

Mason County PUD 1
Board of Commissioners Special Meeting
October 1, 2013

Present

Ron Gold- President
Karl Denison- Vice President
Jack Janda- Board Secretary
Steve Taylor- General Manager
Tracy Colard- Director of Ops- Electric
Darin Hall- Electric Superintendent
Rob Johnson- District Legal Counsel
Kristin Masteller – Dir. of Employee & Public Relations
Jocelyne Gray – Director of Ops - Water
Julie Gray – Credit/Collections/Billing

Visitors

Mary Dallman

Excused

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

Special Meeting

The special meeting of the Board of Commissioners of Public Utility District No. 1 of Mason County was called to order at 1:00 p.m.

CONSENT AGENDA

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

The minutes of the September 24, 2013 regular meeting.

Accounts Payable warrants #106983-107023 \$78,242.37, Voids #107014 (\$17,325.00) for a total vouchers amount of \$60,917.37.

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

Visitors

Mary Dallman was welcomed to the meeting.

BUSINESS AGENDA

Approval of Write-Offs

Julie presented the list of write-offs for approval. The list is longer than usual. Most of these customers will pay their past due to have their power restored during cut off days. Karl asked that if we see an influx of medical marijuana growers, that we should revisit our deposit policy for those businesses since their bills are extremely high.

Jack made a motion to approve the write-offs as presented in the amount of \$20,731.68; Karl seconded the motion. It passed unanimously.

Change Order No. 4- Hood Canal Intertie

Jocelyne presented a change order from Kamin's contract for almost \$32,000. This portion will be transferred to Pape's contract, but we should save on the change order that will come from Pape.

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Karl made a motion to approve Change Order No. 4 in the amount of a reduction of \$31,965.00; Jack. Unanimously.

Change Order No. 7- Potelco

This is a change order because we bid this out. Instead of doing a new contract, we are just doing a change order because it is part of the total cost of this sub. It just happens that Potelco who built the substation, also won the commissioning bid. This is included in that second bid's scope of the work. Ron checked to make sure that we were not using a change order to avoid going out to bid and it was determined that was not the case in this change order.

Jack made a motion to approve Potelco Change Order No. 7 per the new scope of work in the amount of \$17,325.00; Karl seconded the motion. It passed unanimously.

Resolution No. 1039- Large Load Policy (Power Costs)

Steve stated that policy committee has been wrestling with this policy for a long time. Karl had concerns about the language concerning the buy-in for Tier 2 power, if the new load adversely affects the rest of our ratepayers by forcing the District to purchase Tier 2 power. He also noted that Alderbrook, which is one of our largest customers, doesn't even come close to qualifying as a large load under this policy. This is just to be prepared for any future large developments that may adversely impact the rest of our ratepayers. This policy doesn't set the rate, just defines the qualifiers as what constitutes a large load customer. The intent is to meld the first half megawatt if the cost of service does not adversely affect the utility.

Jack made a motion to approve Resolution No. 1039 and the policy defining the Large Load; Karl seconded the motion. It passed unanimously.

Water Policy- New Language Section 2.3.1(b)

Steve stated that this section adds the ability to pay the system development fee over a 24 month period. This would also allow the pay-as-you-go credit be transferred from a current customer to a new owner in the middle of the payment plan. The new owner would get credit for what was already paid. The policy will be updated on the policy folder on the server. This policy also applies for reconnection of water and payment of half the SDF.

Karl made a motion to approve Water Policy 2.3.1(b) as written; Jack seconded the motion. It passed unanimously.

CORRESPONDENCE:

Jocelyne shared a letter from a customer who was converting her residence to a bed and breakfast. Jocelyne assisted her with her application for the JARPA and shoreline permit. She was able to use the SEPA and JARPA from Jocelyne's Hood Canal Intertie project and that saved her a bunch of time and money. She was very grateful for Jocelyne's assistance.

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GENERAL MANAGER'S REPORT- Steve Taylor

Steve attended the WPUDA Water Workshop. Our staff gave reports also at the event. Attended the WPUDA Manager's Meeting on the Westside. Met the new managers and discussed common issues like call-outs, internal communications and training, morale building, and other issues. Pole attachments is the next issue for the policy committee to tackle. Steve brought up the buying power for Westside utilities and working together to purchase items that we all need in common. One of the utilities are putting kiosks for payments throughout their service territory that has live webchat capability as well.

STAFF REPORTS

Darin Hall: Darin is attending the superintendents' boot camp in Boise this week and then at Northwest Wage & Hour next week. Crews did a great job responding to all the smaller outages this weekend. Tracy stated that we were being double taxed on invoices by Potelco. We will get a check from them for just over \$52,000 due to their clerical error. Still on schedule for the middle of this month for energization. We are energized internally at this time.

This was Tracy's last board meeting since his retirement date is next Friday. Tracy expressed his appreciation for being able to work here for 10 years. The board thanked Tracy for his contributions to the utility and his labor relations and experience over the year.

After some feedback regarding communications with fire departments, Darin will do some outreach to the fire districts and then remind the crews too so that way the fire districts have good communication avenues regarding downed lines and arrival times.

Jocelyne Gray: Attended the water workshop as well last week. Gave a presentation on emergency planning and also the PUD projects that we're working on. Chelan also presented on emergency planning, and they recommended collaborating with the fire districts. Jocelyne also wants to reach out to Mason County for training and collaboration.

Having issues with the contractor and customer communications at Canal Mutual. The storms have been causing problems with road erosion this week and they will be putting more gravel down on the road until they pave next week. PUD 3 outages affected our water systems but didn't cause too much damage. Will be chlorinating Hood Canal A&B system until the Mason Ave. main line is replaced next year.

Greg Kester: Excused.

Kristin Masteller: The Customer Appreciation BBQ is Friday from 11 to 2. Kristin has some activities planned for public power week next week.

Rob Johnson: Ron's report was reserved for executive session.

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BOARD REPORTS/COMMENTS

Karl: The WPUDA water workshop was one of the best he had attended. Greg gave a great presentation on water rates. Had lunch with Kathy Haigh and she offered to arrange a meeting with the governor and WPUDA.

Ron: No report.

Jack: No report.

At 2:40 p.m. Ron called a five minute recess to follow by an Executive Session to discuss RCW – 42.30.110(g) to review the performance of a public employee. He stated the session would last 20 minutes. At 3:00 Ron closed the executive session. No further business was discussed.

Regular Meeting Adjourned at 3:00 p.m.

Ron Gold, President

Karl Denison, Vice President

Jack Janda, Secretary