

Mason County PUD 1  
Board of Commissioners Meeting  
September 13, 2011

The regular Board of Commissioners Meeting of Public Utility District No. 1 of Mason County was called to order at 1:07 p.m. on September 13, 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  
Greg Kester - Auditor/Dir. of Finance & Customer Service  
Jocelyne Gray- Director of Operations-Water  
Kristin Masteller- HR/Communications/Exec. Asst.  
Julie Gray- Credit/Collections

**Visitors**

Natalie Johnson

**CONSENT AGENDA**

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

The minutes of August 23, 2011 regular meeting, the Highland Park Water System Plan Public Hearing and the PUD 1 Redistricting Plan Public Hearing, both held on August 23, 2011.

Payroll warrants #103235-103238 in the amount of \$79,365.87, and 103239 in the amount of \$77,639.97, and 103231-103234 in the amount of \$7,745.32; Accounts Payable warrants 103229-103230 in the amount of \$2,319.94, and 103240 in the amount of \$150.00, and 103242-103330 in the amount of \$147,331.51; Voided Warrants 103237 (\$77,939.97) and 103241(\$299.00).

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

**PUBLIC COMMENTS**

Introductions were made. No comments from the public.

**BUSINESS AGENDA**

**Resolution No. 1026- PUD 1 Redistricting Plan (Option 5)**

Jack made a motion to approve resolution No. 1026 as presented; Karl seconded the motion. It passed unanimously.

**Approval of Write-offs:**

Julie Gray stated that we have not been able to do write-offs this entire year due to complications with the accounting system. The list is from December of 2010 to this current date. The collection agency will give customers on the list 30 days to pay without additional fees. After that, the collection agency will tag on their own fees to the total amount due. Greg stated these amounts are large due to the new software being unable to generate a report until now. It is also the highest amount ever

Mason County PUD 1  
Board of Commissioners Meeting  
September 13, 2011

for this length of time and it is largely a reflection of our current economic state and large usage amounts.

Jack made a motion to approve the list of write-offs totaling: \$5,692.15 for water and \$24,573.35 for electric as presented (see attached document for complete list); Karl seconded the motion; It passed unanimously.

**RPA No. 66- Substation Relocation Site**

This RPA is for the surveying and topographic survey for the proposed Skokomish substation relocation site. Soil samples and other tests will need to be performed to determine if the site will accommodate the substation. Karl asked Steve to find out how much it would be to purchase the entire 40 acres. Jack made a motion to approve RPA No. 66 as presented; Karl seconded the motion. It passed unanimously.

**CORRESPONDENCE:**

We sent an email blast to Alderbrook customers as requested by board. Jack said he applauded the effort to inform the customers of the work that has been done. Jocelyne's team received a good job email from customers on Pirate's Cove and Hood Canal. Barney and T.J. were thanked for their hard work. Also included was a response to WECC regarding their role in the proposed energy imbalance market.

**STAFF REPORTS**

**Tracy Colard:**

Crews began converting five spans of overhead to underground in Lilliwaup. They are about half way done installing conduit. Project will be completed before winter. Tree trimming will start in October. \$100,000 was approved and we will contract that out for Alderbrook East, and north past Duckabush to Walker Mountain.

**Jocelyne Gray:**

At the next board meeting Jocelyne will have the final Highland Park Water System plan revisions for approval.

**Greg Kester:**

The state audit will start on 9/26. Jack will participate in the entrance interview. August financials will be presented at the next meeting. Still have some fixed journals to enter and we haven't gotten our power bill from BPA. Financials look good. Greg has started the budgeting process and is targeting that for October's board meeting.

Mason County PUD 1  
Board of Commissioners Meeting  
September 13, 2011

**Kristin Masteller:**

Kristin reported that the fall newsletter is going out at the end of the month. Also, strategic planning information will be sent out in the next week to commissioners.

**Rob Johnson:**

Rob ordered title work on the Island Hide-A-Way well protective covenant. One is signed by the property owners and not recorded and one is recorded and not signed. He is still working on this with Jocelyne.

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

NW River Partners sent a letter stating they would not be increasing their rates this next year, along with NWPPA and WPUA.

The Policy Committee has been working on rate structures and breaking out residential and general service rates into different customer categories. The commissioners stated that they liked the direction that policy committee is heading.

The commissioners decided that Steve would not interview for the NISC Board Director position which included five meetings a year for a 3 year term.

At the PPC meeting: FERC/WECC intervened pushing back and conservation is over budget. Jocelyne and Steve did meet with John Kounts and Bill Clark from WPUA to get additional help from WPUA to push back to the DOH regulations as the board suggested.

We are still working on the forest practices permit for the pole yard. Jocelyne's been doing work in-house and plan to submit it to the county this week.

Jack asked Steve to renew PUD 1's membership in the Kiwanis citing George Bowen of Hoodspout as the contact person.

**BOARD REPORTS/COMMENTS**

**Karl:** Greg and Karl attended the WPAG meeting. BPA has been building new transmission to accommodate the wind. 30% of participants have declined to take the transmission service after it was completed.

**Jack:** Jack asked about Canal Mutual. Jocelyne stated that we are still waiting for the State to give the final number of connections.

**Ron:** Jocelyne and Ron attended the WRIA 16 meeting last week. They are looking for new funding sources since their state funding has been cut.

Page 3

Regular Mtg.-Potlatch  
September 13, 2011

Mason County PUD 1  
Board of Commissioners Meeting  
September 13, 2011

At 2:40 the regular session recessed to allow for an executive session to discuss threatened or pending litigation under RCW 42.30.110(i). Ron stated that the regular session would reconvene at 2:50 p.m.

Ron reconvened the regular session at 2:50 p.m. and then adjourned the meeting.

**Meeting Adjourned at 2:50 p.m.**

---

Ron Gold – President

---

Jack Janda - Vice President

---

Karl Denison –Secretary