

**Mason County PUD 1  
Board of Commissioners Public Hearing & Regular Meeting  
June 11, 2013**

The public hearing 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 June 11, 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  
Kristin Masteller- Dir. of Employee & Public Relations  
Tracy Colard- Director of Ops- Electric  
Jocelyne Gray- Director of Ops-Water  
Rob Johnson- District Legal Counsel

**Visitors**

Helen Robel, Bruce Hobart, Lloyd Layman, Laura Scheele, Lawrence Willey, Mark Reddemann, Don Lincoln, Natalie Johnson, Dana Porter, Janet Anderson, Constance Ibsen, Lisa Caldwell

**Excused**

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

**PUBLIC HEARING- HOOD CANAL A&B INTERTIE PROJECT & RATE HEARING**

Ron opened the public hearing with the flag salute and introduction of visitors. Jocelyne described the major construction project occurring in Union to replace the water mains and intertie the two water systems into one Group A system, including the plan to decommission the wooden reservoir. She discussed the transition from flat to metered rates and gave examples of what those rates would look like under different water usage scenarios. Jocelyne also discussed the extension of the capital service charge. The monthly capital service charge will not be increasing due to this construction project, but the debt will be extended much longer than originally planned. Jocelyne took questions from the audience and then invited customers to contact her directly with additional questions or concerns. Per customer request, Jocelyne stated that she will look at doing some door hangers regarding potential water cloudiness due to the new meters being put in. At 1:29 p.m. the public hearing closed.

At 1:30 p.m. Ron opened the regular meeting and introduced guest speakers from Energy Northwest.

**ENERGY NORTHWEST (ENW) VISIT-**

ENW CEO Mark Reddemann gave a presentation at Mason 3 earlier in the day for which the PUD 1 commissioners attended. Laura Scheele, Larry Willey and Mark answered questions from the commissioners on ENW projects and challenges that they've been facing as an organization. ENW asked the commission and staff to notify them of opportunities they can identify to work together to better manage projects and programs and also ways that ENW can be of better service to its member utilities.

**CONSENT AGENDA**

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

The minutes of the May 28, 2013 regular meeting.

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Payroll warrants #106307-106317 in the amount of \$93,807.64; Accounts Payable warrants #106297-106306 in the amount of \$24,536.20 and #106318-106391 in the amount of \$91,363.70 and Voided warrants 106165 (\$54.32); 106194 (\$2981.15); 106331 (\$54.32); 106332 (\$8.30); 106333 (\$5.76); 106334 (\$158.34); 106335 (\$61.87); 104531 (\$39.12); 104554 (\$42.37); 104661 (\$97.75); 104876 (\$15.26); 105001 (\$19.56); 104662 (\$5.76); 104665 (\$61.87); 104869 (\$54.32); 104870 (\$8.30); 105446 (\$158.34); 106200 (\$35.80) for a total vouchers amount of \$209,707.54.

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

**PUBLIC COMMENTS**

No additional public comment.

**BUSINESS AGENDA**

**Customer Request Regarding System Development Fee (SDF) Policy**

Lisa Caldwell requested that we revisit the SDF policy because she said that the cost to reconnect the disconnected service is prohibitive, even in payment installments. Jack informed Ms. Caldwell and the board that the policy committee briefly discussed this issue at the last meeting and that it will require much more research and dialogue between staff and the committee before it goes to board for a decision. There are several factors involved in determining a fair and equitable way to administer installments including determining if our existing accounting system can track and administer it, not to mention the legal aspect of the matter, which Rob is considering. It will be added to the next policy meeting agenda for July. Kristin will contact Ms. Caldwell the next time that it's added to the public board meeting agenda for discussion.

**Voting Delegate for APPA National Conference**

Jack made a motion to authorize Ron Gold to be Mason County PUD No. 1's voting alternate for the 2013 APPA National Conference in Karl Denison's absence; Karl seconded the motion. It passed unanimously.

