

Mason County PUD 1  
Board of Commissioners Meeting  
September 25, 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 25, 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**

No visitors.

**CONSENT AGENDA**

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

The minutes of the September 11, 2012 regular meeting and the September 12, 2012 special meeting.

Payroll warrants #105107-105113 in the amount of \$71,479.59; Accounts Payable warrants #105114-105173 in the amount of \$386,169.24 for a total vouchers amount of \$457,648.83.

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

**PUBLIC COMMENTS**

There were no visitors.

**BUSINESS AGENDA**

**Approval for Manager to sign Green Diamond/Alderbrook Contract for Water Services**

Karl spoke with Rick Verbanse from Alderbrook and let him know about the District's plans to enter into an agreement with Green Diamond for water rights for development. Jack wanted to ensure that we documented that this conversation has been made public and discussed in the last three regular meetings. Karl also stated that if we have any long term plans to replace electric lines or water pipe, we should coordinate it with Alderbrook since they are planning to re-pave the roads in the community. Jack stated that this partnership with Green Diamond meets our PUD objective to grow our water system and improve our economy of scale.

Ron made a motion for the manager to sign the contract with Green Diamond for water service in Alderbrook; Karl seconded the motion. It passed unanimously.

Mason County PUD 1  
Board of Commissioners Meeting  
September 25, 2012

**Resolution No. 1033- Approval of Items for Surplus**

This resolution was tabled for a future meeting.

**Approval for Manager to sign Agreement with Williams Group for Web Services**

Kristin and Rob worked with the Williams Group to draft a contract outlining their professional services they will provide to the District for web services and also stipulate how to end the term of the agreement to protect the continuity of the District's online presence.

Ron made a motion to approve the manager to sign the Williams Group agreement; Karl seconded the motion. It passed unanimously.

**Presentation of RUS Report**

Steve presented the RUS report with the comments from Eric Marchegiani and noted that the 2013 strategic plan goal is to drop the number to under 7 for outages per customer. The board stated that they were pleased with the good report and the improvements that have been made.

**Approval of Revision to Governance Policy**

Kristin gave the board a copy of the policy with the addition of "to protect the interest of our ratepayers" in the purpose category.

Karl made a motion to approve the Governance Policy revision as presented; Ron seconded the motion. It passed unanimously.

**Approval of Revision to Policy No. 403- Paydays**

The policy was re-worded to reflect the language in the collective bargaining agreement. The old language contradicted the actual pay date if the pay period ended on a weekend or holiday. The new language is the current practice and agreement with the union.

Ron made a motion to approve the Policy No. 403 revision as presented; Karl seconded the motion. It passed unanimously.

**Approval of Nomination of Jordan Crossan for WPUDA Walkley Scholarship**

Martin Crossan nominated Jordan for the WPUDA scholarship. Staff asked the board to approve the nomination so it could be forwarded to WPUDA for consideration.

Ron made a motion to approve Jordan Crossan's nomination for the WPUDA Walkley Scholarship; Karl seconded the motion. It passed unanimously.

**CORRESPONDENCE:**

There was no correspondence.

Page 2

Regular Mtg.-Potlatch  
September 25, 2012

Mason County PUD 1  
Board of Commissioners Meeting  
September 25, 2012

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

Since the last meeting, Steve took some PTO for family time. Been busy with the two strategic planning meetings and getting ready for the manager review in October.

**STAFF REPORTS**

**Tracy Colard:**

Had another safety meeting yesterday but no program, due to lack of meeting space so we will double up the program at the end of October. Moved the concrete barrier blocks in Union to prevent vehicle trespassing by brush pickers.

**Jocelyne Gray:**

Continuing permitting for Canal Mutual grant. Attending a webinar tomorrow with the Department of Health grant manager. Highland Park water system plan received comments from the DOH and we submitted them last week. State will review them and then hopefully approve this water system plan. Union water system plan was also approved this year. Working on responses to comments on WSP-Part A. WRIA will resume in November.

**Greg Kester:**

Greg had an excused absence from the meeting.

**Kristin Masteller:**

Finishing strategic plan goals and will have the 2013 document ready for approval at the next board meeting. Attended the NWPPA communicator's conference and got some ideas on how to promote paperless billing, and also some ways to reach out to the community. Will attend the WPUDA Administrative workshops next week and finalize preparations for the customer appreciation BBQ on Friday. Gathering manager evaluation meeting materials and will get those sent out over the next week and half to the board for their review. Working with the NWWH steering committee on the annual NWWH meeting next month.

**Rob Johnson:**

Rob spoke of a new trend in sealed bid submittals in regards to "standard conditions" that people are inserting into their bids, which should actually be treated as non-responsive. Rob gave an update on the title issue on the Daily property.

Ron made a motion to authorize the manager and legal counsel to move forward on the closing of the Daily transaction, with the proposed exception to the title policy for an existing deed of trust where the request for reconveyance has been lost; Karl seconded the motion. It passed unanimously.

**BOARD REPORTS/COMMENTS**

Mason County PUD 1  
Board of Commissioners Meeting  
September 25, 2012

**Karl:** Had a good WPUDA meeting in Ellensburg and asked about other PUD's reserve and cash-on-hand policies. It was varied across the board. Jack shared the cash on hand figures out of the Sourcebook.

**Ron:** No report.

**Jack:** Jack asked Rob to clarify what he as a citizen is allowed to lobby for and what rights the board has to support initiatives that benefit the goals of public power. Jack asked staff to draft a resolution to support the Thurston County PUD initiative, specifically the expansion of public power in the state of Washington for the citizen's benefit.

Jack also discussed the rate stabilization fund and how our reserves affect them. He asked Steve if Greg could present the WPUDA Sourcebook on the long term debt and net assets, and annual debt service, etc. Discussed the budget-pay program requirements and Jack asked if our policy met those requirements. Steve will ask Greg to address this as well and report back.

Jack called an Executive Session at 3:23 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 3:30 p.m.

The Executive Session ended at 3:30 p.m.

**Meeting Adjourned at 3:30 p.m.**

---

Jack Janda – President

---

Karl Denison - Vice President

---

Ron Gold – Secretary