

Mason County PUD 1
Board of Commissioners Meeting
April 26, 2011

The regular Board of Commissioners Meeting of Public Utility District No. 1 of Mason County was called to order at 1:00 p.m. on April 26, 2011 at the District Office Board Room in Potlatch.

Present

Ron Gold – President
Jack Janda – Vice-President
Karl Denison – Secretary
Steven N. Taylor – General Manager
Rob Johnson – District Counsel
Greg Kester - Auditor/Director of Finance/Customer Service
Tracy Colard – Director of Operations-Electric
Jocelyne Gray- Director of Operations-Water
Kristin Masteller & Debbie Knipschild-Executive Assistant/Human Resources/ Communications

Visitors

Julie Ralph
Randolph Hedin

CONSENT AGENDA

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

The minutes of April 12, 2011 regular meeting and the public hearing on water use efficiency; Payroll vouchers 102565-102572 in the amount of \$73,843.90; Accounts payable vouchers 102562-102564 in the amount of \$171.86 and 102573-102616 in the amount of \$296,519.28; and one voided warrant 102543 in the amount of \$36.86. Karl made a motion to approve the consent agenda as presented; Jack seconded the motion. It passed unanimously.

PUBLIC COMMENTS

Randolph Hedin, a customer of the Lake Arrowhead Water System addressed the commission. His request was listed as Commissioner Business Item A. (See Business Agenda.)

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Board of Commissioners Meeting
April 26, 2011

BUSINESS AGENDA

SDF Water System Policy:

Mr. Hedin stated that he had a financial hardship which caused him to be unable to pay his water bill, and as a result it was shut off. He is unable to afford the reconnection fee on his limited income from social security. Mr. Hedin made his account current and he is asking for a reconnection and proposing that he pay what would have been the monthly payments, instead of the System Development Fee (SDF). Steve outlined the SDF rate modifications and referenced the existing policy. Staff recommended to Steve that it be sent back to the policy committee for review and that it was up to the board's discretion to make a one-time adjustment to the policy for this extenuating circumstance.

Jack asked the commissioners if they had any issues with making a one-time exception. Rob stated there was no legal basis for denying modification in this circumstance. Jack made a motion to make a one-time exception, based upon unique circumstances, to authorize the manager to accept a payment of basic services and capital surcharge in the amount of \$1,342.20 in four installments to reestablish service for Mr. Hedin. Payment installments will be \$335.58/month in addition to the \$47.75 monthly water bill and taxes. No further discussion followed; motion was seconded by Karl; it passed unanimously.

Karl noted that interest accrual might be something to consider in the policy committee's review.

Resolution No. 1020- Establishing Emergency Response & Restoration Policies for Electric and Water

Resolution No. 1023- Establish Procedures for Waiving Competitive Bidding Requirements for Emergencies

Steve described emergency disasters that would warrant immediate action without waiting for the commissioners to meet or to go through the bid process, such as an e-coli outbreak in the system or if a substation burns. Steve stated that we need to be able to mobilize quickly and that the manager needs the right to declare an emergency in these situations.

Jack made a motion to adopt Resolutions No. 1020 & 1023 as presented; Karl seconded the motion; it passed unanimously.

Amendment to the Electric Customer Service Policy

Item 5 needs to be stricken from the current policy, as advised by legal counsel. Karl made a motion to approve the presented amendments to the owner/renter agreement; Discussion followed. Rob summarized the laws regarding customer discrimination and that the accounts are held by the actual customers' names and not the property addresses. Jack seconded the motion; it passed unanimously. Other note: Karl asked the manager to ensure that deposit amounts are adequate and risk evaluation is performed.

Mason County PUD 1
Board of Commissioners Meeting
April 26, 2011

Residential Exchange Settlement

The commissioners will need to attend the association meeting on this subject and the manager provided an excerpt of a WPAG PowerPoint presentation that outlines the changes and new deadline for the agreement. Discussion topics resulting from a commissioner conference call followed. The commissioners must vote on agreement by June 3rd and submit their decision by June 6th. It will be added to the agenda for the May 31st board meeting after further education and consultation on the matter.

Authorization of Rural Utility Service (RUS) Work Order Inventory 219's

A spreadsheet outlining the proposed expenses was presented for review. Jack made a motion to approve the RUS work order as presented; motion seconded by Karl; motion passed unanimously.

Skokomish Substation Relocation

Steve will be bringing project approvals to the board over the next few months for preparation for late 2013 date for a new proposed substation. Staff has been communicating with the land owner to determine if it is appropriate. The next steps will be to begin negotiations for property purchase. Estimate that this will be a three year process and it is emergent because of flooding issues at current sub-station and trends in peak KW months. The Potlach substation needs part of the load removed from it and the company also needs to strategize for the Union substation to be removed from the potlach substation.

CORRESPONDENCE

A local teacher from Mt. View Elementary sent a letter thanking PUD 1 for the donation of meter parts for her class math project.

STAFF REPORTS

Tracy Colard: Tracy thanked Debbie Knipschild for all of her years of service to the district, its employees and customers. Debbie will retire on May 6, 2011. The commissioners thanked Debbie for her service and support.

Jocelyne Gray: Participated in a WRIA discussion regarding groundwater monitoring. Further discussion will occur next month on ways to reduce lab costs by lowering the frequency of field parameters and testing.

Greg Kester: Stated that the new conversion is having some minor issues with the new accounting system upgrades that have caused setbacks and missing data.

Mason County PUD 1
Board of Commissioners Meeting
April 26, 2011

GENERAL MANAGER'S REPORT- Steve Taylor

Steve attended a League of Women Voters' meeting in which Brian Sontag was in attendance. Sontag spoke about the importance of transparency. An interesting question and answer session followed.

BOARD REPORTS/ COMMENTS

Commissioner Janda was excused from the meeting at 2:00 p.m.

Karl asked Greg Kester to check to see if the current handheld meter readers were able to accommodate meter tags. Karl also asked if coliform "hits" to the water systems could be reported to the board. Karl also asked Jocelyne about coliform/boil issues in Hood Canal "A". Jocelyne stated that the district has applied for Public Works Trust Funds and State Revolving Funds to connect Hood Canal "A" to Hood Canal "B", remove the wood reservoir and the estimated cost is about \$500,000 for this project.

CALENDAR REVIEW

Ron will look into attending the 2011 APPA National Conference in Washington, D.C. in June.

Ron, Karl, Steve and Kristin will attend the WPUDA session in SeaTac on May 18th.

May 19th -WRIA panel on sewers and septic at the Hoodsport Library at 1:30 p.m.

No executive session followed. **Meeting Adjourned at 2:45 p.m.**

Ron Gold - President

Jack Janda - Vice President

Karl Denison –Secretary