush and other vegetation will be removed during regular tree trimming procedures.

Trees endangering PUD owned lines may be cut down or pruned by the PUD to eliminate any immediate hazard. Trees less than 8" inches in diameter in rural, forested, and agricultural road right of way corridors will be removed with or without the consent of the property owner.

A "Hazardous Tree" is a tree that is dead, severely damaged, or may present reasonable risks to the PUD's lines and facilities. A Hazardous Tree may be in the PUD's ROW, a public ROW, or on private property. For the safety of the public and/or all involved, the PUD may opt to remove a landowner's Hazardous Tree or remove the line from service to allow the landowner to safely remove the Hazardous Tree. A Hazardous Tree shall be removed or pruned in accordance with this Policy to mitigate safety hazards.

Landowners shall provide the PUD access to all public ROW and District easements where maintenance and cutting or pruning of vegetation and trees may be needed, in the opinion of the PUD, to avoid danger to the public or interference with the operation and maintenance of its power lines or facilities. The PUD has no affirmative duty to remove trees outside the District's rights-of-way. With a written request from a landowner, the PUD may assist the landowner with the removal of a Hazardous Tree outside the ROW at no cost to the landowner, as long as the PUD has identified the tree as a Hazardous Tree.

The PUD is responsible for maintaining tree clearance only on power lines owned by the PUD. Responsibility for tree clearance on customer owned lines belongs to the customer. When the line belongs to the customer, hiring of a professional tree service is recommending ensuring customer safety and prevent damage to electric lines.

Removal of branches and other debris from vegetation and tree removal in or outside the ROW or easement is the sole responsibility of the landowner unless otherwise agreed upon in writing. Stumps shall be cut as close to ground level as possible. Complete removal of a stump is the responsibility of the landowner.

The PUD shall control vegetation and trees around its property, including the fenced boundaries and within a substation, to ensure the safety of its landowners, employees and public while maintaining the reliability and integrity of the PUD's facilities.

The PUD will educate the public on planting trees in and around the PUD's power lines. The PUD shall encourage customers to report trees that are potential hazards, in and outside the ROW, which may become a threat to public safety and/or the system's reliability.

IV. CUSTOMER PLANTING GUIDE

Customers should consider the mature canopy size of trees to be planted on their property. Trees shall be planted in accordance with Attachment B as to not interfere with distribution or transmission lines when fully grown. If a customer's tree is in violation of the required distance, the trees will likely be trimmed as part of the tree trimming cycle or be subject to removal.

Customers and contractors should contact 811 to locate underground utilities to avoid personal harm and damage to the lines and interruption of electrical service when planting or moving trees. Customers and contractors will be responsible for paying repair costs for lines that are damaged due to digging.

V. RESPONSIBILITY

The General Manager and/or their designee is responsible for the administration of this policy.



October 20<mark>XX</mark>

Notice of Vegetation Management/Tree Trimming:

Mason County PUD No. 1 is committed to improving electric service in your area. Since trees are a major cause of power outages in Mason/Jefferson County, one of our 20XX projects is to make sure the trees along the power lines that comprise our circuits are not a concern. Our inhouse/contracted tree trimming crews will be working in your area from August 20XX through December 31, 20XX.

If PUD 1's primary electric lines cross your property, we will need to access our easement. After you receive this notification, be sure to unlock gates and move cars away from the overhead primary electric lines.

Although **no response is necessary**, if you have any questions, or wish to discuss removal or replacement of inappropriate trees adjacent to our primary lines, please call our superintendent.

<u>Please note: These crews do not trim around the secondary electric line that runs from</u> the pole to your home, (the twisted line going to your house meter).

Thank you for helping us to maintain public safety and provide the reliable service you depend on.

Necessary arboricultural methods change the appearance of trees near electric lines.





Evergreen trees must be side pruned, or topped to provide safety and reliability.





Deciduous trees must be side pruned, or "V" pruned to provide safety and reliability.

Attachment A - (This is printed on PUD letterhead with relevant contact District information.)



Attachment B - Vegetation planting guide. Disseminated to the public on an annual basis.

Mc contract # 22-010

AMERICAN RESCUE PLAN ACT of 2021 AGREEMENT Between MASON COUNTY And PUBLIC UTILITY DISTRICT No. 1 of MASON COUNTY

This American Rescue Plan Act ("ARPA") recipient Agreement ("Agreement") is dated as of the <u>15</u>th day of <u>February</u>, 2022, by and between Mason County, a Washington political subdivision ("County"), and Public Utility District No. 1 of Mason County ("PUD 1"), a Washington state public utility ("Recipient").

