

**Mason County PUD 1
Board of Commissioners Regular Meeting
May 14, 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 May 14, 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
Kristin Masteller- Dir. of Employee & Public Relations
Jocelyne Gray- Director of Ops-Water
Kristin French- District Legal Counsel

Visitors

No visitors present.

Excused

Greg Kester- District Auditor & Dir. of Finance/Customer Svc.

CONSENT AGENDA

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

The minutes of the April 9, 2013 regular meeting.

Payroll warrants #106103-106109 in the amount of \$ 76,189.03; Accounts Payable warrants #106094-106102 \$6,320.83 and #106110-106147 \$349,108.45; Voided warrants #105917 (\$550.62), #105931 (\$375.00), #106092 (\$1,500.00), #106039 (\$837.38) for a total vouchers amount of \$431,618.31.

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

PUBLIC COMMENTS

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

BUSINESS AGENDA

Change Order for Hood Canal Intertie Project

As part of the 'Jobs Now' funding through the State, we are required to utilize contractors for the labor on this project because the funds are from a state loan. The presented change order shows a contractor performing the work that we had originally intended PUD employees to perform. Staff is asking for approval with the change order, pending an opinion from legal counsel on whether we are required to put this project back out to bid. There was discussion on if this should be put out to bid again.

Jack made a motion to authorize the change order for the Hood Canal Intertie Construction project in the amount of \$139,850.00, plus sales tax. After discussion with District legal counsel, Karl made a motion to negate the original motion and to bid out this portion of the project; Jack seconded the motion. It passed unanimously.

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Change Order for Canal Mutual Project Materials

Jocelyne presented a change order to change pipe and casing material for bore under the creek culvert to allow the contractor a choice on the boring method. The bid opening for the labor part of this project will occur Thursday.

Jack made a motion to authorize the change order for the Canal Mutual Project Materials in the amount of \$137,633.95, plus tax; Karl seconded the motion. It passed unanimously.

Discussion on Substation Security

Steve and Tracy will be talking with the Skokomish Tribe and Green Diamond to address limiting the access to the new substations. Remote area substations are typically not vandalized as frequently as the visible ones that are near the main roads. It is a topic that staff is discussing with the general contractor and other agencies.

Appoint 2013 Energy Northwest Representative

The board agreed that Jack would continue as the primary representative to Energy Northwest for 2013 and Karl as the alternate representative, just like 2012. Kristin will notify ENW.

Authorize the Manager to Sign Skokomish Tribe Access Permit

Steve presented a permit for ingress/egress access to along the tribal housing project property to be able to access our substation. We will eventually have a permanent utility easement to be able to install infrastructure along the road. Rob Johnson has been working with the Tribe's attorney to come to a fair agreement and he feels this is acceptable.

Karl made a motion to authorize the manager to sign the Skokomish Tribe Access Permit Agreement; Jack seconded the motion. It passed unanimously.

Public Records Training

This item was moved to the end of the meeting, where Kristin then gave a presentation on the public records act.

CORRESPONDENCE:

No correspondence.

GENERAL MANAGER'S REPORT- Steve Taylor

Steve gave an overview of his visit to Washington, D.C. with NWPPA. He also followed up with the board on two items they had asked for regarding line trucks and bond financing. Went to ENW's leadership assessment process to see how they assess their management team. The air quality was tested in both buildings in response to an employee's request and we should get the results back this week. Steve reviewed the March and April strategic plan highlights. Have been in discussions with Garth Mann regarding the Black Point development and investigating taking over the sewer and water systems.

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STAFF REPORTS

Tracy Colard:

Will start an in-house vegetation management crew next Monday with three temporary helpers and two linemen and they will work 4/10 shifts. This morning the bucket truck that was disabled due to engine problems was back in service. Potelco's subcontractor is doing a great job on the substation construction. BKL's engineer Ryan McMaster is leaving so Buz Ketchum will be taking over for Ryan. We had a planned outage yesterday morning to replace a pole that was damaged during a previous storm. The outage was much shorter than we anticipated. Mike Ferrier and crews have done a very good job of getting the Skokomish Substation ready for decommission. After the oil testing, we definitely need to do a planned outage to replace the oil at the Union substation before that sub goes down.

Jocelyne Gray:

Would like to schedule June 11th for our Hood Canal A&B Intertie Public Hearing to discuss the project and capital surcharges, which won't expire in 2016, but in 2032 instead. Last week Jocelyne went to the AWWA conference and attended some good classes on earthquake preparedness, directional drilling, and disaster preparedness.

Greg Kester:

Greg was excused from the meeting because he is attending a conservation seminar.

Kristin Masteller:

Kristin pointed out the two dates for the company picnic and customer appreciation BBQ that have been set. Have attended multiple public records trainings over the last few weeks through WAPRO and WPUDA and will be presenting recommendations to staff regarding some IT needs to bring us into compliance. Will be attending Northwest Wage & Hour this week.

Kristin French/Rob Johnson: Rob called in to the meeting to discuss the Hood Canal A&B Intertie project change order. It was decided that Jocelyne will put the Dalby Road work out for bid since we previously did not put that section out to bid. He stated that the scope of work itself hasn't changed, but the dollar amount of the scope of work has changed.

BOARD REPORTS/COMMENTS

Karl: Looking for a topic for an article for the next newsletter. Jack suggested more of the components that are affecting rates, such as the Columbia River Treaty and BPA challenges. Will be attending WPUDA strategic planning this week as well as the executive director's review.

Ron: Nothing to report.

Jack: Jack had a KMAS interview that went really well. He discussed the Columbia River Treaty issue. Also was approached by Hood Canal School to participate in their environmental fair this month. Kristin stated that she did call the woman back from the school and asked for more

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information on it for next year so the PUD could have more time to plan and attend. As a customer, Jack is taking advantage of the ductless heat pump program and says that it is a great program and that Kevin from PUD 3 is a great asset. He asked if staff could please relay that to PUD 3 management. Steve will let Greg know since Greg oversees the conservation program.

At 3:25 p.m. staff members and legal counsel were given the option to attend the records presentation or be excused. All three commissioners and Steven Taylor stayed for the records management presentation given by Kristin Masteller. Kristin French asked for a copy of the presentation and stated that she was available via email for any questions the group had on records management.

Meeting adjourned at 4:27 p.m.

Ron Gold, President

Karl Denison, Vice President

Jack Janda, Secretary