

Mason County PUD 1
Board of Commissioners Meeting
September 11, 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 September 11, 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 - **EXCUSED**
Kristin Masteller- HR/Communications/Exec. Asst.
Rob Johnson – District Counsel

Visitors

Eric Schallon, Green Diamond
Mike Pruitt, Green Diamond
Joe Brogan, Foster Pepper
Eric Marchegiani RUS
Mark Carlson, Realtor

CONSENT AGENDA

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

The minutes of the August 28, 2012 regular meeting.

Payroll warrants #105031-105039 in the amount of \$99,548.73; Accounts Payable warrants #105029-105030 in the amount of \$2,707.97 and #105040-105106 in the amount of \$99,344.13; for a total vouchers amount of \$201,600.83.

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

PUBLIC COMMENTS

All visitors were welcomed to the meeting. Comments saved for agenda item discussions.

BUSINESS AGENDA

Visit from Eric Marchegiani, P.E. Rural Utility Services- Electric Program

Eric discussed past deficiencies that were remedied and praised the progress and improvements made over the years to the electrical system. He encouraged the board to continue to make improvements to the system and noted that his RUS audit report reflects that he feels that the PUD is doing a great job.

Eric also discussed some environmental requirements that are nearing. The environmental reviews are taking RUS a lot longer to process than normal- especially for new development and will impact costs and scheduling.

Agreement with Green Diamond

Mike Pruitt gave an overview of Green Diamond's land management division strategy. Water rights security for cluster development is a key component to the development of this designated land. Joe

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Brogan of Foster Pepper discussed how the agreements terms have been structured. They have changed the contract language to two year renewable terms that give Green Diamond the first right of refusal but allow the District to conduct its business with other developers if needed. Jocelyne will let the board know how many connections were allocated to North Forty in the Alderbrook water system plan. Rob discussed his position on the agreement and the board will review the changes that Joe Brogan brought forward and make a decision on the 25th of the month.

Discussion on Fiber Optic Service in Brinnon

Per Jack's request, Steve reported that staff did their due diligence and researched all the options for Mr. Bolt, a customer in Brinnon who cannot get fiber optic service due to his location. Kristin stated that she researched and spoke with the area's providers, mailed Mr. Bolt a list of providers with contact names and numbers and then followed up with a phone call to see if he had found any success. He has not. At this time, the District does not provide fiber services and is not able to assist Mr. Bolt.

House Bill 1010 Draft Resource Plan

Steve presented the resource plan report that the District submitted to comply with House Bill 1010 for commissioner review and approval. Karl made a motion to approve the resource plan filing for House Bill 1010 as presented; Ron seconded the motion. It passed unanimously.

CORRESPONDENCE:

Steve discussed a meeting registration, a PUD joint press release, and a message from NWRP regarding the clean hydro campaign.

GENERAL MANAGER'S REPORT- Steve Taylor

Steve attended the NWPPA board meeting in Anchorage and he discussed some highlights from that meeting.

Steve presented the agreement with the Department of Health for the Canal Mutual project. Jocelyne gave an update on the new round of permits that the county is now requiring. Rob stated that we need to ensure that we have an exit clause with any contractor in the event that the legislature pulls the funding in 2013.

Ron made a motion to authorize the manager to sign the agreement with DOH for the Canal Mutual water system improvements; Karl seconded the motion. It passed unanimously.

Steve, Ron and Tim Sheldon went to Don Cady's property east of Lilliwaup to evaluate production of hydropower. It is still very expensive but Steve will ask Energy Northwest for a high level review on the feasibility and expected costs for something like that.

Steve gave a brief of the August strategic plan highlights.

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STAFF REPORTS

Tracy Colard:

Nothing new to report. Karl stated that there are trespassers going past the barricades on Manzanita. Tracy is aware of it and will remedy the situation.

Jocelyne Gray:

Hood Canal B was on temporary chlorination last week. The occupants at the hot tub cabins on Hwy. 106 had a sewer overflow so the State had us chlorinate and take samples for a couple days just to be safe.

Greg Kester:

Greg had an excused absence from the meeting.

Kristin Masteller:

Kristin started an email listserv and will advertise in newsletter. Publicizing public power week and customer appreciation event. Representative from Senator Patty Murray's office will attend along with a representative from the Governor's office. Will have packets ready at the strategic planning meeting tomorrow at Alderbrook. Attended the WPUDA records symposium last week and it was very valuable; will attend the NWPPA communications conference in Idaho next week where Mason 1 is up for an award for our communications efforts. Social media is following is picking up a bit.

Rob Johnson:

Going to Spokane the first week of October to learn about utility electrical system operations. Going to APPA legal seminar in Washington, D.C.

BOARD REPORTS/COMMENTS

Karl: Attended PPC last week and gave some highlights of the discussions held at that meeting.

Ron: No report.

Jack: Jack discussed some new management and cultural changes at ENW.

Jack called an Executive Session at 3:25 p.m. in accordance with RCW 42.30.110(b) to discuss the purchase and acquisition of real estate. He stated that the executive session will end and the regular session will resume at 3:35 p.m.

At 3:35 p.m. Jack stated that the executive session will continue for 10 more minutes and the regular session will resume at 3:45 p.m. The Executive Session ended at 3:45 p.m.

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Meeting Adjourned at 3:45 p.m.

Jack Janda – President

Karl Denison - Vice President

Ron Gold – Secretary