

Mason County PUD 1
Board of Commissioners Special Meetings
August 16, 2016

Board Workshop:

A special meeting was held at 10:00 a.m. for a facilities planning workshop. A presentation was given by architect Frank Lawhead and Brown & Kysar on a facility plan broken out in phases with a financial forecast that included budget implications. Those in attendance: Karl Denison, Jack Janda, Ron Gold, Darin Hall, Jocelyne Gray, Frank Lawhead, Derek Michael, Byron Woltersdorf. The meeting adjourned at 11:45 a.m.

Business Meeting:

Present

Karl Denison- President
Jack Janda- Vice President
Ron Gold- Secretary
Steven Taylor-General Manager
Darin Hall-Director of Operations- Electric
Rob Johnson- Legal Counsel
Kristin Masteller-Dir of Employee & Public Relations
Jocelyne Gray– Director of Ops - Water
Teresa Hummer- Conservation

Visitors

Harstene Retreat Water System Customer
Conley Watson

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

Minutes July 26, 2016 Special & Regular Meetings

Vouchers:	Accounts Payable:	112019-112024	\$ 5,066.55
		112033-112137	\$ 300,286.97
	Payroll:	112025-112032	\$ 99,353.08
	Voids:	111943	(\$ 649.80)
		111915	(\$ 292.90)
		111103	(\$ 247.00)
		111892	(\$ 889.02)
	Total:		\$ 402,627.88

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

Public Comment

Mr. Watson was concerned about the County using the fire hydrant on Fox Lane to fill up their trucks for chip sealing; he wanted to make sure the well could handle the amount of water the County was using. He was concerned about conservation. Jocelyne assured Mr. Watson the Harstene Retreat

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Water System could handle the County's water usage and they were not subject to the conservation measures. He has spoken to the County regarding traffic flow while using the hydrant. He wanted to confirm the LUD will be paid off next month as scheduled; yes, the County handles the payments so the LUD will be paid off in September 2016.

BUSINESS AGENDA

Administrative Policy No. 1013- Privacy Policy

Jack made a motion to approve AP Policy No. 1013 as presented; Ron seconded the motion. It passed unanimously.

Administrative Policy No. 1014- Text Messaging Policy

Jack made a motion to approve AP Policy No. 1014 as presented; Ron seconded the motion. It passed unanimously.

Authorize the Manager to Sign Agreement with Smarsh for Text Archiving

Jack made a motion to approve AP Policy No. 1013 as presented; Ron seconded the motion. It passed unanimously.

Employee Handbook Policy No. 805- Use of District Keys & Security Codes

Jack made a motion to approve AP Policy No. 1013 as presented; Ron seconded the motion. It passed unanimously.

Resolution No. 1076- Declaration of Surplus Property

Ron made a motion to approve AP Policy No. 1013 as presented; Jack seconded the motion. It passed unanimously.

Conservation Program Update- Teresa Hummer

Teresa gave a list of where the PUD is at budget-wise. BPA's insulation rebates are going down. One is going down from 77 cents to 30 cents, for example. We've only had one customer ask for an insulation rebate in the last year. We have to go out there several times to do the rebate and we don't really have anyone on staff to do inspections right now. Teresa's recommendation is to focus on in-house LED light bulb replacements rather than the insulation.

Jack made a motion to discontinue the insulation rebates and close it to new applicants as of August 16, 2016; Ron seconded the motion. It passed unanimously.

CORRESPONDENCE

Steve shared a letter that was sent to BPA on behalf of the commissioners regarding the impact of BPA rate increases on PUD finances and customer rates.

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GENERAL MANAGER'S REPORT- Steve Taylor

Steve gave an update on the highlights of the 2nd quarter of the strategic work plan. Steve gave an update of meetings he attended last week at ENW managers meeting and the PPC meeting, which included a segment on distributive generation. The rest of the manager's report was reserved for the end of the meeting. Reorganization options were discussed.

Appointing an Interim Auditor- Jack made a motion to appoint Kristin Masteller as the interim District auditor until a permanent person can be brought in; Ron seconded the motion. It passed unanimously.

July 2016 Financials- Steve gave a report on the financials for July 2016. He discussed the operating margin for the month. Large expenditures haven't cleared the accounts yet. He also presented the balance sheet for the electric financials. NISC is helping Steve expand and develop the financial reports to be more comprehensive and detailed. Steve is meeting with Bank of America and also Piper Jaffray to discuss bonding and line of credit options.

STAFF REPORTS

Darin Hall: Crew still working on Union Ridge. Completed a second phase of a new development build out at Sunnyside Road this week. In-house brushing crew is still going strong. Should finish Colony Surf today. Darin said the temporary crew is really outstanding this year. Safety meeting last Thursday was on vault rescue.

Jocelyne Gray: Jocelyne discussed the need to set two public hearings to discuss water system plans for both the Twanoh and proposed Union Regional water systems. These hearings are part of the action needed to fulfill the grant obligations. The board asked for a workshop to discuss the Union Regional system prior to having a public hearing so they can learn more about the findings of the feasibility report and to explore phasing options to share with the public. The Union Regional workshop will be scheduled for 10:00 a.m. on September 13th and the public hearing will be scheduled in October at a date to be determined. The Twanoh public hearing will be at 1:00 p.m. on September 27th.

Kristin Masteller: Kristin gave a report on the Economic Development Council meeting. She stated that she has learned how to file the quarterly reports for payroll including IRS, labor and industries and employment security. The instructions for completing the reports are filed so anyone can do it in the future if Kristin is not available. The PUD was notified that we placed in the top three of the communications award categories. This awards ceremony will be held at the NWPPA annual communications conference next month. Kristin asked the board to set a public rate hearing at the September 13th meeting to discuss a smart meter opt-out rate. The policy committee has developed a draft policy, opt-out form, and opt-out rate and will present it at the next meeting for discussion and adoption.

Rob Johnson: No report. Rob was excused at 3:00 p.m.

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BOARD REPORTS/COMMENTS

Karl: No report.

Ron: Ron gave an update on the Columbia River Treaty discussion along with other topics visited at the PPC meeting.

Jack: Jack gave an update on the Energy Northwest board meeting.

Meeting adjourned: 5:00 p.m.

Karl Denison, President

Jack Janda, Vice President

Ron Gold, Secretary