

Mason County PUD 1  
Board of Commissioners Rate Workshop & Regular Meeting  
November 12th, 2013

**Present**

Ron Gold- President  
Karl Denison- Vice President  
Jack Janda- Board Secretary  
Steve Taylor- General Manager  
Greg Kester- Director of Finance & Customer Service  
Jocelyne Gray- Director of Operations- Water  
Kristin Masteller- Director of Employee & Public Relations  
Rob Johnson- District Legal Counsel

**Excused**

Darin Hall- Electric Superintendent

**Visitors**

None

**Special Meeting Water Rate Workshop-  
Public Comment-**

There were no public in attendance.

Ron opened the public hearing for the 2014 water rates at 1:00 p.m. Greg Kester presented a proposed rate increase of 3.25% and a proposal to consolidate the general fund. He will present a resolution at the next board meeting.

As no visitors were present and no further discussion needed, the public hearing closed at 1:05 p.m.

**Regular Business Meeting-**

The regular meeting of the Board of Commissioners of Public Utility District No. 1 of Mason County was called to order at 1:05 p.m.

**CONSENT AGENDA**

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

The minutes of the October 22, 2013 regular meeting, November 5, 2013 special meeting and November 8, 2013 special meeting;

Accounts Payable warrants #107117-107121- \$149,969.66 and #107132-107220- \$352,181.08;  
Payroll warrants #107122-107131- \$98,222.58 for a total vouchers amount of \$600,373.32.

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

**A) 2014 Electric & Water Budget-**

Greg presented three different scenarios to the electric base service and consumption charges. He pointed out the revenue requirements and what needed to be added to the base rate to achieve that requirement.

A \$3.00 base rate increase will reduce the need to have a higher consumption rate increase. It will reduce it to a 6% consumption increase instead of 7.6% consumption increase.

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The next scenario showed a \$5.00 base increase which is similar to Mason 3's. This would have a consumption increase of only 4%.

The next scenario showed a \$7.00 base increase with a consumption increase of only 2%.

Jack stated that he wanted to be in line with the Mason 3 rates and that a base charge increase allows the part time residents, whose services we have to maintain all year long, to help pay for the system and maintenance year round instead of only when they're here for part of the year. Greg stated that about 36-37% of our customer base is seasonal. Ron thinks the middle scenario is better because the seasonal residents enjoy the benefit of year round service but aren't paying the same share as the year round residents.

Jack made a motion to bring forward a resolution for the \$5.00 increase in the base service charge and a 4% increase in the consumption charge at a public hearing set for November 26, 2013; Ron seconded the motion. Jack and Ron voted in favor of the motion; Karl voted against the motion. Motion carried.

**B) EPA Sewer & Water Affordability Index Discussion-**

Jocelyne received a formula for water affordability index from the EPA. What the index shows is very high compared to what we actually charge. This index also determines how much we will qualify for loan subsidies. With our rates the way they are, we will not qualify for loan subsidies and grants on some of our systems because they are too low. She provided an example of what the index breaks out for all of our areas. The income data is based off of the 2010 census and some of it is skewed because very affluent seasonal customers in Union are being lumped together with full time residents in the Skokomish Indian Nation and Skokomish Valley areas, which have a large discrepancy between income levels.

**C) Approve Manager to Sign EES Consulting Contract for 2014**

This is the annual renewal for EES's legal services.

Jack made a motion to authorize the manager to sign the EES Consulting Contract pending legal review; Karl seconded the motion. It passed unanimously.

**D) RPA No. 110- Itron Hand Held Metering Devices**

This was the sole source from the last meeting. We budgeted \$24,000 and it came to just over that with tax.

Karl made a motion to approve RPA No. 110 for the Itron Hand Held Metering Devices in the amount of \$24,653.37 including tax; Jack seconded the motion. It passed unanimously.

**Correspondence-**

A thank you note from a customer was shared with the board.

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**Staff Reports-**

**Steve Taylor:**

Attended PPC meeting and there will be a new interim administrator. Steve reminded the board that he will be using his discretion to do an early release on the day before Thanksgiving and Christmas Eve. The office will close at 1:00 p.m. barring any outages.

Steve updated the board on some recent outages, including how we opened a call center during our long outage. We had a windstorm that hit us hard up in the north end of our system. We also had a large tree come down by Blue Heron right after the major windstorm. The majority of our latest outages have been small limb outages in the north end of our system.

**Darin Hall:**

Steve reported that crews have been busy working on the transmission line to clear the right-of-way and do some ground clearing for access. The new substation is feeding the valley and is working well. Will relieve some of the load on our Potlatch sub and should prevent 34.5 KV outages from effecting the valley.

**Jocelyne Gray:**

Hood Canal services are now connected to the new Dalby main. The main now has to be connected to the Hood Canal A well. The old reservoir has been drained and will be decommissioned and surplus. Working on the punch list for Canal Mutual and reconnecting services to the new main line. Will close out the contract with Kamin after that and then start the report to get approval for additional connections, which may take six months. Jack asked Jocelyne to add low spots in the ground to be added to the punch list to avoid water traveling down them. Harstine Retreat has had high leakage over the last 5-7 years. They found the leak on an empty line to a vacant lot that was running all this time and was not located on any of our maps. It just recently started pulling dirt and coliform into the system. This old line will be completely disconnected and after disinfection, we should have a clean system.

**Greg Kester:**

Greg had no additional report.

**Kristin Masteller:**

Will work on NISC Board App to try to implement it in January. Tracy won the WPUDA Lifetime Achievement Award and will come to Spokane in December to accept it at the annual dinner. Karl will write the next newsletter article. Kristin is officially back full time from maternity leave today.

**Rob Johnson:**

No report this meeting.

**Board Reports-**

**Karl:** No report.

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**Ron:** No report.

**Jack:** Was a very interesting PPC meeting. The energy imbalance market seems to be becoming more of a reality and Jack hasn't noticed as much push back on it. Jack gave some highlights of other issues that came up at the PPC meeting. Thought the NEEA presentation was good.

**Meeting Adjourned at 2:31 p.m.**

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Ron Gold, President

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Karl Denison, Vice President

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Jack Janda, Secretary