



Present:

Jack Janda, President
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

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 28, 2017 Regular Meeting		
Warrants:	Accounts Payable	113169	\$ 425.75
		113176-113257	\$ 263,293.12
	Payroll	113170-113175	\$ 83,078.34
	Total:		\$ 346,797.21

Ron made a motion to approve the consent agenda; Mike seconded the motion. It passed unanimously.

PUBLIC COMMENT:

No public in attendance.

BUSINESS AGENDA:

Review of 2016 State Audit Report

Steve shared the final draft of the report from the State Auditor's Office (SAO) for year end 2016. He went over the details of the management letter, which outlined the deficiencies in controls for utility adjustments which led to the invalid and unauthorized employee overrides. He then discussed with the board the audit finding for the error in the GASB 68 reporting. Steve noted that multiple agencies received findings in 2016 related to the GASB 68 reporting. In our case the figures that the former finance director provided to the CPA firm Moss Adams to help develop the report were incorrect. Then Moss Adams had an error in their own computations which led to misstatements on the GASB 68 report. Those have since been corrected by the new District Auditor. The board then discussed the results from the fraud audit which ran concurrent with the annual audit. The SAO will finalize the approvals on their report and publish it soon. Ron stated that in the exit audit that the SAO was very happy with how transparent the PUD was and how quickly we fixed the errors and that our employees were very good to work with.



Once the audits are completed, the fraud portion will be forwarded to the Mason County Prosecutor's Office for follow up. Jack thanked the staff for all their hard work.

Letter of Intent to Participate- Mason County Hazard Mitigation Plan

Kristin stated that she attended the meeting with Mason County Department of Emergency Management and verbally agreed to participate in their comprehensive Hazard Mitigation Plan. They want a formal intent to participate letter from the District. Steve told the board he is going to send that letter so the District can be a formal participant of the project.

2016 Outage Report by Customer Hours

Darin gave a year end outage report update for 2016. We had two storms that caused larger outage issues for us but overall the outages were down. We've had a good amount of wind and snow but the aggressive tree trimming is paying off.

STAFF REPORTS:

General Manager Report-

Steve attended NWPPA board meeting in Missoula last week. Steve went over some cybersecurity plans for this year that we're doing with Hood Canal. We sent HCC's cyber security tech to an NWPPA conference to learn more about utility cyber security. Rates were another big discussion topic at the conference. Steve would like to go out for an RFP for a cost of service analysis for water and electric and then determine if it's cost effective enough to move forward on the COSA.

Steve gave a status for the Union Regional Water System Consolidation Feasibility Study and the water system plan. The plan is still a good document of engineering and it makes sense for selective consolidation in certain areas. We posted in the newsletter that the consolidation discussions were on hold for now and that we'd schedule more public meetings in the future when we are ready to move forward.

Darin Hall, Operations Report:

Darin reported that the power crew was working on new underground and overhead replacements on Duckabush. He and the water department have been busy onboarding the new Enchantment Heights and Enchantment View II water systems. CPR class Thursday has been cancelled. A vehicle backing property damage incident was discussed.

Kristin Masteller, Business Services Report:

Kristin scheduled the strategic planning session for the board on September 11th at 9 a.m. She reported that customer service and accounting has been cleaning up accounting issues still including payroll adjustment issues and rate adjustments that were done improperly. We renegotiated our Verizon and found some cost savings each month in our service line fees and overall data plan fee. Kristin has ordered new iPads for the field vehicles and will order replacement tablets for the old tablets as needed. The Outage Management System module is on target for roll out in September still. The Cross Connection Control letters will go out to Alderbrook customers this month to begin alerting them to the compliance laws before we begin enforcement. The quarterly newsletter will go out this month.



Mason County Public Utility District No. 1
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Rob Johnson, Legal Report:

Rob stated that he had not heard back from Jefferson County yet regarding the District's objections and proposed changes to the franchise agreement. No other report.

Correspondence:

Jack shared a letter he received from a customer thanking him for his environmental and financial stewardship.

Board Reports:

Mike Sheetz: Mike asked Steve some questions on BPA. He stated that he's having a good time and is glad that the front office is doing so well.

Jack Janda: No report.

Ron Gold: Asked Kristin to make his travel arrangements for the APPA national conference in June.

Adjournment: 3:22 p.m.

Jack Janda, President

Ron Gold, Vice President

Mike Sheetz, Secretary