

Mason County PUD 1
Board of Commissioners Meeting
August 28, 2012

The regular Board of Commissioners Meeting of Public Utility District No. 1 of Mason County was called to order at 1:00 p.m. on August 28, 2012 at the District Office Board Room in Potlatch.

Present

Ron Gold – Secretary
Karl Denison- Vice President
Jack Janda – President
Steve Taylor, General Manager
Jocelyne Gray- Director of Operations-Water
Tracy Colard- Director of Ops- Electric
Greg Kester - Auditor/Dir. of Finance & Customer Service
Kristin Masteller- HR/Communications/Exec. Asst.
Rob Johnson – District Counsel

Visitors

George Caan, WPUDA

CONSENT AGENDA

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

The minutes of the August 14, 2012 regular meeting.

Payroll warrants #104972-104978 in the amount of \$90,579.36; Accounts Payable warrants #104979-105028 in the amount of \$130,726.77; Voided warrants #104203 (\$15.26), #104206 (\$23.09) and #104877 (\$23.09) for a total vouchers amount of \$221,306.13.

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

PUBLIC COMMENTS

George Caan was welcomed to the meeting.

BUSINESS AGENDA

George Caan- Executive Director, Washington PUD Association

George has been executive director at WPUDA now for 18 months. He discussed some accomplishments from the last 12 months, including the strategic planning process, internal accomplishments and membership. He then discussed some challenges regarding hydropower views and on the legislative front.

Northwest River Partners Clean Hydro Campaign

Steve presented the board with NWRP's request for contributions to their Clean Hydro campaign. Karl stated that this campaign falls in line with the District's and WPUDA's strategy for promoting clean hydropower. Ron stated that this also will address the impact that the Columbia River system has on economy as well as the efforts to mitigate negative impacts and restore fish runs. He stated it

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is a good forum to demonstrate what benefits hydroelectric power brings to America through irrigation, food systems, transportations, etc.

Karl made a motion to approve a contribution to Northwest River Partner's Clean Hydro education campaign for the first year of the campaign only in the amount of \$1,140.00; Ron seconded the motion. It passed unanimously.

It was noted that the board would reevaluate the benefits and effectiveness of the campaign before they decide to contribute again over the next two years of the campaign.

Doxo Agreement

Greg presented a contract to the board that would allow the company Doxo to become a provider of e-bill payment services for the District. Bills and inserts are directly emailed to our customers but it does not cost our customers any money to sign up. This is part of our effort to push for more paperless billing.

Karl made a motion to allow the auditor to sign the Doxo contract; Ron seconded the motion. It passed unanimously.

Green Diamond Agreement

Steve updated the board on the status of the discussion with Green Diamond regarding their proposed development in Union. It is a large piece of property that they own next to the Alderbrook service area. Rob and Steve are negotiating this agreement with them to allow us to be their water purveyor as they develop the properties at their own expense to include water system infrastructure and improvements to our own system to be able to serve them. This gives them clout with the Department of Ecology to move the sale of this development forward as developable properties.

There is also a potential for cluster sewer systems, for which we can have first right to own and operate them. The board told Steve and Rob that they would like there to be a clause that would not prohibit us from serving another development if Green Diamond's developers took a long time to move on the development. Steve will find out how many available connections are on that system and then the length of development time for Green Diamond may become moot if we have the capacity to serve other developers as well.

CORRESPONDENCE:

There was no correspondence.

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June 2012 Financials for Water & Electric

Greg presented the June financials for water and electric. Greg noted that our meter reading expenses have decreased by 55% this year. The income statement is looking good for the water department.

GENERAL MANAGER'S REPORT- Steve Taylor

Steve attended the WPAG retreat in Ellensburg last week. He gained a historical prospective on the history of preference and its intended purpose. We will have to do another extension on the Daily property due to a title issue with a refinance company that has gone out of business. Will also look at the value of the Helms' property, where we have the well covenant, to see what the appraisal value is for that and if it would be advantageous to purchase it outright instead of leasing access to it.

STAFF REPORTS

Tracy Colard:

Tracy reported that he is still battling with the State to rebuild the section of line on 106. The issue is that they sent a form down to our contracted engineering firm for them to insert information and no one at either agency knows how to complete the information. It comes down to a guard rail issue and the District is not interested in installing and maintaining a guard rail on that highway. The highway will not hold a guard rail due to the ground and terrain.

Operations had a safety meeting yesterday for pole top rescue. Defensive Driving is scheduled for October 17th. There will be an 8:00 a.m. and 10:00 a.m. session. Federated Insurance did a safety inspection on our facilities and one substation. We have some housekeeping issues for the warehouses that need to be addressed. Last Friday morning BPA had their scheduled outage and we took advantage of that to perform some maintenance at the Hoodspport substation. Tracy said that the crew did a great job that night.

Jocelyne Gray:

Jocelyne is out on FMLA this week. Steve reported that the Agate Beach well failed over the weekend. There was a bad electrical line from the house to the well which was repaired. They were on a boil notice for two days. We also had a main break at Pirate's Cove which was repaired over the weekend. Canal Mutual paperwork is at the County and the County has questions on some of the permits needed. Steve is working on scheduling a meeting with Jocelyne and the County this week to address the questions and try to move the project forward. The grant contract from the State will not arrive until September.

Greg Kester:

Greg reported that our four week State audit will begin tomorrow.

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Kristin Masteller:

Kristin reported that she developed a quick facts brochure for realtors to provide to renters & new homeowners so that the new residents are aware that there is a deposit required to start service with the District. Jack asked to change the time of the strategic planning meeting. The meeting will now start at 9:00 a.m. with breakfast being served at 8:30 a.m. Kristin has been assisting the water department with scanning old water maps so we have them digitally and working on water recruitment packets.

Rob Johnson:

Rob was excused from the meeting at 3:15. He had no report other than the Green Diamond discussion.

BOARD REPORTS/COMMENTS

Karl: Karl stated that he is looking forward to the September WPUDA meeting in Ellensburg. He also thanked George for being at the meeting today.

Ron: No report.

Jack: Jack went over some notes from PPC and he gave a review of the discussion on some possible white findings with the nuclear regulatory commission related to some historical items in the 1990's that ENW self-reported.

Meeting Adjourned at 4:00 p.m.

Jack Janda – President

Karl Denison - Vice President

Ron Gold – Secretary