



Mason County Public Utility District No. 1
Board of Commissioners- Regular Meeting Minutes
February 28, 2017 Potlatch, Washington

Present:

Ron Gold, Vice President
Mike Sheetz, Board Secretary
Steven Taylor, General Manager
Darin Hall, Director of Operations- Electric
Kristin Masteller, Director of Business Services
Rob Johnson, District Legal Counsel

Excused:

Jack Janda, President

Visitors:

None in attendance.

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

APPROVAL OF CONSENT AGENDA:

Minutes:	February 14, 2017 Regular Meeting		
Warrants:	Accounts Payable	113145-113168	\$ 460,804.71
	Payroll	113140-113144	\$ 81,449.84
	Voids	113148	(\$ 994.18)
	Total:		\$ 541,260.37

Mike made a motion to approve the consent agenda; Ron seconded the motion. Jack was absent from voting. Motion carried.

PUBLIC COMMENT:

No public in attendance.

BUSINESS AGENDA:

January 2017 Financial Report- Mike Wittenberg & Katie Arnold

Mike stated that the District met with the State Auditor's office today for the exit audit. The recommended changes from the audit were implemented for 2015, resulting in a clean opinion for the financial statement audit. The 2016 yearend review is underway, with a goal of completion by the beginning of April, to prepare for the annual report due with the State Auditor's Office by May 2017. All recommended changes to the accounting system by the State Auditor's Office and by the CPA firm will be fully implemented by the end of 2017. The District plans to develop an accounting policy and procedures manual, to ensure the proper controls are in place for staff.



Katie gave the budget summary report. Gross Revenue was \$1,203,727.66 for the month of January 2017, as compared with forecasted gross revenue of \$995,959.45. Gross expenditures were \$863,459.72, as compared with forecasted total expenditures of \$743,337.38. The Revenue and Expenditures exceeded budget for January 2017 due to the colder weather, which in turn generated more revenue as well as increased expenditures for the additional purchased power.

RPA No. 120- Tantalus Pilot Project

We purchased five Nighthawk meters a while back to test out. They are too expensive to use system-wide. Tantalus are better options for usability and price. Darin went to Inland Power to see a full system integration of Tantalus. They can see voltage issues before customers even see it. They were able to fix system issues they didn't know they have. The Pre-Pay meters were very easy and user friendly for customers that end up on frequent disconnect. They also use NISC and were happy with the interface implementation. They've had \$1 million in savings, especially in truck time and employee wage time for remote areas.

Mike made a motion to approve RPA No. 120 as presented, pending Rob's changes to the contract; Ron seconded the motion. Jack was absent from voting. Motion carried.

Meeting at Cowlitz PUD with BPA Deputy Administrator on April 25th

Steve will be out of town for this meeting. He recommended that we cancel the board meeting and attend the afternoon meeting at Cowlitz with BPA's deputy administrator. Then if we feel that we need an additional meeting, we can look at scheduling a special meeting the first week of May.

Mike made a motion to cancel the April 25th regular meeting; Ron seconded the motion. Jack was absent from voting. Motion carried.

Set Date for Water Rate Hearing

Steve asked to table this until he gets a proposal for a rate analysis for water.

STAFF REPORTS:

General Manager Report-

A customer submitted comments to Department of Health regarding the Union Regional Water System Consolidation Feasibility Study's water system plan. We felt some of the comments were not accurate and we replied to the customer and DOH with our explanation of what we feel was accurate and we also thanked the customer for their time to review and comment on the plan. Steve is going to engage with a firm to do a cost of service analysis for the water business.

Darin Hall, Operations Report:

Darin reported that he and TJ did an investigation of the Treasure Island water system and it appears to be in great maintained condition. The water crew has been busy installing isolation valves at Lake Arrowhead and the electric crew has been up at Duckabush completing that rebuild. They started replacing some underground at the end of the line and will complete that when the weather improves. Safety program was on lockout/tagout training. We had an incident last week where we were replacing a



control panel and the crew missed a step to bring it back online and started operating the regulator before it was ready and it damaged some switches. Darin had a safety meeting this morning for the crew to discuss and review and new strategies moving forward. We are working with BKI to develop a standard procedure for taking regulators offline moving forward to prevent this from occurring again.

Kristin Masteller, Business Services Report:

Kristin asked the commissioners to reach out to our legislators to keep the \$5 million in water infrastructure in the governor's budget.

Rob Johnson, Legal Report:

Rob asked to move the policy committee meeting until we have copies of Mason PUD 3's and other utilities' revised employee handbooks so we can use their templates. Kristin will cancel the meeting for now.

Correspondence:

None.

Board Reports:

Mike Sheetz: No report.

Jack Janda: No report.

Ron Gold: Attended PPC with Steve last week.

Adjournment: 3:00 p.m.

Jack Janda, President

Ron Gold, Vice President

Mike Sheetz, Secretary