

Mason County PUD 1
Board of Commissioners
Water Rate Public Hearing & Special Meeting
December 9, 2014

Present

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

Visitors

No visitors in attendance.

WATER RATE PUBLIC HEARING

The public hearing for water rate proposals was called to order at 1:00 p.m. to review the proposed rates for 2015-2019 and the Water Rate Equalization Plan. No visitors were in attendance.

Greg Kester handed out presentation packets outlining the history of the PUD's water business, the investment into the District's systems in the form of capital improvements, and then the consolidation plan. Greg also outlined the proposed rate structure for residential service and showed the comparable rates at other surrounding water utilities. The new budget calls for 4% rate increases each year from 2015 through 2019 to cover capital improvements, and an additional 6% in 2015 to replace the FTE technician position that was not filled after a retirement in 2012.

The public hearing closed at 1:22 p.m.

The business meeting of the Board of Commissioners of Public Utility District No. 1 of Mason County was called to order at 1:22 p.m.

CONSENT AGENDA

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

The minutes of the November 18, 2014 electric budget workshop and special meeting;

Accounts Payable warrants #109099-109101 \$197,006.45, #109109-109189 \$128,593.98, and Payroll warrants #109102-109108 \$90,994.23 and Voids #109109 (\$60.90), #109110 (\$40.60) and #109114 (\$398.46) for a total vouchers amount of \$416,594.66.

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

BUSINESS AGENDA

2014 Conservation Program Year-In-Review

Greg gave an overview of the EEI budget that we receive that based on our TOCA from Bonneville Power Administration, which is \$87,488.50 per year. This does not capture all of our weatherization costs. Teresa Hummer gave an overview of our rebate program. We only have \$40,000 left to date of our total two year allotment and we still have 10 months to go. Total kilowatt hour savings is 407,310. We put in a request to BPA for an additional \$40,000, although

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it isn't likely that we will get that since we are competing with other utilities. Greg recognized Teresa for her efforts and the fact that she has been trained to inspect ductless units now and has expedited our process and invoicing.

Motion to Adopt 2015 Electric Budget

Karl made a motion to adopt staff's recommendation of the medium 2015 Electric Budget proposal that calls for no customer rate increase, revenue of approximately \$7.54 million, and expenses of approximately \$7.31 million as presented at the November 18th budget workshop; Jack seconded the motion. It passed unanimously.

Resolution No. 1056- Water Rate Schedule & Rate Equalization Plan

Jack made a motion to adopt Resolution No. 1056- Water Rate Schedule & Equalization Rate Plan as presented with a 10% rate increase for 2015 and 4% increases in 2016-2019; Karl seconded the motion. It passed unanimously.

Resolution No. 1057- Non-Union Salary Adjustments

Jack made a motion to adopt Resolution No. 1057- Non-Union Salary Adjustment as presented; Karl seconded the motion. It passed unanimously.

Resolution No. 1058- GM Salary Adjustment

Karl made a motion to adopt Resolution No. 1058- General Manager Salary Adjustment as presented; Jack seconded the motion. It passed unanimously.

Approval of 2015 Strategic Work Plan

Steve presented the final work plan that was developed by the board, staff and employees for 2015.

Jack made a motion to adopt the 2015 Strategic Work Plan as presented; Karl seconded the motion. It passed unanimously.

Cancellation of December 23rd Regular Board Meeting

Karl made a motion to cancel the December 23rd regular meeting; Jack seconded the motion. It passed unanimously.

Interlocal Agreement with Kitsap PUD for Port Gamble Wastewater Facility

Rob gave an update that Kitsap PUD has asked Mason PUD 1 to go ahead and approve the interlocal agreement with KPUD for the Port Gamble wastewater facility. Rob has been working with their attorney and KPUD agreed to Rob's language changes. Rob also stated that the KPUD attorney received a verbal "okay" from the state auditor's office that this interlocal agreement is acceptable in lieu of an LUD.

Karl made a motion to approve the interlocal agreement with Public Utility District No. 1 of Kitsap County, for the construction, operation, maintenance and transfer of ownership of a wastewater facility; Jack seconded the motion. It passed unanimously.

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CORRESPONDENCE

NWPPA call for entries for annual awards are open now.

GENERAL MANAGER'S REPORT- Steve Taylor

Steve shared an end of year 2014 strategic plan summary highlighting the many accomplishments of the PUD that were laid out in the work plan.

STAFF REPORTS

Darin Hall:

Darin reported that the crew has been busy and will be finishing up service work next week. There has been a small increase in new residential services for people preparing to build. The customer service work has picked up over the last half of the year.

Jocelyne Gray:

Jocelyne's department has been catching up on service work and completed the connection of the services on Mason Ave. A ditch was dug and rock was distributed at Bolendar's property and they've been monitoring the water to make sure it's not flooding his garage.

Greg Kester:

Greg stated that the exit audit is scheduled for 9:00 a.m. this Friday.

Kristin Masteller:

Kristin reported that if anyone wants to make life insurance changes prior to the rate increase in January 2015, to visit with her in the next two weeks to fill out the paperwork. Winter newsletter will go out at the end of this month. Kristin attended a digital marketing class through the State's program at South Puget Sound Community College and learned the basics of Adobe Photoshop and design software. She will need to take the next level of classes to get a better mastery of the tools to be able to design digital marketing in house instead of paying our contracted design companies to do it.

Rob Johnson:

Rob attended the WPUDA attorney's meeting last week. A power pole relocation fund was discussed regarding an accident suit that was brought against a PUD. The BPA attorney was also in attendance.

BOARD REPORTS/COMMENTS

Karl: Karl remarked that WPUDA had a great annual meeting. The SNAP learning exercises were good. Steve and Karl also attended the water committee. Fire flow was discussed.

Ron: Ron gave an update on the regulatory climate for the new session and the regulatory presentations at WPUDA.

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Jack: Jack also thought the WPUDA meeting was well put together and gave highlights from some of the presentations and vendors of interest. There was a WPUDA presentation on demographics and hiring trends in different communities.

Meeting Adjourned at 3:25 p.m.

Ron Gold, President

Karl Denison, Vice President

Jack Janda, Secretary