WHEREAS, The U.S. Treasury has allocated to Mason County federal stimulus funding, CFDA Number 21.027 under an amended Title VI of the Social Security Act to add section 602 and 603, Subtitle M, Section 9901 of the Act, referred to in the Act as Coronavirus State and Local Fiscal Recovery Fund ("CSLFRF") for the limited purposes identified in the Interim Final Rule between U.S. Treasury and Mason County, identified as the Interim Final Rule ("IFR") or 31 CFR Part 35 RIN 1505-AC77

WHEREAS, ARPA authorizes the County to offer funding from receipted ARPA funds for certain costs for projects in response to the COVID-19 public health emergency during the period of July 16, 2021, incurred by December 31, 2024 and expended by December 31, 2026, which may include expenditures incurred to respond directly to the emergency as well as expenditures incurred to respond to second-order effects of the emergency, such as providing economic support to those suffering from employment or business interruptions due to COVID-19, related business closures, investments to improve water, sewer and broadband infrastructure and support public health response.

WHEREAS, the County desires to allocate portions of the ARPA Funds to Mason County PUD 1 for the purpose of providing Hood Canal-101 Broadband Project/ Eldon Fiber Buildout.

WHEREAS, the County and Recipient desire to enter into this Agreement so that the County may grant ARPA Funds for appropriate and qualifying projects advanced to the Recipient by the County for provision of an improvement a broadband infrastructure.

NOW, THEREFORE, in consideration of the foregoing recitals which are incorporated herein by reference, and the terms and conditions set forth below, the parties agree as follows:

- 1. <u>Effective Date and Term</u>. This Agreement shall commence when last executed by all parties and remain in effect until December 31, 2024, unless terminated by the County in writing.
- 2. <u>Recipient's Use of ARPA Funds</u>. The Recipient shall ensure that the ARPA Funds requests are necessary and eligible Reimbursements under one of the following cost categories: a) Response to mitigate the public health emergency with respect to the COVID-19

emergency or its negative impacts, b) Provide Government services to the extent of the reduction in revenue, c) respond to workers performing essential work, d) make necessary investments in water, sewer or broadband infrastructure.

- 3. <u>Ineligible Costs</u>. Non-allowable costs include, without limitation, the following: a) expenses for the state share of Medicaid; b) damages covered by insurance; c) payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency; d) expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the ARPA Act of contributions by states to state unemployment funds; e) reimbursement to donors for donated items or services; f) workforce bonuses other than hazard pay or overtime; g) severance pay; and h) legal settlements.
- 4. <u>COVID-19 Reimbursement Request Support</u>. To facilitate the County's granting of ARPA funding under the IFR, the Recipient will submit an A-19 equivalent report to the County, on or before November 30, 2021, detailing the improvement of the Hood Canal- 101 Broadband Project/ Eldon Fiber Buildout. Such schedule may be modified with the prior approval of the County. Failure to provide any of the required documentation may result in termination of the Agreement and no granting of funds paid to the Recipient by the County.
- 5. <u>ARPA Funds</u>. The County agrees to grant the Recipient a project costs to the Recipient not to exceed \$100,000. encumbered by December 31, 2024 and completed by December 31, 2026 provided that the COVID-19 Reimbursement request support is received as stated in Section 4 of this Agreement. The County will not provide the funds up front to the Recipient upon Execution of this Agreement.
- 6. <u>Termination.</u> The County may terminate this Agreement, for convenience or otherwise and for no consideration or damages, upon prior notice to the Recipient.
- 7. <u>Independent Contractor</u>. Each party under the Agreement shall be for all purposes an independent Contractor. Nothing contained herein will be deemed to create an association, a partnership, a joint venture, or a relationship of principal and agent, or employer and employee between the parties. The Recipient shall not be, or be deemed to be, or act or purport to act, as an employee, agent, or representative of the County for any purpose.
- 8. <u>Indemnification</u>. The Recipient agrees to defend, indemnify and hold the County, its officers, officials, employees, agents and volunteers harmless from and against any and all claims, injuries, damages, losses or expenses including without limitation personal injury, bodily injury, sickness, disease, or death, or damage to or destruction of property, which are alleged or proven to be caused in whole or in part by an act or omission of the Recipient, its officers, directors, employees, and/or agents relating to the Recipients' performance or failure to perform under this Agreement. The section shall survive the expiration or termination of this Agreement.

9. <u>Compliance with Laws, Guidelines</u>. The Recipient shall comply with all federal, state, and local laws and all requirements (including certifications and audits) of the IGA and Program Guidelines, to the extent applicable, when seeking Reimbursement.

