

Mason County PUD 1
Board of Commissioners Meeting
August 9, 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 August 9, 2011 at the District Office Board Room in Potlatch.

Present

Ron Gold – President
Karl Denison – Secretary- via phone conference
Rob Johnson – District Counsel
Steven Taylor- General Manager
Jocelyne Gray- Director of Operations-Water
Greg Kester - Auditor/Dir. of Finance & Customer Service
Kristin Masteller- HR/Communications/Exec. Asst.

Visitors

Dave Galle

Excused

Jack Janda – Vice President
Tracy Colard- Director of Ops- Electric

CONSENT AGENDA

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

The minutes of July 26, 2011 regular meeting;

Payroll vouchers 103099-103106 in the amount of \$77,904.38; and Accounts Payable warrants 103096-103098 in the amount of \$11,586.17 and 103107-103167 in the amount of \$103,743.20.

Karl made a motion to approve the consent agenda as presented; Ron seconded the motion. Jack was absent from voting. Motion carried.

PUBLIC COMMENTS

Introductions of visitors and PUD 1 staff/commissioners were made. Visitor David Gallie was recognized. David had no comments. Board President Ron Gold thanked David for attending and express appreciation for his attendance.

BUSINESS AGENDA

RPA- View Ridge Heights Water System Plan

Jocelyne reported that the current View Ridge Heights System Plan is approved for 102 connections and has a waiting list with 15 additional customer connections. This system plan will help determine what needs to be done to get the additional connections that are needed. This plan is working with BHC out of Seattle and is has a budget of \$11,000. Karl made a motion to approve the RPA as presented for \$11,000; Ron seconded the motion. Jack was absent from voting. Motion carried.

Claim for Damages- David Degner:

Jocelyne stated that the water crew was finished with work at the Highland Estates Water System. The PUD truck was on edge of Ryan Road, preparing to do a u-turn. Employees on the scene reported that Mr. Denger's vehicle slowed down and then sped up, swerved, and went into the ditch. The responding law enforcement officer's report stated Mr. Degner was not paying attention to the road, however, he was only cited for no proof of insurance. On behalf of staff, Jocelyne's recommendation to the board was to deny the claim. Karl made motion to deny David Degner's claim; Ron seconded the motion. Jack was absent from voting. Motion carried.

Page 1

Regular Mtg.-Potlatch
August 9, 2011

Mason County PUD 1
Board of Commissioners Meeting
August 9, 2011

WPAG Conflict of Interest & Request for Waiver:

Steve stated that attorney Terry Mundorf is requesting that the signers of the REP settlement sign a waiver for him to continue representing the non-signers in their claims. Steve asked the board for permission to sign the waiver on behalf of the utility. Karl made motion to approve the general manager to sign the WPAG waiver; Ron seconded the motion. Jack was absent from voting. Motion carried.

Revised Contract High Water Mark & Demand Quantities Contract- Exhibit B:

Steve stated that he received an Exhibit B revision to the High Water Mark & Demand Quantities contract and that it requires the manager's signature. Karl made a motion to allow the manager to sign the revised High Water Mark & Demand Quantities Contract's Exhibit B; Ron seconded the motion. Jack was absent from voting. Motion carried.

CORRESPONDENCE:

There was no correspondence.

STAFF REPORTS

Tracy Colard:

There was no report from the Director of Operations- Electric. Steve reported that Tracy and the crew were in Union installing triple-singles and undergoing training on the controls at the substation this afternoon.

Jocelyne Gray:

There was no Director of Operations-Water report this week.

Greg Kester:

Greg attended the PPC in Portland last week. Topics discussed included the Fish and Wildlife issue to increase the dam flows which Judge Redding has denied temporarily. Conservation- they discussed having to return some money due to BPA giving out too much money at the end of their fiscal year. Also discussed was the subject of the ENW contract issue which did not have appropriate performance clauses which caused issues for the construction project. Jack is at ENW today to discuss that matter.

Kristin Masteller:

Kristin reported that she and Steve attended the NWPPA Collective Bargaining Training in Bend, Oregon and that it was a good training. She also attended an HR Law course in Tacoma last week.

Mason County PUD 1
Board of Commissioners Meeting
August 9, 2011

Rob Johnson:

Rob shared a new public record lawsuit in King County was settled for a \$125,000 for not releasing a complaint that was filed regarding a building permit.

GENERAL MANAGER'S REPORT- Steve Taylor

BPA announced its rate increase of 7.8% overall, which will ultimately affect our overall rate by 15.3% after factoring in the TRM affects. Steve and staff will need to meet with the board to discuss some potential rate increase scenarios on how to absorb those increased costs and he stated that a future board workshop may be in order. After the workshop, a public meeting will be held to discuss rate increases. The date for this public hearing should be published in the next newsletter.

BOARD REPORTS/COMMENTS

Karl stated that with the recent downturn of the stock market that he predicts a lot of people will be hurting financially and he hopes things turn around soon in light of PUD 1's impending energy rate increase and the amount of bad debt that the PUD is preparing to write off already.

Ron stated that the storm water meetings are becoming controversial due to the funding issues.

No executive session followed.

Meeting Adjourned at 1:37 p.m.

Ron Gold – President

Jack Janda - Vice President

Karl Denison –Secretary