

Mason County PUD 1  
Board of Commissioners Regular Meeting  
July 22, 2014

**Present**

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

**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 July 8, 2014 regular meeting;

Accounts Payable warrants #108421-108425 \$19,898.61, #108431-108434 \$203.00, #108436 \$60.90, #108439 \$121.80, #108441-108497 \$306,374.30; Payroll warrants #108426-108430 \$8,238.29, #108435 \$842.75, #108437-108438 \$80,167.94, #108440 \$100.00; Voided warrant #108335 (\$360.13) for a total vouchers amount of \$415,647.46.

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

**Visitors**

None.

**BUSINESS AGENDA**

**May 2014 Financials for Electric & Water**

Greg presented the electric financial statements and statistics for April. Karl asked how our load shaping looks compared to the projection and asked if we can see it annually. Greg doesn't see that type of information until the end of the year but he can share that annually after it is shored up. Water expenditures appear to rise because we are not capitalizing labor the way we used to. He also is looking into why the customer service charge is going up in the water department. Karl asked if Greg can show annually what our revenue is for both sales and base service when all of our systems are metered in 2017.

**Review of Water Use Efficiency Goals & Set Public Hearing**

Jocelyne presented the Water Use Efficiency Goals that were previously set and showed where the District did in fact meet them or did not. She then listed out the new WUE goals to submit to the State after a public hearing, which will be scheduled at 1:00 p.m. on August 12<sup>th</sup>.

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**Annual Landscape Maintenance Agreement**

Jack made a motion to authorize the manager to sign the agreement, Karl seconded the motion. It passed unanimously.

**Registration for NIPPC Annual Meeting at Alderbrook**

Jack suggested that someone from our PUD should represent the utility at this meeting since it is in our service territory. The commission supported the decision that Steve and/or Karl attend. Kristin will get them registered.

**Claim for Damages- Bekemans**

Steve presented the claim to replace the loss of two well pumps over the last four years. Staff recommended to the board to deny the claim because it was not proximately caused by negligence by the PUD. There are no records of call outs or outages for the dates in question.

Jack made a motion to deny the claim based on the failure to demonstrate negligence by the PUD and its employees; Karl seconded the motion. It passed unanimously.

**Clallam PUD Memo- Carbon Tax Position**

Clallam PUD sent a letter out to other utilities regarding a stance on Energy Northwest's carbon tax position. Jack said that this issue is not on the agenda for ENW and that ENW has taken a neutral position on carbon tax legislation. Karl thinks that it's good that Clallam PUD is raising the issue but Jack takes issue with their memo because he believes the information is not accurate.

**Comments to BPA Regarding Debt Restructuring**

We missed the deadline to submit comments but a new letter will be drafted for the next meeting just to present our position to BPA anyway. Discussion ensued on varying opinions on BPA's debt financing.

**CORRESPONDENCE:**

None.

**GENERAL MANAGER'S REPORT- Steve Taylor**

Bureau of Indian Affairs has accepted our proposed easement and appraisal for the Right of Way and now they are reviewing it for approval. We will have to pay next year for the Right of Way and back pay for the last four years that we've been operating without one. \$40,000 is what our appraisal says is due to all homeowners and the BIA will come back with their own appraisal.

We met with Mason County public works yesterday and the County stated that they are following the minimum standards in the WAC for existing systems in the absence of a coordinated county water plan. For new systems, they're implementing the international fire code standards. Jocelyne will take our water system maps and meet with the County regarding each of them to determine what will be waived and not waived in regard to fire flow. We are going to compile some exemptions from other counties' coordinated water system plans and submit it to Mason County to help them develop some language for a possible resolution. The board would like a workshop on all of the water systems to

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see what it will take to do the upgrades for the system. Tim Sheldon is also looking for a separate appraisal on his property that we are looking at purchasing.

**STAFF REPORTS**

**Darin Hall:**

Darin reported that the contracted tree crew is still trimming in the Seamount area this week. Our temporary crew is also brushing and removing problem trees. Ron said that he'd still like a Basic Electricity 101 course.

**Jocelyne Gray:**

Jocelyne received reports that two large water users in Alderbrook are still having issues with responsible outdoor watering. Customers complained that asphalt was being watered and one particular area of the golf course was watered for 90 consecutive minutes. The policy committee is working on some proposed language that will require conservation during the hot summer months. The board asked Steve to talk to the managers of the golf course and the Alderbrook resort about making sure that they're conserving and making irrigation repairs. Crew is starting construction on Westward Way for Canal Mutual. They will hand out notices to those customers. Jocelyne is meeting with Green Diamond and Department of Ecology this week to discuss water rights transfers. A water customer expressed his satisfaction with the service he has received from staff and after-hours personnel.

**Greg Kester:**

Greg had no further report.

**Kristin Masteller:**

Kristin handed out presentation materials for a campaign to amend the Energy Independence Act language to include conservation and storage.

**Kristin French:**

Kristin will meet offline with Steve. Nothing for the board meeting.

**BOARD REPORTS/COMMENTS**

**Karl:** George will be sitting down with the solar group to make sure that our interests are being represented. Karl asked Steve to work on a policy and Steve stated that it is on the policy agenda. The WPUA dues committee met and the WPUA strategic plan also passed at that meeting.

**Ron:** Ron stated that Lilliwaup Falls construction has begun.

**Jack:** Attended the WPAG and PPC meetings. Jack went over some highlights of the WPAG meeting including the Energy Imbalance Market discussion and market design. PPC discussed the fish and wildlife costs and the BiOp.

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**Meeting Adjourned at 3:50 p.m.**

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Ron Gold, President

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Karl Denison, Vice President

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Jack Janda, Secretary