Recipients of Federal financial assistance from the Treasury are required to meet legal requirements relating to nondiscrimination and nondiscriminatory use of Federal funds. Those requirements include ensuring that entities receiving Federal financial assistance from the Treasury do not deny benefits or services, or otherwise discriminate on the basis of race, color, national origin (including limited English proficiency), disability, age, or sex (including sexual orientation and gender identity), in accordance with the following authorities: Title VI of the Civil Rights Act of 1964 (Title VI) Public Law 88-352, 42 U.S.C. 2000d-1 et seq., and the Department's implementing regulations, 31 CFR part 22; Section 504 of the Rehabilitation Act of 1973 (Section 504), Public Law 93-112, as amended by Public Law 93-516, 29 U.S.C. 794; Title IX of the Education Amendments of 1972 (Title IX), 20 U.S.C. 1681 et seq., and the Department's implementing regulations, 31 CFR part 28; Age Discrimination Act of 1975, Public Law 94-135, 42 U.S.C. 6101 et seq., and the Department implementing regulations at 31 CFR part 23. In order to carry out its enforcement responsibilities under Title VI of the Civil Rights Act, Treasury will collect and review information from non-Tribal recipients to ascertain their compliance with the applicable requirements before and after providing financial assistance. Treasury's implementing regulations, 31 CFR part 22, and the Department of Justice (DOJ) regulations, Coordination of Non-discrimination in Federally Assisted Programs, 28 CFR part 42, provide for the collection of data and information from recipients (see 28 CFR 42.406). Treasury may request that recipients submit data for post award compliance reviews, including information such as a narrative describing their Title VI compliance status. Treasury will provide a forthcoming update regarding civil rights compliance certifications for Tribal Governments.

- 10. <u>Maintenance and Audit of Records</u>. The Recipient shall maintain records, books, documents, and other materials relevant to its performance under this Agreement. These records shall be subject to inspection, review and audit by the County or its designee, the Washington State Auditor's Office and as required by the IGA and Program Guidelines for five (5) years following termination of this Agreement. If it is determined during the course of the audit that the Recipient was reimbursed for unallowable costs under this Agreement or any, the Recipient agrees to promptly reimburse the County for such payments upon request.
- 11. <u>Notices.</u> Any notice desired or required to be given hereunder shall be in writing, and shall be deemed received three (3) days after deposit with the U.S. Postal Service, postage fully prepaid, certified mail, return receipt requested, and addressed to the party to which it is intended at its last known address, or to such other person or address as either party shall designate to the other from time to time in writing forwarded in like manner:

3

<u>Recipient</u> Public Utility District No. 1 Attn: Kristin Masteller N. 21971 Hwy. 101 Shelton, WA 98584

Mason County Attn: Jennifer Beierle 411 N Fifth St Shelton, WA 98584

- 12. <u>Improper Influence.</u> Each party warrants that it did not and will not employ, retain, or contract with any person or entity on a contingent compensation basis for the purpose of seeking, obtaining, maintaining, or extending this Agreement. Each party agrees, warrants, and represents that no gratuity whatsoever has been or will offered or conferred with a view towards obtaining, maintaining, or extending this Agreement.
- 13. <u>Conflict of Interest</u>. The elected and appointed officials and employees of the parties shall not have any personal interest, direct or indirect, which gives rise to a conflict of interest.
- 14. <u>Time</u>. Time is of the essence in this Agreement.
- 15. <u>Survival</u>. The provisions of this Agreement that by their sense and purpose should survive expiration or termination of the Agreement shall so survive. Those provisions include without limitation Indemnification and Maintenance and Audit of Records.
- 16. <u>Amendment</u>. No amendment or modification to the Agreement will be effective without the prior written consent of the authorized representatives of the parties.
- 17. <u>Governing Law; Venue</u>. The Agreement will be governed in all respects by the laws of the Washington State, both as to interpretation and performance, without regard to conflicts of law or choice of law provisions. Any action arising out of or in connection with the Agreement may be instituted and maintained only in a court of competent jurisdiction in Mason County, Washington or as provided by RCW 36.01.050.
- 18. <u>Non-Waiver</u>. No failure on the part of the County to exercise, and no delay in exercising, any right hereunder shall operate as a wavier thereof; nor shall any single or partial exercise by the County of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedy available to the County at law or in equity.
- 19. <u>Binding Effect</u>. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors.
- 20. <u>Assignment</u>. The Recipient shall not assign or transfer any of its interests in or obligations under this Agreement without the prior written consent of the County.

