

Mason County PUD 1  
Board of Commissioners Special Meeting  
October 27, 2015

**Present**

Karl Denison- President  
Jack Janda- Vice President  
Ron Gold- Board Secretary  
Steve Taylor- General Manager

**Special Meeting-**

The special meeting of the Board of Commissioners of Public Utility District No. 1 of Mason County was called to order at 9:00 a.m. on November 8, 2013 at Alderbrook Resort Twanoh Room. The meeting was held in executive session pursuant to RCW 42.30.110(g).

At noon Karl called a recess for one hour. At 1:00 p.m., the manager joined the meeting.

**Public Comment**

There were no public in attendance.

**Meeting Adjourned at 3:45 p.m.**

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Karl Denison, President

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Jack Janda, Vice President

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Ron Gold, Secretary

Mason County PUD 1  
Board of Commissioners Regular Meeting  
October 27, 2015

**Present**

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

**Visitors**

Colleen Bryan, Senator Murray's Office

**BUDGET HEARING:**

Greg gave a first look at the 2016 budget proposal. There was a base charge and kWh charge comparison of the two PUDs in our county. He then went through next year's electric net revenue requirements. This accounts for a reduction in 4 million kWh's that we are anticipating due to warm weather. The revenue requirements are based on today's rates. Operating margins are low; just over 1%. The proposal to keep our operating margins intact requests a \$3.00 base rate increase. A discussion was held regarding a \$5.00 base rate increase to raise operating margins and then reduce the consumption charge. Greg recommended to the commission to implement the \$3.00 base charge increase in January and then evaluate in the spring if an additional \$2.00 is needed, and if so, is there a way to lower the kWh charge in conjunction with that base charge increase. Water budget is doing well, mainly due to a 4% increase. The cash flow is where it should be now and while we have a high amount of principal debt, the interest rate is very low, so the TIER is low and the margins are predictable. Commission will re-discuss the budget proposal in November and then look at a budget hearing on December 8th.

The regular meeting of the Board of Commissioners of Public Utility District No. 1 of Mason County was called to order at 2:07 p.m.

The budget hearing closed at 2:00 p.m. and the regular business meeting commenced.

**CONSENT AGENDA**

**By adopting the consent agenda, the following items were approved:**

**Minutes:** October 13, 2015 Regular Meeting & October 26, 2015 Special Meeting

<b>Vouchers:</b>	Accounts Payable:	110698-110704	\$ 48,323.80
		110712-110773	\$ 345,087.67
	Payroll:	110705-110711	\$ 93,673.47
Voids:		108510	(\$ 34.60)
		108512	(\$ 7.08)
<b>Total:</b>			<b>\$ 487,043.26</b>

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

**Public Comment**

Colleen Bryan from Senator Patty Murray's office was welcomed to the meeting. Many federal issues and legislative initiatives were discussed. Kristin will follow up with Colleen with an email summary of topics discussed today and specific issues that the District would like to get assistance with from the Senator's office.

**BUSINESS AGENDA**

**Approval of the 2016 Strategic Work Plan**

Jack made a motion to approve the 2016 strategic work plan as presented; Ron seconded the motion. It passed unanimously.

**Authorization to Replace Dump Truck**

Jack made a motion to authorize the manager to search for a dump truck with a price not to exceed \$100,000; Ron seconded the motion. It passed unanimously.

**CORRESPONDENCE**

None.

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

Steve gave the commission a copy of Energy Northwest's solar audit document.

**STAFF REPORTS**

**Darin Hall:**

Michels Power completed rebuild of poles that burned and rebuilt the roads to DRN specs. Underground was finished by our crew in McReavy. They're doing brushing and completing odd jobs this week.

**Jocelyne Gray:**

We had septic inspections today and Jocelyne will have a report for the next meeting. Jocelyne accepted her national Emerging Leader award from the Society of Women Engineers this month. She was one of 10 that received that award nationally out of about 100 applicants.

**Greg Kester:**

Wrapping up the state audit. No findings or management letters that we're aware of. Greg will let Karl know when the exit audit is scheduled.

**Kristin Masteller:**

Kristin gave an update on meetings and trainings she has been to this month and handed out information for open enrollment for insurance. Had a great Customer Appreciation BBQ event-nearly 300 people. Kristin and Steve will be demoing a new text messaging archival system.

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**Rob Johnson:**

Went to the APPA legal conference and it was very good. Discussed the settlement of the Busek claim. Discussed the Pacific County PUD pole contact lawsuit. Rob suggests that we contact EES and get the formula to set our rates in July.

**BOARD REPORTS/COMMENTS**

**Karl:** No report.

**Ron:** No report.

**Jack:** Jack gave staff kudos for how well they've worked as a team and keeping the strategic plan working and providing the updates.

**Meeting adjourned:** 3:30 p.m.

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Karl Denison, President

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Jack Janda, Vice President

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Ron Gold, Secretary