

**Mason County PUD 1
Board of Commissioners Special Meeting
June 25, 2013**

The special meeting of the Board of Commissioners Meeting of Public Utility District No. 1 of Mason County was called to order at 10:00 a.m. on June 25, 2013 at the District Office Board Room in Potlatch.

Present

Ron Gold- President
Karl Denison- Vice President
Jack Janda- Board Secretary
Greg Kester- District Auditor & Dir. of Finance/Customer Svc.
Kristin Masteller- Dir. of Employee & Public Relations
Jocelyne Gray- Director of Ops-Water

Visitors

Summer Blaze, Customer

Excused

Steve Taylor- General Manager
Rob Johnson- District Legal Counsel
Tracy Colard- Director of Ops- Electric

CONSENT AGENDA

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

The minutes of the June 11, 2013 regular meeting and public hearing.

Payroll warrants #106402-106407 in the amount of \$ 10,014.97 and #106408-106411 in the amount of \$68,735.51; Accounts Payable warrants #106392-106401 \$317,106.32 and #106412-106453 \$270,603.34; and Voids #106394 (\$237,496.62), #105441 (\$23.50) and #105442 (\$71.04) for a total vouchers amount of \$666,460.14.

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

PUBLIC COMMENTS

Summer Blaze was welcomed to the meeting.

BUSINESS AGENDA

Customer Complaint on Bill

Ms. Blaze stated that she is disabled and has a limited utility budget. She contacted the manager because she wanted to find out if there was an error with her meter because she feels her bills show a higher consumption than what she feels she has used. Steve Taylor came to her house and checked out the meter. He reported that it was working correctly.

Ms. Blaze stated that she was still not convinced that the usage is correct and she was unhappy with how the manager spoke to her. She stated that she added an air conditioner but had not used the wall heaters and claimed that she should not have higher usage because she is not using much electricity. She said she has a large open house with large windows but only basic appliances. Ms. Blaze would like assistance to determine what the problem is on her end regarding the higher power consumption and stated that she is not asking the commission to reverse her billing charges.

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Kristin will email her a link to purchase a Kill-o-Watt Detector and Jack suggested that she bring her account into good standing with a good payment history so that she will be able to join the budget payment plan. Karl suggested using a timer on her hot water tank as well to reduce the usage. The commission said they would speak with the manager on this matter and she would be contacted by the next meeting.

April 2013 Financials for Water & Electric

Greg presented the income statement and balance sheet for the electric department for April 2013. Revenues are down somewhat from last year. Overall, we're pretty consistent with last year, although Operation & Maintenance costs differ due to the tree trimming last year. Greg provided statistical reports that show how much power we sold to date. Load loss is about 10% and we've had no growth over the last 12 months. For water revenues, they're steady and show hardly any growth in the last year. Water connections have been allocated, but mainly to vacant lots. Karl asked for a graph of our kWh consumption and sales over a 13 month period. Greg said that he could provide that.

Review of WPAG Meeting Discussion Regarding Demand Charges

Greg gave some highlights of the WPAG meeting that he and Steve attended last week on BPA's tiered rate methodology. He explained what the contract and rate high water marks are, the TOCA, how our demand charges are calculated.

CORRESPONDENCE:

No correspondence.

GENERAL MANAGER'S REPORT- Steve Taylor

Steve was excused from the meeting.

STAFF REPORTS

Tracy Colard:

Tracy was excused from the meeting.

Jocelyne Gray:

Jocelyne stated that we sent out postcards stating that our consumer confidence reports are going electronic. About 135 customers still want hard copies mailed to their homes. Otherwise, the reports will only be uploaded in pdf format onto our website starting next year.

With the budget issues, the low interest loan funding for Hood Canal Intertie project will disappear if it is not included in this next budget through the Public Works Trust Fund. We were already awarded this funding and have begun construction on the project. The Canal Mutual grant has been re-appropriated. We need them to continue funding at least the existing projects that are currently under construction. If we do not have a budget approved by June 30th, we will have to halt construction until the budget is approved, even for Canal Mutual because the partial government shutdown will not allow us to be reimbursed for costs through the grant. The commissioners agreed

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to contact our representatives and Tim Sheldon to ask that existing projects continue to be funded in the next budget.

Jocelyne is continuing to work with Rob on the Holiday View Two acquisition paperwork.

Greg Kester:

Greg sent out RFP's for lines of credit and has received two responses so far. He will bring the responses to the board at the next meeting for discussion. The tax exempt bond market has increased the last two weeks and we should wait for the refunding of RUS debt at this time.

Kristin Masteller:

Kristin gave a presentation at the WPUDA communicators meeting a couple weeks ago in Leavenworth.

Rob Johnson:

Rob was excused from the meeting.

BOARD REPORTS/COMMENTS

Karl: No report.

Ron: Attended the APPA National Convention last week in Nashville and said that it was very informative and interesting. They had great speakers and Ron was able to network with a lot of other utility commissioners and managers. Ron brought back copies of APPA documents that he offered to share if anyone was interested.

Jack: No report.

Meeting adjourned at 12:15 p.m.

Ron Gold, President

Karl Denison, Vice President

Jack Janda, Secretary