- 21. <u>Entire Agreement.</u> This Agreement constitutes the entire agreement between the County and the Recipient for the use of funds received under this Agreement and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written between the parties with respect to this Agreement.
- 22. <u>No Third Party Beneficiaries</u>. Nothing herein shall or be deemed to create or confer any right, action, or benefit in, to, or on the part of any person or entity that is not a party to this Agreement. This provision shall not limit any obligation which either Party has to the Washington State Department of Commerce in connection with the use of ARPA funds, including the obligations to provide access to records and cooperate with audits as provided in this Agreement.
- 23. <u>Severability</u>. In the event that one or more provisions of this Agreement shall be determined to be invalid by any court of competent jurisdiction or agency having jurisdiction thereof, the remainder of the Agreement shall remain in full force and effect and the invalid provisions shall be deemed deleted.
- 24. <u>Counterparts.</u> This Agreement may be executed in one or more counterparts, any of which shall be deemed an original but all of which together shall constitute one and the same instrument.
- 25. <u>Authorization</u>. Each party signing below warrants to the other party, that they have the full power and authority to execute this Agreement on behalf of the party for whom they sign.

IN WITNESS WHEREOF, this Agreement is executed and shall become effective as of the last date signed below.

DATED this <u>15th</u> day of _	February	,2020: 2022
RECIPIENT, PUBLIC UTI	ILITY DISTRIC	CT No. 1 of Mason County
By: Uniter Ma	steller	
19400-1		

Print Name: Kristin Masteller

Its: General Manager

DATED this 5th day of <u>February</u>, 2021. 2022

ARPA Recipient Agreement

BOARD OF COUNTY COMMISSIONERS MASON COUNTY, WASHINGTON

Mark Neary, County Administrator

ATTEST:

McKenzie Smith, Clerk of the Board

APPROVED AS TO FORM:

Tim Whitehead, Chief DPA

ATTACHMENT A

SCOPE OF WORK

The Board of Commissioners is directing up to \$100,000 to Public Utility District No. 1 of Mason County ("PUD 1") using federal ARPA funding for the purpose of installing the Hood Canal- 101 Broadband Project/ Elden Fiber Buildout. These funds must be fully distributed by December 31, 2026. The intent of this grant is to provide a local broadband infrastructure improvement.

PUD 1 will be responsible for overseeing and installing the Hood Canal-101 Broadband Project/ Eldon Fiber Buildout.

1. Program Funding and Award Amount

Mason County shall make \$100,000 of ARPA funds available to the program that will be reimbursed to PUD 1 by the County following receipt of COVID-19 Reimbursement request support as stated in Sections 4 and 5 of this Agreement.

This project is designed to, upon completion, reliably meet or exceed symmetrical 100 Mbps download and upload speeds.

All funds are to be disbursed by the Recipient no later than December 31, 2026.

2. Application, Review and Distribution Process:

A-19 Submission, PUD 1 will submit an A-19 equivalent report to the County, on or before December 31, 2024, detailing the Hood Canal-101 Broadband Project/ Eldon Fiber Buildout.

3. Reporting

PUD 1 shall submit a final report on costs detailed, and provide an A-19 equivalent report and signed certification detailing funds disbursed for the project to include a description of the work, payment amounts, and dates of payments. PUD 1 shall maintain all documentation regarding the disbursement of grant funds under this program through the contract period and will provide those materials to Mason County electronically for future audit or other use.

ATTACHMENT B

COMPENSATION

In order to maximize the amount of utility assistance available to eligible residents financially impacted by the COVID-19 public health emergency, PUD 1 has agreed to waive any compensation under this agreement to cover its administrative costs.

AMERICAN RESCUE PLAN ACT OF 2021 AGREEMENT # ___21-089_____ AMENDMENT #1 Between MASON COUNTY and ____PUD #1____

THIS CONTRACT AMENDMENT is made and entered into by and between Mason County, hereinafter referred to as "COUNTY" and _____PUD#1______hereinafter referred to as "RECIPIENT" for the _____Residential Utility Assistance _____Project herein referred to as "PROJECT").

WHEREAS, The U.S. Treasury has allocated to Mason County federal stimulus funding under an amended Title VI of the Social Security Act to add section 602 and 603, Subtitle M, Section 9901 of the Act, referred to in the Act as Coronavirus State and Local Fiscal Recovery Fund ("CSLFRF") for the limited purposes identified in the Interim Final Rule between U.S. Treasury and Mason County, identified as the Interim Final Rule ("IFR") or 31 CFR Part 35 RIN 1505-AC77

WHEREAS, ARPA authorizes the County to offer funding from receipted ARPA funds for certain costs projects in response to the COVID-19 public health emergency during the period of July 16, 2021, incurred by December 31, 2024 and expended by December 31, 2026, which may include expenditures incurred to respond directly to the emergency as well as expenditures incurred to respond to second-order effects of the emergency, such as providing economic support to those suffering from employment or business interruptions due to COVID-19, related business closures, investments to improve water, sewer and broadband infrastructure and support public health response.

As required under <u>Amendment, Section 16</u>, no amendment or modification to the Agreement will be effective without prior written consent of the authorized representatives of the parties. This Amendment _reduces the contract amount from \$125,000 to \$25,000. A reduction of \$100,000.

