

**Mason County PUD 1
Board of Commissioners Special Meeting
March 19, 2013**

The special meeting of the Board of Commissioners Meeting of Public Utility District No. 1 of Mason County was called to order at 1:00 p.m. on March 19, 2013 at the District Office Board Room in Potlatch.

Present

Ron Gold- President
Karl Denison- Vice President
Steve Taylor- General Manager
Greg Kester- District Auditor & Dir. of Finance/Customer Svc.
Kristin Masteller- Dir. of Employee & Public Relations
Jocelyne Gray- Director of Ops-Water
Rob Johnson- District Legal Counsel

Visitors

Larry and Lolita Waggoner, Leslie Wing,
View Ridge Heights Water System
Bruce Kreutzkamp, Cherokee Strip HOA
Water System

Excused

Jack Janda- Board Secretary
Tracy Colard- Director of Ops- Electric

PUBLIC HEARING- VIEW RIDGE HEIGHTS WATER SYSTEM PLAN- PART B

At 1:00 p.m. the public hearing began. View Ridge Heights is on the north shore of Hood Canal. The Water System Plan's purpose was to determine the capacity of that system so that we could accommodate additional connections. The system can accommodate 28 additional connections without having to make upgrades. Additional upgrades will be required beyond that point if more people want to connect. We have 17 people on our waiting list that have been waiting since 2005 for connections. Leakage in that system is around 40%, down from over 50% in the past, but still high. We need to replace old water mains and pipes in order to reduce that percentage. A reduction in leakage could allow for additional connections. The District is recommending that the upper lots of View Ridge Heights install individual booster pumps to improve water pressure to those lots. View Ridge Heights HOA is meeting this coming Saturday at the Timberland Library in Belfair at 1:30 p.m. and will solicit any additional comments from attendees and forward those to Jocelyne prior to the April 9th regular meeting, at which the board will approve the plan.

Mr. Kreutzkamp attended from Cherokee Strip HOA Water System because he received notice about his property being within the 10-year Calculated Fix Radius of the View Ridge Heights Water System. Jocelyne explained the importance of protecting the aquifer from ground contamination since there are so many public and private wells within this radius. She explained that contaminants spilled on the ground would take approximately 10 years to reach the View Ridge Heights well based on the current pumping rates.

Public Hearing adjourned at 1:45 p.m.

Business Meeting began at 1:46 p.m.

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CONSENT AGENDA

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

The minutes of the March 5, 2013 regular meeting.

Payroll warrants #105974-105980 in the amount of \$ 74,758.15; Accounts Payable warrants #105931-105973 \$ 66,654.31 for a total vouchers amount of \$141,412.46.

Karl made a motion to approve the consent agenda as presented; Ron seconded the motion. Jack was absent from voting. Motion carried.

PUBLIC COMMENTS

No public was in attendance for the business meeting.

BUSINESS AGENDA

RPA No. 92- Steel Bid for Skokomish Substation

Karl made a motion to approve RPA No. 92 to accept the steel bid for the Skokomish Substation project; Ron seconded the motion. Jack was absent from voting. Motion carried.

RPA No. 93- Canal Mutual Materials Purchase

Karl made a motion to approve RPA No. 93 to accept the bid for Canal Mutual Project materials purchase; Ron seconded the motion. Jack was absent from voting. Motion carried.

RPA No. 94- Skokomish Substation Construction

Karl made a motion to approve RPA No. 94 to accept the bid for construction for the Skokomish Substation project; Ron seconded the motion. Jack was absent from voting. Motion carried.

Resolution No. 1037- Bid Award for Skokomish Substation Labor Contract

Karl made a motion to approve Resolution No. 1037 to award the bid for Skokomish substation labor to Potelco, Inc.; Ron seconded the motion. Jack was absent. Motion carried.

2012 End of Year Financials for Water & Electric

Greg presented the stats for electric service for the year end closing of 2012 and explained specific line items. Water debt owed to electric is now under half a million dollars. They just made a large payment to reimburse electric, paying over \$700,000 back this year. Greg went over the income statements and balance sheets for water and electric.

CORRESPONDENCE:

No correspondence.

GENERAL MANAGER'S REPORT- Steve Taylor

Steve presented the Jan/Feb 2013 Strategic Plan update. Steve gave an update on the policy committee work yesterday. He also reported on electric crews for Tracy. Crews have been working in the valley to make sure that when it is time to make the switch from the old substation to the new

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substation that everything is ready. Steve was asked to go with NWPPA to Washington, D.C. in April by the NWPPA CEO and he asked the board for authorization for that travel. This travel would be in place of the budgeted NWPPA energy and operations conference and annual meetings that he was originally scheduled to attend. Steve was authorized to travel to D.C. with NWPPA.

STAFF REPORTS

Tracy Colard:

Tracy was excused from the meeting.

Jocelyne Gray:

This Thursday the Hood Canal Intertie Project and Canal Mutual labor and small materials will go out for bid. Receiving quotes for generators for Union Heights booster station. The first bid has come in at \$27,000. No decision about solutions for Union Heights was made.

Greg Kester:

Greg had no additional report.

Kristin Masteller:

Working with WPUDA and NWPPA on the communications committee and NWWH. Both groups are working on improving their purposes and functions. The quarterly newsletter will be out at the end of the month.

Rob Johnson:

Rob was contacted by Mrs. Menig regarding the easement access to Well 3 at Canal Mutual. Rob gave her some options for renegotiating the easement that would move the access road to an equal or better location if the property sold and this can be recorded at no cost to the District. Rob will continue to work on negotiating a proposal.

BOARD REPORTS/COMMENTS

Karl: Trip to DC was very successful and legislation was dropped on the tax free bonds and the derivative issue while they were there. A lot of support for hydropower was shown.

Ron: NWPPA magazine had Cushman hydro as their feature article.

Jack: Nothing to report.

At 3:07 p.m. Ron called an executive session to discuss threatened or potential litigation in accordance with RCW 42.30.110-1(i). He stated the session would last until 3:12 p.m.

At 3:12 p.m. Ron reconvened the regular session. There was no further business.

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Meeting Adjourned at 3:13 p.m.

Ron Gold, President

Karl Denison, Vice President

Jack Janda, Secretary