

Mason County PUD 1
Board of Commissioners Meeting
August 23, 2011

The regular Board of Commissioners Meeting of Public Utility District No. 1 of Mason County was called to order at 1:39 p.m. on August 23, 2011 at the District Office Board Room in Potlatch.

Present

Ron Gold – President
Karl Denison – Secretary- via phone conference
Jack Janda – Vice President
Tracy Colard- Director of Ops- Electric
Rob Johnson – District Counsel
Steven Taylor- General Manager
Jocelyne Gray- Director of Operations-Water
Kristin Masteller- HR/Communications/Exec. Asst.

Visitors

Terry Carr
Jim Oakley
Lauren Danforth
Renée Menig

Excused

Greg Kester - Auditor/Dir. of Finance & Customer Service

CONSENT AGENDA

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

The minutes of August 9, 2011 regular meeting;

Payroll vouchers 103170-103174 in the amount of \$6,873.54, and 103176-103177 in the amount of \$65,871.11; and Accounts Payable warrants 103168-103169 in the amount of \$1,080.89 and 103178-103228 in the amount of \$180,588.33; and Voided Warrants #103175 (\$67,413.89); #103192 (\$581.70); #102617 (\$16.33); #102632 (\$23.55); #102633 (\$38.06); #102637 (\$37.19); #102638 (\$28.12), and #102639 (\$50.81). Karl made a motion to approve the consent agenda as presented; Jack seconded the motion. It passed unanimously.

PUBLIC COMMENTS

Renée Menig lives in the Canal Mutual Water System service area. She stated that she had been trying to get water connections for that system since 1999. She states she was told when she bought the property she had water rights, and that ended up being false. She is upset because she was told this week that she was third on the waiting list, after being told a few years ago that she was first on the list. She still doesn't have the water connections and two new property owners in that area received connection rights before her. She stated that her property value had plummeted and that she cannot sell her lots due to the inability to obtain a water connection.

Jocelyne stated that she has been trying to get approval for additional water connections since 2007. The state is only allowing 56 connections and Jocelyne verified that we have 50 active connections. Jocelyne confirmed that there is a waiting list but the Department of Health stated that there is a model that determines priority for connections, and that model does not go by seniority on the list. 14 people total are on the waiting list. The water main stops 10 feet before Ms. Menig's property. Jocelyne stated that Ms. Menig cannot connect to the old main due to lack of pressure issues.

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Ron suggested that we contact the six owners who received letters verifying that they're approved to connect to the system, to see if they do not plan to connect in the next year and see if they'll forfeit their connection this time around.

Ron told Ms. Menig that the staff and commissioners will try their best to get a connection for her. Jocelyne will research some options and come back with a recommendation for the manager and board. Jocelyne will personally contact Ms. Menig with the decision on her request. Ms. Menig requested that her phone number be typed into the public record (360) 801-1862.

BUSINESS AGENDA

Resolution No. 1025- Regarding Attendance at Commissioner Meetings

Jack made a motion to approve resolution No. 1025 as presented; Karl seconded the motion. It passed unanimously.

CORRESPONDENCE:

An email was included from Bonneville announcing that they had hired a second-in-command person for their organization.

STAFF REPORTS

Tracy Colard:

We are 1,200 to 1,400 meters away from being complete in the change-outs. In this budget year we decided to try to do it over a three year period. If the same amount is budgeted for next year, it should be completed ahead of schedule. As of September 1st, we will be down to one meter reader.

250 poles, mostly North where the oldest part of the system is, were tested. 75% of the poles were from 1949 or older. Only 13 bad poles were found out of 250.

Thursday we should be connecting our 2nd solar customer.

- *Kristin and Steve will write an update to Alderbrook on the different projects that have been done recently.*

Jocelyne Gray:

We will be having a public hearing before the next board meeting on September 13th to discuss the Union Water System Plan.

Jocelyne received word that the State will not require full treatment at the Lake Arrowhead water system.

- *Jocelyne was asked to draft a letter to the Lake Arrowhead community asking if they would like treatment for the magnesium and to let them know how much their bill will be affected.*

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Greg Kester:

No finance report this meeting.

Kristin Masteller:

Kristin reported that it is time to begin drafting the fall newsletter and she asked for all ideas/story contributions to be sent to her by September 16th. Jack will write the quarterly commissioner article this time.

Rob Johnson:

No legal council report this meeting.

GENERAL MANAGER'S REPORT- Steve Taylor

Steve handed out spreadsheets and charts depicting the impending BPA rate pages and the net customer charge. He discussed what these BPA charges mean and some potential scenarios for how these new charges will be absorbed and passed down to customers through new proposed rate structures. Steve stated that the new proposed rate structures will be presented to the policy committee later this month and that it will take a few months of the BPA rate increase to take effect before the PUD will really know what the impacts are to the utility and the customers.

BOARD REPORTS/COMMENTS

Karl is participating in a water conference call along with Jocelyne. Jack will be at ENW over the next three days. Ron reported the first WRIA meeting will be Sept. 1st. Karl asked about the Helms' claim status. Steve replied that Greg is handling that and that he would find out what the status is.

At 4:19 the regular session recessed to allow for an executive session to discuss potential property litigation under RCW 42.30.110(i). Ron stated that the regular session would reconvene at 4:35 p.m.

Ron reconvened the regular session at 4:35 p.m. and then adjourned the meeting.

Meeting Adjourned at 4:35 p.m.

Ron Gold – President

Jack Janda - Vice President

Karl Denison –Secretary