All other terms of the contract remain the same.

All other items listed under "Scope of Services" in the original agreement remain the same.

DATED this 15th day of <u>February</u>, 2022.

RECIPIENT NAME Jasteller

Dated: 02/15/2022

MASON COUNTY, WASHINGTON

Mark Neary, County Administrator

Dated:

APPROVED AS TO FORM:

Tim Whitehead, Chief DPA

2022 Landscaping Services

SCOPE OF WORK:

Perform landscape and vegetation maintenance at various PUD 1 facilities in Mason and Jefferson counties. Mowing and trimming; blackberry, small tree and scotch broom removal. Bidders should plan on an 80 hr/month bid to complete all work listed.

Contractor will:

- Provide all equipment including trimmers, power saws, mowers, brush cutting equipment, hand tools
- Supply their own transportation
- Be responsible for removal and proper disposal of debris
- Begin work April 2022 and determine schedule with Brandy Milroy

Organization	AtWork!	AtWork!		Big Blue Pressure Washing and Lawn	
Annual Amount	\$	61,190.00	\$	32,999.68	
3-Year Contract	\$	183,570.00	\$	98,999.04	
Total w/ applicable taxes	\$	199,173.45	\$	107,413.96	
Licensed, Bonded Insured	YES		YES		
Refrences Checked	YES		YES		
Debarred	NO		NO		

AGYC Follow-Up Report:

Following Commissioner Mike Sheetz's February 15, 2022 meeting with representatives from the Alderbrook Golf & Yacht Club, this report is the response to follow up questions that the AGYC had for the PUD.

 <u>System Leakage-</u> Our Alderbrook water system has distribution system leakage (DSL) of 13%. The Department of Health (DOH) has a goal of 10% or less. The chart below shows in RED the leakage for Alderbrook water system over the past six years. Since 2015, the PUD has repaired different leaks as they present, bringing the DSL from 22.2% at its high point in 2019, to 13% in 2021.

Water System	Distribution System Leakage by Year in Percentage (%)									
	2015	2016	2017	2018	2019	2020	2021	Notes	3-Yr Rolling Trend	
Agate Beach	59.2%	46.3%	66.1%	46.6%	44.1%	41.1%	16.8%		N/A	
Alderbrook	14.5%	14.1%	16.8%	21.00%	22.2%	15.7%	13.0%	Leak repairs	Decreasing	
								Leak repairs, Leak	Steady	
Arcadia	20.1%	18.9%	77.5%	86.1%	20.9%	22.9%	9.4%	detection	steady	
								New Source Meter	Decreasing	
Bay East	6.6%	13.4%	9.1%	13.9%	19.9%	18.1%	12.7%	2010	Decreasing	
								Removed unmetered	Decreasing	
Bayshore	20.5%	27.3%	34.4%	36.6%	43.2%	34.4%	24.5%	yard hydrants in 2012	Decreasing	

We calculate DSL by tracking the amount of water that is pumped from the source meters at the wells and compare it to the volume of water we charge at the individual meters. This is how we capture the loss data. **See spreadsheet below.** Alderbrook's DSL would most likely be under the 10% threshold if we had consistent reporting from the fire department, Mason County, and other companies to track their hydrant use. These entities tap into the hydrants for a variety of projects. Sometimes they report this to the PUD, sometimes they do not. It's something we work on regularly with them.