**Renewal of Employee Assistance Program Contract with the State of Washington**

Kristin stated that it is time to renew the bi-annual contract with the State to provide EAP services for our employees. The cost has increased from .88 cents/employee/month to \$1.00/employee/month. It's still significantly lower than the District can obtain services with other private providers.

Karl made a motion to authorize the manager to sign the two year agreement with the State of Washington's Department of Enterprise Services to administer our Employee Assistance Program services; Jack seconded the motion. It passed unanimously.

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**Change Order No. 1 for Hood Canal A&B Intertie Project**

Jocelyne stated that after working on the site, they have decided to eliminate a bore on SR 106 that they have determined is not needed. This change order will reduce project costs by \$3,222.

Jack made a motion to approve Change Order No. 1 for the Hood Canal Intertie Project, which reduces the project costs by \$3,222.00, leaving the current contract price at \$277,168.00, plus tax; Karl seconded the motion. It passed unanimously.

**RPA No. 101- Stormwater Design and Infiltration Testing for New Pole Yard**

The infiltration testing and stormwater design are required by Mason County for the Forest Practice Permit for the new pole yard. Golder Associates was selected through the Engineering Services selection process.

Karl made a motion to approve RPA No. 101 for stormwater design and infiltration testing for the new pole yard, not to exceed \$20,500, including tax; Jack seconded the motion. It passed unanimously.

**Resolution No. 1039- Adopting a New Large Load Policy- Power Costs**

After discussion on what the contracts would consist of, it was decided that this item will be revisited at the next meeting after Terry Mundorf's meeting with Rob. Kristin sent out the latest final draft of the resolution in Word format to the board, Steve and Rob for additional comments and edits.

**CORRESPONDENCE:**

No correspondence.

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

Steve reported on the PPC membership meeting and the Northwest's fight against regional control by FERC.

He and Rob Johnson will be at the Water Law Conference June 24<sup>th</sup> and 25<sup>th</sup> so they will be absent from the next board meeting.

**STAFF REPORTS**

**Tracy Colard:**

Tracy joined the meeting at 2:30 p.m. He gave an update on the substation construction; steel is expected to be delivered June 20<sup>th</sup>.

The in-house brush crew is doing amazing work. They will head north of Lilliwaup next week.

**Jocelyne Gray:**

Hood Canal Intertie construction is progressing on SR 106 and meters are being installed throughout the rest of the water system. Bid opening for Dalby Road is Wednesday, June 12<sup>th</sup> at 10:00 am.

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Canal Mutual material is scheduled to be delivered this week. Some of the ductile iron pipe will be stored at the Ferguson shop until the contractor needs it in July. Jack requested a project update newsletter is sent to customers.

**Greg Kester:**

Greg was excused from the meeting.

**Kristin Masteller:**

Kristin reminded the board of the company picnic next Friday. The office will close at 1 p.m. and Greg will cover phones until 3:30 and we will turn them over to the answering service for the last 90 minutes. This will be published so customers are aware. Kristin was excused at 2:30 p.m.

**Rob Johnson:**

Rob will be at the Water Law Conference June 24<sup>th</sup> and 25<sup>th</sup> and will be excused from the June 25<sup>th</sup> meeting.

Jack requested the June 25<sup>th</sup> board meeting be held at 10:00 am. Rob reminded the board this would be a Special Meeting so all voted on items would have to be listed on the agenda that day. Also, Kristin French will not be present due to prior engagements at that time. The board set the June 25<sup>th</sup> meeting for 10:00 am.

**BOARD REPORTS/COMMENTS**

**Karl:** Nothing to report.

**Ron:** Ron will review APPA agenda this week to determine how he will vote at the National Conference.

**Jack:** Nothing else to report.

**Meeting adjourned at 3:25 p.m.**

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Ron Gold, President

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Karl Denison, Vice President

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Jack Janda, Secretary