

Mason County PUD 1
Board of Commissioners Regular Meeting
February 24, 2015

Present

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

Visitors

None

The regular 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 February 10, 2015 regular meeting;

Accounts Payable warrants #109478-109481 \$1,709.74, #109489-109536 \$346,320.80, and Payroll warrants #109421-109477 \$92,145.21, Voids #109365 (\$273.48) and #109283 (\$1,032.17) for a total vouchers amount of \$242,603.49.

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

Visitors

No visitors.

BUSINESS AGENDA

December 2014 Financials for Water & Electric

Greg reported that we had good operating revenues last year, largely due to rates rather than power sales. We had a warm last three months in 2014 which reduced overall consumption. We have a tier of 2.56, which is good. Greg doesn't anticipate that 2015's tier will be as good since the weather has been warmer during our early months. Cash is down a bit but that's because we didn't borrow any additional money. Our long term debt to utility plant has dropped. Water has not experienced much growth. The debt for the water business has dropped quite a bit. Greg shared a year-end sales and power consumption report. Karl asked if Greg could include the year end average temperature to that report.

CORRESPONDENCE

No correspondence.

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GENERAL MANAGER'S REPORT- Steve Taylor

Steve shared an invitation from Anita Decker at NWPPA regarding Steve's attendance at the annual NWPPA Washington, DC trip. The board authorized the travel. Steve attended the Distributive Generation workshop last week. Solar was a main topic of the discussion. While it still doesn't make financial sense, it's still gaining popularity. This is causing a loss of load and a swing in power in California and other states with high solar production. New legislation from EPA states that old hot water heaters have to be replaced with new hot water tanks with a heat pump in 2018.

STAFF REPORTS

Darin Hall:

Magnum Power began the T3 to 101 rebuild today. Crews are still working on the Hwy 106 rebuild. The reclosure on the Duckabush Substation was replaced along with some fuses. Safety meetings are occurring each month and we've ordered new fall protection devices as required by OSHA and WSHA for 100% fall restraint.

Jocelyne Gray:

Jocelyne participated on the WPUDA DOH conference call on Group A rule changes. There was a lot of clarifications on the rules but there still needs to be clarification on the definition of service area. For groundwater systems that chlorinate, they are changing the rules from business days to 5-days a week to check residuals, regardless of holidays. So we will need to pay someone or recruit someone to do the chlorine checks. Jocelyne is going to speak with Pend Oreille PUD about automatic monitoring systems. Jocelyne did speak with Greg at Union Heights regarding the hydrant and spigot installation. Parts have been ordered and should be installed this spring. Lake Arrowhead has a high electric bill to heat a big building so we're looking at doing some renovations to make it more efficient.

Greg Kester:

No additional report.

Kristin Masteller:

Kristin reported that Richard Crump was hired to fill the meter reader/utility person position and will begin on Monday. He comes from Lake Cushman Water Company and has over 20 years of utility and construction experience with the City of Shelton and private construction firms. WPUDA's PUD Day on the Hill was last week and the legislative luncheon was very well attended. Newsletter articles are due next Friday.

Rob Johnson:

The tree survey will be in next week. Rob asked if Darin and Steve could take a look at the Mason General Hospital property in Hoodspport to see if it will interfere with PUD lines to do a remodel.

Ron made a motion to authorize the Manager to investigate the encroachment of the existing MGH structure and authorize the manager to draft a letter allowing if it doesn't interfere with existing power lines; Ron seconded the motion. It passed unanimously.

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Jack asked a question about a Canal Mutual resident that embezzled money from the Canal Mutual Water Company and asked if Rob could work to get that individual on track to make the back payments that are due to the PUD if the judgment is assigned to the PUD. The 10 year statute of limitations has passed as of December 2014 so Rob will see if there's anything that can still be done.

BOARD REPORTS/COMMENTS

Karl: Had a great training day at WPUDA for commissioner orientation. WPUDA has gained some ground on the legislative front. He went over some public meetings act and public records act rules that he learned.

Ron: Ron reported that Lilliwaup Falls is running five generators full time now and that he is doing a presentation for a Thurston PUD community forum on public power.

Jack: Jack remarked that George Caan and the WPUDA staff have been doing a great job. The WPUDA meetings this month were very good and there has been success on the legislative front. Jack noted that the public affairs outreach for WPUDA and our utility was very good.

Meeting Adjourned at 2:24 p.m.

Karl Denison, President

Jack Janda, Vice President

Ron Gold, Secretary