Distribution System Leakage (DSL) Data Collection Tool - Reporting Year 2021													
Instructions	Report Units in gallons												
Water Volume Entering Distributio	n System:												
	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
Total Volume Produced Well 1	583,000	774,000	695,000	2,013,000	2,685,000	4,394,000	6,920,000	5,497,000	2,803,000	781,000	760,000	1,051,000	28,956,000
Total Volume Produced Well 2	712,000	692,000	675,000	1,736,000	2,379,000	3,003,000	4,743,000	3,880,000	2,535,000	808,000	714,000	816,000	22,693,000
Total Volume Produced Well 3	759,000	787,000	739,000	1,218,000	1,967,000	3,275,000	5,181,000	3,743,000	1,694,000	772,000	735,000	1,285,000	22,155,000
Total Water Produced and													
Purchased (TP)	2,054,000	2,253,000	2,109,000	4,967,000	7,031,000	10,672,000	16,844,000	13,120,000	7,032,000	2,361,000	2,209,000	3,152,000	73,804,000
ADD													
	174	212	179	436	597	936	1,430	1,114	617	200	194	268	530
Total Volume Consumed:													
	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
Water Volume Metered (billed	1,479,765	1,706,129	1,788,999	4,146,416	6,707,473	8,991,507	14,593,115	11,564,860	6,510,760	2,051,920	1,828,089	2,784,962	64,153,995
Single-family Residential (ABRES)	1,017,961	1,120,497	1,193,097	1,934,657	2,350,096	3,636,312	4,984,650	4,104,508	2,693,937	1,462,721	1,256,640	1,870,950	27,626,026
Golf Course (ABGOM)	30	34,453	36,293	1,299,298	2,818,038	4,863,391	8,378,228	6,394,794	2,911,859	26,449	9,784	37	26,772,655
Resort (ABINN) & (ABIN2)	383,425	497,420	542,898	852,720	1,498,169	440,123	1,164,038	1,008,828	868,204	540,729	540,355	884,585	9,221,494
Gateaway (GATEE)	78,350	53,760	16,710	59,740	41,170	51,680	66,200	56,730	36,760	22,020	21,310	29,390	533,820
Other													0
Other													0
MMADD (RES)	70	77	82	133	161	250	342	282	185	100	86	128	158
Exported Water													0
Estimated Authorized Uses (may	0	0	0	0	0	0	0	0	0	20,000	0	0	20,000
Utility Flushing/Tank Cleaning										20,000			20,000
Fire Fighting/Training													0
Storm or Sewer Cleaning													0
Other													0
Other													0
Other													0
Other													0
Total Authorized Consumption													
(AC)	1,479,765	1,706,129	1,788,999	4,146,416	6,707,473	8,991,507	14,593,115	11,564,860	6,510,760	2,071,920	1,828,089	2,784,962	64,173,995
Total Volume DSL	574,235	546,871	320,001	820,584	323,527	1,680,493	2,250,885	1,555,140	521,240	289,080	380,911	367,038	9,630,005
Percent DSL	28.0%	24.3%	15.2%	16.5%	4.6%	15.7%	13.4%	11.9%	7.4%	12.2%	17.2%	11.6%	13.0%

- 2. <u>Water Main Concerns-</u> A 2017 BKI memo? We don't know what this is.
- 3. <u>Major Leaks at Alderbrook-</u> The PUD is only aware of one current leak at Alderbrook. This is on Blackberry Lane, and we have been meeting with AGYC's general manager and Hood Canal Communications on the timing and coordination of the water department's work at Blackberry so we can get it repaired and be out of the way for fiber to be installed and then AGYC to repave the road. We are not aware of any other leaks; if the customers are aware of any, they should report those to the PUD immediately. We repair leaks as soon as we're aware of them.
- 4. <u>Water Audits & Software-</u> The PUD does not employ specific software to conduct water use/loss audits. Our Water Use Efficiency (WUE) program functions as our measuring tool and guidelines for tracking and responding to water loss. We are able to track the net loss through our metering and software at the PUD. Our Water Use Efficiency goals outline response based on the groupings of systems within ranges of water loss. Alderbrook is at Group 2 (10-20%) and again, it would likely be under the 10% if the hydrant usage was accurately reported. See excerpt below from the WUE Plan.

GOAL GROUP 2: >10%-20% DSL

Production:

Goal 1: Reduce DSL to 10% or less in 6 years.

Goal 2: Reduce total annual water production by 1% per ERU in 6 years.

Goal 3: Reduce peak month production by 1% per ERU in 6 years.

Consumption:

Goal 1: Reduce ADD by a minimum of 1% in 6 years.

Goal 2: Reduce summer peak daily demand by 2% in 6 years.

Measures:

- Develop "Water Loss Control Action Plan".
- Conservation rate structure for residential and commercial use.
- Identify and repair Leaks as soon as they are discovered.
- · Educate all consumers about irrigation conservation and peak water demand twice a year.
- · Consumption history shown on all water bills.
- · Water conservation and landscape water use part of the water policy.
- Water conservation information on the MCPUD1 Website

For true water leak detection services, it requires entire sections of the system to be shut off while sounding equipment is used. Customers could be out of service for one or more days during the sounding process. If Alderbrook had high DSL and we were running around chasing leaks all the time, or had loss that we couldn't explain, we might consider employing this service. Our Alderbrook system is in good condition though, and the DSL is low. 5. <u>Water Loss Action Plan-</u> As part of our WUE Program, we have a section in our Water System Plan- Part A that discusses the Water Loss Action Plan. System loss that exceed 20% requires leakage reduction activities. Major activities are triggered when systems have 30% or higher DSL. Alderbrook's DSL does not trigger action under the Plan, just quality control on our metering.

