

Mason County PUD 1
Board of Commissioners Regular Meeting
April 9, 2013

The regular 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 April 9, 2013 at the District Office Board Room in Potlatch.

Present

Ron Gold- President
Karl Denison- Vice President
Jack Janda- Board Secretary
Steve Taylor- General Manager
Tracy Colard- Director of Ops- Electric
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

Marcus Perry, BPA

CONSENT AGENDA

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

The minutes of the March 19, 2013 public hearing and special meeting.

Payroll warrants #106001-106008 in the amount of \$ 77,040.12; Accounts Payable warrants #105981-106000 \$ 376,041.55 and #106009-106093 \$ 117,865.50; Voided warrants #106012 (\$39.12), #105982 (\$396.73), #106016 (\$466.80) for a total vouchers amount of \$570,947.17.

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

PUBLIC COMMENTS

No public was in attendance for the business meeting. Marcus from BPA was welcomed.

BUSINESS AGENDA

Marcus Perry, BPA- Rate Methodology Presentation

Marcus presented the rate impact model (RIM) and other slides to demonstrate how the tiered rates are designed for utilities in an effort to help define how Mason PUD 1's power rates are estimated and determined by BPA.

Columbia River Power Treaty Group

Karl made a motion to agree to have our utility listed independently as a member of the Columbia River Treaty Power Group; Jack seconded the motion. It passed unanimously.

Approval of View Ridge Heights WSP- Part B

Jocelyne said that the View Ridge Heights homeowners did not respond to her with any comments following their HOA meeting. One individual did send a lengthy email to Jocelyne and was not supportive of many items on the construction plan for that system since it is ran by the District differently than the way it was by citizens several years ago. We have different regulations that we

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must adhere to and the way the system functions now has to be different to be compliant with state and federal standards. Jocelyne will submit the customer's comments with the plan to the State.

Jack made a motion to approve the View Ridge Heights Water System Plan- Part B as presented; Karl seconded the motion. It passed unanimously.

Policy Committee Recommendations for Changes to Water Policy

These changes to water policy make it more consistent with current operating procedures and mirror the fees and terms outlined in the electric service policy.

Jack made a motion to accept the policy committee's changes to the Water Service Policy documents as presented; Karl seconded the motion. It passed unanimously.

RPA No. 95- Replace Digger Derrick

Jack made a motion to approve RPA No. 95 in the amount of \$292,657.00, plus sales tax; Karl seconded the motion. It passed unanimously.

Steve and Tracy will inquire regarding Chelan's battery converted Digger Derricks with the shut off feature.

RPA No. 96- Replace Water Service Truck

This is replacement for a truck that has high mileage and maintenance costs.

Jack made a motion to approve RPA No. 96 in the amount of \$55,502.00, plus sales tax; Karl seconded the motion. It passed unanimously.

Coliform Triggered Source Monitoring Discussion

Since wholesale sales don't apply to Mason 1, this discussion is not relevant anymore.

RUS Form 7

Greg shared a copy of RUS Form 7, which contains the same stats and figures that Greg shared last month with the monthly iVUE stat reports.

Claim for Damages

Jack made a motion to approve the Claim for Damages filed by John E. Smith in the amount of \$1,000; Karl seconded the motion. It passed unanimously.

Greg will just pay this out of general funds and not submit it to the insurance company.

CORRESPONDENCE:

No correspondence.

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GENERAL MANAGER'S REPORT- Steve Taylor

Steve attended the PPC meeting and suggested the Board look at the settlement proposal that's on their website and the oversupply issues. Mason 3 contacted Steve to inform him about them working with AT&T to provide fiber on cell towers in Union. They're not sure if they received the bid yet or not. This may cause issues between PUD 3 and Hood Canal Communications, with whom we have a great working relationship. It's all preliminary now at this point. The issue is out of our control, but we do also need to examine our long-term position to see if our customers and the utility can benefit down the road from this infrastructure. We can't deny them access to connect to our poles. We have a neutral stance right now. Steve has also been talking with Tim Sheldon about accessing or using the property to the north, including the exempt well on his rental property.

STAFF REPORTS

Tracy Colard:

Started construction yesterday on new substation. Working on erosion control this week. Ryan McMaster will be here more often in a few weeks. He will be working remotely in this area and part of his time will be billed to us but also to other utilities for which he is working. Getting quotes for the LTC in the Union substation.

Jocelyne Gray:

Karl requested several years' of water use data at a previous meeting. Jocelyne went back to examine distribution leakage from 2007 to present. The distribution system 3-year rolling average is the one that the State reviews and expects us to try to meet the 10% or less leakage goals, or have action plans in place to reduce leakage. She gave some calculations to fix the leakage on our highest leakage system, Lake Arrowhead. The costs to make the improvements are prohibitive and would not be financially affordable for the customers. Attended the WPUDA water committee meeting. Office of Drinking water representative addressed the group regarding formatting of reports and inconsistencies in reporting requirements. Continue to work with Ecology and Mason County on exempt wells within existing water systems.

Greg Kester:

Greg went over some of the highlights of the WPAG meeting and responded to questions from the board. Met with Pleasant Harbor Marina & Resort this morning and discussed conservation opportunities. Their first project is to remodel the marina grocery store so we're looking at lighting and design work for the fall of this year.

Kristin Masteller:

Accepting applications until Friday for the temporary positions. Kristin will attend the Lilliwaup Community Club potluck this Thursday to talk about upcoming PUD projects this summer. Monday is our Union town hall meeting at 6:00 p.m.

Rob Johnson:

No report.

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BOARD REPORTS/COMMENTS

Karl:

No report.

Ron:

Attended Wyla Wood's retirement party on March 31st. It was very well attended by industry professionals and local public agencies.

Jack:

Columbia Generation Station will have an outage beginning in May and running through the middle of June.

Meeting Adjourned at 3:47 p.m.

Ron Gold, President

Karl Denison, Vice President

Jack Janda, Secretary