

Mason County PUD 1  
Board of Commissioners Special Meeting  
August 18, 2015

**Present**

Karl Denison- President  
Jack Janda- Vice President  
Ron Gold- Secretary  
Steve Taylor- General Manager  
Darin Hall- Electric Superintendent  
Greg Kester- Dir. of Finance & Customer Service  
Jocelyne Gray– Director of Ops - Water  
Kristin Masteller– Dir. of Employee & Public Relations  
Rob Johnson- District Legal Counsel

**Visitors**

Marcus Perry & Melanie Jackson, BPA

The regular meeting of the Board of Commissioners of Public Utility District No. 1 of Mason County was called to order at 1:00 p.m.

**CONSENT AGENDA**

**By adopting the consent agenda, the following items were approved:**

The minutes of the July 28, 2015 workshop and regular meeting;

<b>Vouchers:</b>	Accounts Payable:	110285	\$ 500.00
		110296-110314	\$ 7,138.78
		110324-110390	\$ 118,666.75
	Payroll:	110286-110295	\$ 110,042.62
		110315-110323	\$ 91,080.92
	Void:	110311	(\$ 209.60)
		<b>Total:</b>	<b>\$ 327,219.47</b>

Jack made a motion to approve the consent agenda as presented; Ron seconded the motion. It passed unanimously.

**Public Comment**

No public comment.

**BUSINESS AGENDA**

**Marcus Perry & Melanie Jackson, BPA**

Marcus and Melanie gave an update on the 2016 rate case. Marcus discussed the drivers and updates. The average power increase was 7.1% due to lower natural gas rates, which is depressing the power market in the next rate period. Capital investments and the expected increase in the residential exchange settlement are the other two main drivers. BPA cut about \$20 million out of their operating budgets. Karl noted that energy efficiency is not fair to our customers because we get taxed on gross revenues to supplement the energy efficiency program through BPA and then we get taxed again when we use the conservation dollars. The composite charge went up and that's the biggest driver for PUD1. Melanie reported that the average transmission increase is 4.4%. PUD1's came down a bit, but other costs drove

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transmission rates up. Melanie also discussed the authority to recover costs through WECC. BPA has stepped up vegetation management. Steve asked what the status is on the switches between Mason and Jefferson.

**June 2015 Financials for Water & Electric**

Greg reported that operating revenues for year were still down about \$300,000 compared to last year. Greg looked at last month's revenues and we are up slightly from last year. Some fixed expenses have increased as of June this year compared to last year. Greg showed a breakdown of 2014 and 2015 special funds noting which were restricted and which were reserve funds. We are at about 31% of long term debt to plant, which is a ratio. For the water side, their revenues are up about \$10,000 this year in June.

**CORRESPONDENCE**

A customer letter regarding the electric monthly base charge was brought to the commission. Kristin will send the board's reply to the customer.

**GENERAL MANAGER'S REPORT- Steve Taylor**

Steve reported that we are having a town hall meeting in Brinnon on Monday, August 31st at 6:00 p.m. at the Brinnon Booster Club to discuss outages that we've had in the area and upcoming improvements to the Duckabush Substation that will cause future outages. Nighthawk has a collection meter that we are going to investigate to see if we could use them in neighborhoods instead of doing a complete meter change out. Greg and Steve attended a Power Supply Workshop. Steve will take each commissioner out to different water systems.

**STAFF REPORTS**

**Darin Hall:**

In-house brush crew is up at Dosewallips now and the contractor will begin on the 31st. The line crew is replacing underground at Pleasant Tides development. Safety programs included pole top rescue and substation safety & inspection. We had one near miss where the studs broke off of the wheel on the mini trailer, came loose and rolled into the canal. Defensive driving class will be September 17th.

**Jocelyne Gray:**

Jocelyne reported that next week the crew will dig out the clay by Bolander's and fixing the road at Canal Mutual.

**Greg Kester:**

The PUD 3 pole contact formula came from EES, so Greg will need to go through EES to develop one.

**Kristin Masteller:**

Kristin has the board's strategic planning workshop ready for Friday at 9:00 a.m. at Alderbrook.

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**Rob Johnson:**

Rob said mediation has been set for the trespass claim. Working with the Ripplewood community water system paperwork.

**BOARD REPORTS/COMMENTS**

**Karl:** No report.

**Ron:** Ron attended PPC. Lilliwaup Falls will begin work on the intake gate.

**Jack:** Jack reported that ENW is generating 28 MW now after the outage. It's a large increase in production. Jack gave updates from the PPC meeting.

**Meeting Adjourned at 3:45 p.m.**

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Karl Denison, President

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Jack Janda, Vice President

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Ron Gold, Secretary

Mason County PUD 1  
Board of Commissioners Special Emergency Meeting  
August 28, 2015

**Present**

Karl Denison- President  
Jack Janda- Vice President (via phone)  
Ron Gold- Secretary  
Steve Taylor- General Manager  
Darin Hall- Electric Superintendent  
Greg Kester- Dir. of Finance & Customer Service  
Kristin Masteller– Dir. of Employee & Public Relations  
Rob Johnson- District Legal Counsel

**Visitors**

Brianna Loper, The Journal  
Tim Sheldon, Customer

**Excused**

Jocelyne Gray, Director of Ops- Water

The emergency meeting of the Board of Commissioners of Public Utility District No. 1 of Mason County was called to order at 9:03 a.m.

**Public Comment**

Brianna Loper asked for clarification on how BPA can feed from the "north". Steve Taylor explained that power from BPA usually comes from Shelton but in emergency situations, they're able to feed from the north at Quilcene instead.

**BUSINESS AGENDA**

**Debrief on Sunnyside Road Fire**

Staff gave an update on the sequence of events leading to the response to the fire that broke out in the Skokomish Valley on Sunnyside Road and crept under the BPA transmission line. The power went out just before 8:00 p.m. Kristin and Michael Ferrier were notified and crews & office staff were dispatched within 30 minutes. Crews were on scene and a call center was opened at the office in under an hour. BPA was able to feed power in from the north and get all customers back on or before midnight. Sunnyside Road is the only area without power this morning. The PUD team was in constant contact with BPA, DNR, each other, news media outlets and our customers, with the PUD's Facebook page reaching over 22,400 people at its peak.

We had three structures compromised on the transmission line. At 2:30 a.m. this morning, Steve, Darin and Lee from BPA put out our center pole that was still burning. We lost all three of the two-pole structures that were in the area and they will need to be replaced as soon as possible.

**Resolution No. 1064- Authorization to Waive the Competitive Bidding Process**

A resolution was put forward to the commission for approval on the basis that this incident constitutes an emergency and real imminent threat to property and the performance of the PUD 1 system. If the BPA's back up feed went out, our entire system would be out of power again. We need to repair the transmission line as soon as we possibly can to ensure reliability. Steve stated he will keep the board informed of the progress to fix the structures.

Ron made a motion to approve Resolution No. 1064 as presented; Jack seconded the motion. It passed unanimously.

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**BOARD REPORTS/COMMENTS**

The board remarked that the front office, management team and the line crew all did an exceptional job responding. Jack was excused from the meeting at 9:12 a.m.

**Meeting Adjourned at 9:16 a.m.**

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Karl Denison, President

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Jack Janda, Vice President

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Ron Gold, Secretary