4.3 WATER LOSS CONTROL ACTION PLAN

Any water system with more than 10% distribution system leakage has a Water Loss Control Action Plan implemented. Required steps for the Water Loss Control Action Plan include: assessing data accuracy, assessing data collection methods and checking data for errors. The plan requires that meter readers take

accurate reads from each meter. The District is currently installing and replacing older meters with Electronic Read Transmitter (ERT) meters that send an electronic signal to a District meter reading vehicle. Several reads can be detected and downloaded at once and reduces the risk of a meter reader misreading or transposing numbers when recording reads manually. Also, verifying all meters are in the computer system and actually being read. The Water Department has found some services that had prior agreements that allowed connection to a water system and not have an account. We have installed meters on these connections even though they are not billed for water usage so we can have an accurate account of actual water usage versus water leakage.

6. <u>Asbestos Concrete Pipes-</u> The PUD is developing a plan to replace the water mains in Alderbrook in small sections over several years, so the budget can support it without raising rates to complete the work. The PUD also applies for grant funding to help expedite this work without impacting the budget. DOH approved funding through the Drinking Water State Revolving Fund to do this work but they only offered a loan and no loan-forgiveness subsidy (grant) for the project. Without subsidy, the District will decline the loan and continue to work on our plan to do the replacement incrementally over time. The PUD is also working with a federal grant writer on federal stimulus funding and earmarks. Mainline replacement for our Alderbrook and other PUD water systems is on the list of projects that we are vetting to see if there's a good funding match.

7. Why did the PUD purchase the 32 systems from Thurston PUD-

The PUD purchased 32 systems from Thurston PUD to grow the water business. We needed a greater economy of scale to be able to consolidate the water business finances, capital budgets, and work plans, just like we operate the power business. The purchase price was \$1,191,357.80 and the total revenue we've brought in so far from the additional connections has been \$1,476,525.58. We hit the breakeven point, or ROI, in June of 2021- almost 3 years exactly to the date of purchase. Moving forward, this extra \$500,000+ in revenue each year from the added connections helps fund the capital budget so things like water main replacements and reservoirs can be prioritized and executed. It was a good financial and strategic move for the PUD's water business and water customers, as well as the new customers on those systems that were wrapped into the PUDs water customer base. See ROI breakdown below.

Mason County PUD No. 1										
Water System Purchase from Thurston County										
		Annual Revenue								
Water System	No. of Connections	2018	2019	2020	2021	Total				
Bellwood A	65	11,314.75	38,683.01	48,316.16	52,234.50	150,548.42				
Dayton Trails	58	11,406.47	37,110.77	46,570.10	48,174.63	143,261.97				
Hamma Ridge	23	3,917.01	11,534.45	14,909.98	15,740.74	46,102.18				
Island Lake Manor	74	14,484.43	47,091.29	55,943.75	59,487.22	177,006.69				
Madrona Park	32	4,934.38	7,289.34	10,251.22	14,178.27	36,653.21				
New Pine Acres	15	2,672.45	7,827.62	11,512.67	12,018.52	34,031.26				
Rainbow Lake	67	12,634.73	38,193.45	45,050.93	48,282.17	144,161.28				
Rhododendron	19	3,860.42	12,753.39	13,672.00	15,192.60	45,478.41				
Shadowood	82	14,852.73	46,192.23	59,050.71	61,993.04	182,088.71				
Springwood	32	5,854.75	18,226.52	22,069.18	23,137.99	69,288.44				
Wonderland	34	5,962.02	19,146.64	23,609.00	25,773.24	74,490.90				
Woodland Manor	64	12,723.25	40,920.02	49,805.66	52,444.87	155,893.80				
Anthony Rd N	6	1,073.59	3,750.99	4,415.26	4,559.14	13,798.98				
Anthony Rd S	6	1,030.09	3,304.09	4,364.34	4,379.23	13,077.75				
Bellwood B	6	1,081.87	3,686.94	4,465.94	4,620.74	13,855.49				
Black B	6	1,033.49	3,011.89	3,462.24	3,450.96	10,958.58				
Black C	6	1,075.03	3,350.01	4,035.63	4,036.18	12,496.85				
Cedar Meadows #1	6	1,276.42	3,548.96	4,265.05	4,778.36	13,868.79				
Cedar Meadows #2	6	881.01	3,661.25	4,354.92	4,474.08	13,371.26				
Elkridge	2	360.43	1,077.22	1,291.22	1,323.58	4,052.45				
Hellickson	6	1,135.44	3,560.50	5,992.58	5,549.60	16,238.12				
Jackson Timber	2	476.50	1,957.72	2,981.72	3,073.65	8,489.59				
Jade Drive	6	1,086.15	3,499.41	4,370.60	4,458.17	13,414.33				
Pickering View	7	1,108.21	3,531.25	4,278.97	4,528.20	13,446.63				
Rolling Hills	6	1,145.28	3,549.96	4,660.23	4,973.93	14,329.40				
Singh Water	2	395.03	1,239.90	1,805.40	2,343.03	5,783.36				
Stonebriar 1	6	1,083.23	3,445.49	4,499.14	4,600.50	13,628.36				
Stonebriar 2	6	1,746.57	421.49	5,346.14	5,094.58	12,608.78				
Stonebriar3	6	1,098.60	3,768.97	4,873.79	5,125.68	14,867.04				
Totten Est 1	0	-	-		-	-				
Totten Est 2	0	-	-		-	-				
Wivell Road	4	864.90	2,350.51	2,983.47	3,035.67	9,234.55				
TOTAL	660	122,569.23	377,685.28	473,208.00	503,063.07	1,476,525.58				
	Total Revenue	1,476,525.58								
Purchase Pr	ice of Systems	1,191,357.80								
Breakeven Point		Jun-21								

