

Mason County PUD 1
Board of Commissioners Regular Meeting
June 24, 2014

Present

Ron Gold- President
Jack Janda- Board Secretary
Karl Denison- Vice President
Jocelyne Gray – Director of Ops - Water
Kristin Masteller – Dir. of Employee & Public Relations
Darin Hall- Electric Superintendent
Rob Johnson- District Legal Counsel

Visitors

Mike Pruett, Green Diamond
Joe Morris, Aspect Engineering

Excused

Steve Taylor- General Manager
Greg Kester- Dir. of Finance & Customer Service

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 June 10, 2014 regular meeting;

Accounts Payable warrants #108195-108219 \$35,827.82, #108229-108244 \$2,257.47; #108254-108337 \$443,985.64 and Payroll warrants #108220-108228 \$11,535.83; #108245-108253 \$89,985.61 for a total vouchers amount of \$683,592.37.

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

Visitors

Mike Pruett and Joe Morris were welcomed to the meeting.

BUSINESS AGENDA

Green Diamond Water Rights Transfer

Mike Pruett gave an overview of Green Diamond's conservation easement study and potential development sites for their land. Joe Morris went over the four areas that Green Diamond is looking at for PUD 1 water rights to see which rights would be appropriate to serve those four areas. They looked out 20 years to see if there's enough excess water to serve one or more of the four properties. They also looked at rights that will pass through the Department of Ecology approval, which required addressing Squaxin Island Tribe's surface water concerns.

There are two properties they are proising to serve using Alderbrook's water rights including their Alderbrook properties Phase 1 and Phase 3, and also Mason Lake Camp. The "place of use" is the only change that needs to be made for Phase 1, Phase 3 and Mason Lake require place of use and point of withdrawal changes. For Trails End, they're looking at a transfer from Lakewood Heights and Twanoh Heights to add Trails End as a place of use and points of withdrawal to serve it. For the Coon Lake site, the Twanoh Terrace rights would be used with additional wells. The water rights are still held and controlled by the PUD, but the transfer allows the permitting to be completed to allow these additional areas and developments to be served.

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When a developer develops the area, they have to build the water systems to PUD 1 standards and then turn the water system over to the PUD when they're completed.

Jocelyne handed out water rights charts that show 20 year build out and then the excess water that's available after all potential build out for each of the four proposed systems. She also allocated water to the "rumored developments" that may potentially occur in the future. The Alderbrook full build out shows that we have enough surplus after the full build out to serve the Green Diamond developments.

Jocelyne's calculations show that after every lot and property development is allocated, there is still excess water available to serve these developments. Lakewood Heights is the only area where we would run into issues of serving development outside of our service area. The entire service area is accounted for in the allotments, but if anyone outside of the service area asked to connect before Green Diamond, we would need to make adjustments with what was allocated with Green Diamond. Mike said that he appreciated the PUD's assistance. Once the transfer application has been approved by the District, Green Diamond will move forward on the transfer application with Department of Ecology. The commissioners said that they like that this project is helping the District meet their objectives to expand water service in the County and increase our economy of scale. If any projects need a community septic system, the PUD would have first option to maintain those as well.

2014 Strategic Planning Meeting

Kristin will try to book Alderbrook for the 15th of August with the 14th as a back-up with a later start time.

CORRESPONDENCE:

Kristin shared a document from WECC regarding the 2013 PUD 1 net energy load (NEL) calculation that was send last week from the WECC balancing authority. The board asked if Steve could elaborate on the WECC breakdown for the next meeting where he's in attendance.

GENERAL MANAGER'S REPORT- Steve Taylor

Kristin went over some highlights from the 2nd quarter strategic work plan. We are making progress on most items and have already accomplished several of this year's deliverables. Board congratulated staff on their use of the plan.

STAFF REPORTS

Darin Hall:

Darin reported that his crews were installing conduit in the trench from the t3ba'das Substation. The 4/10's crew was helping on that job and now they're back trimming trees and Kemp West will start on Hwy. 101 in the next couple weeks. We had some small outages this week from underground faults.

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Jocelyne Gray:

Jocelyne's crew has been busy fixing a bunch of small leaks. We had a leak this weekend from a customer that didn't call for a locate prior to digging. She is in the process of contacting wait listed customers and any potential customers at View Ridge Heights water system to get those folks connected. Canal Mutual construction will continue this summer and five more people have inquired about connections.

Greg Kester:

No report.

Kristin Masteller:

Kristin attended the first WPUDA HR managers committee meeting and they had a good presentation from L&I regarding their Return to Work program and the importance of utilizing light duty to keep employees at work.

Rob Johnson:

Rob had no report.

BOARD REPORTS/COMMENTS

Karl: Karl asked for an update on the recent public records request. Rob said all the documents that were requested were provided and that we haven't heard anything back. Karl would like a meeting with Mason County and DOH regarding the fire flow issue and about water connections. Karl went to WPAG last week and spent a lot of time talking about the energy imbalance market and segmentation. They discussed the ENW debt issue as well. Will attend WPUDA water committee on Thursday.

Ron: Ron attended the APPA annual meeting last week and gave some highlights from the meetings that he attended. He shared some handouts from the meeting including the resolutions that he voted in favor of on behalf of the District. The modular nuclear breakout session was very well attended.

Jack: No report.

Meeting Adjourned at 3:05 p.m.

Ron Gold, President

Karl Denison, Vice President

Jack Janda, Secretary