Other Questions Asked -

- How do PUD Commissioners represent our community?

The commissioners have voting districts that select representatives to serve on the board, but all 3 commissioners represent all of the ratepayers, even the non-voting customers. All customers are treated the same; voting status has no bearing. Many of our power and water customers are in PUD 3's legal service boundaries and served by PUD 1, but they get the same access to their commissioners to voice concerns and ask questions. There is not a discrepancy in service or representation.

- What is the process of participation of Alderbrook in PUD 1 planning?

The same as it's always been. Alderbrook residents have always been electric customers and have been water customers for a very long time. Alderbrook has always been invited to participate in our open public meetings. Our budget and strategic plan are on the website and discussed in open public meetings. Our staff is really good about answering questions and having offline meetings with stakeholders and HOAs. We do it all the time.

- Potential conservation efforts by AGYC.

This has been an ongoing staff level conversation between AGYC and the PUD. The PUD has offered to assist AGYC staff on the development of their conservation plan. The PUD did reapply for the Ecology grant to fund a feasibility study to determine if there's potential to reuse treated wastewater from Alderbrook Resort that is currently pumped into the Canal. We will hear in a few months if we were selected to fund the study or not. This water is treated to a very high standard to be able to be pumped into the canal. If it were chlorinated, it would be considered potable for consumption. The reclaimed water has no odor or color, would present no health risks for residents, golfers, or wildlife, and it could be a great option for offsetting the golf course's annual consumption. The PUD will keep AGYC's general manager apprised of the status of the grant application for the study.

- Status of community water system consolidation.

The six water systems in Union have all consolidated into the Union Regional water system. They function under one water system plan now. The points of intertie to physically connect systems will occur over the next 20+ years. The ones we are working on now are Vuecrest and Union Ridge. We got a grant to do a large chunk of the work at Vuecrest and we have been working with a homeowner that gave us a very good deal on property to site a new reservoir. We're also starting to look at Union and Hood Canal systems because Hood Canal is getting close to reaching the cap on connections based on the storage capacity.

These are the only interties in the works at this point. We are focusing our efforts on PUD systems that have waiting lists for connections or are getting close to their cap for connections and we are working on solutions to increase storage and capacity to serve them. There are no plans for doing any intertie work at our Alderbrook system in the near future.

- Status of the Squaxin MOA.

The consultants for the PUD and the tribe are working on an agreement for the scope of the study. The MOA we signed with the Squaxin Island tribe agrees to share in a cost to do a groundwater study and come up with some mitigation strategies if it is found that there will be impacts to stream flows as a result of the consolidation <u>above and beyond</u> what the impact would be if each property owner were to instead drill a permit exempt well. The MOA gives five years to complete the work. A copy of the MOA is on the PUD's website under "Interlocal Agreements".

- Condition of Alderbrook water system.

The PUD's Alderbrook water system is safe and in good working condition. It's one of the best systems that the PUD owns. It has clean, good tasting, safe drinking water. The infrastructure is in good working condition. The consumer confidence reports are being written now and will go out this spring. These reports give annual status updates on the system's quality reports, leakage and projects.

- Rate increase projections.

The board passed a resolution in 2019 for a 3-year rate increase for water and electric, following the recommendations from the cost-of-service analysis that the District underwent for both power and water. We delayed the implementation of the golf course's irrigation rate for one year in 2020 due to the pandemic. Following a meeting with AGYC during the pandemic, we also agreed to delay the golf course's irrigation rate again to mid-year to help the golf course catch up after being closed for several months and align with their fiscal cycle because of the timing of their budget.

Staff will develop a new budget and rate proposal for 2023 for board consideration.

The golf course rates were subsidized for decades by the residential and commercial customers. The COSA showed how far under market the rates were and that the golf course was not paying its fair share into the maintenance and operation of the water business. The PUD recognized that bringing the golf course into cost of service could be financially devastating if not done slowly over time. As a result of this, and several meetings with AGYC management and board members, the PUD commission agreed to do it slowly over the next 20-25 years.