

Mason County PUD 1
Board of Commissioners Meeting
October 11, 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 October 11, 2011 at the District Office Board Room in Potlatch.

Present

Ron Gold – President
Karl Denison – Secretary
Jack Janda – Vice President
Rob Johnson – District Counsel
Tracy Colard- Director of Ops- Electric
Greg Kester - Auditor/Dir. of Finance & Customer Service
Jocelyne Gray- Director of Operations-Water
Kristin Masteller- HR/Communications/Exec. Asst.

Visitors

No Visitors

Excused

Steve Taylor, General Manager

CONSENT AGENDA

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

The minutes of September 27, 2011 regular meeting.

Payroll warrants #103398-103405 in the amount of \$89,460.53; Accounts Payable warrants 103397 in the amount of \$11.41, and 103406-103462 in the amount of \$58,421.37.

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

PUBLIC COMMENTS

Introductions were made. No comments from the public.

BUSINESS AGENDA

Set date for Canal Mutual Public Meeting

Jocelyne stated that once Rob is finished with the letter for the Canal Mutual customers, we need to hold a public meeting. Jocelyne is working on a quote for those who are not the top two on how much it will cost them to upgrade the system to their properties, factoring in the cost to make the request from the state for the additional connections. Jack removed his name from any potential "lottery" drawing for the two available connections and moved himself to the bottom of any kind of seniority list as well to avoid any potential conflict of interest. It was decided the public hearing will be held on Friday, November 4th, 2011 at 7 p.m.

- Rob will have the letter to Jocelyne by the end of the week. Kristin will schedule the venue for the meeting. Steve will sign the letter going to the customers.

Mason County PUD 1
Board of Commissioners Meeting
October 11, 2011

Motion to Approve Manager to sign BPA Exhibits A & B for Network Integration Transmission Service & Revision No. 2 Notices

Jack made a motion to approve the manager to sign the BPA Exhibits A & B for Network Integration Transmission Service & Revision No. 2 Notices; Karl seconded the motion. It passed unanimously.

Letter to US Nuclear Regulatory Commission – (added to agenda)

Jack read a proposed letter drafted on behalf of the board to the US Nuclear Regulatory Commission to support Energy Northwest's license renewal for a 20 year contract to manage the Columbia Generating Station.

Electric Line Extension Policy- (added to agenda)

The commissioners told Greg that he could move forward with the rate schedules, as presented for review at the last meeting, for his budgeting process. They all agreed that the definitions of the rate schedules were good and that the electrical service line extension policy was ready to be added to the agenda for approval at the next meeting.

CORRESPONDENCE:

Kristin reported that Steve followed up with Kirsten Watts of BPA, as the commissioners had asked. Kirsten stated that there would be a new amendment to the settlement agreement that will be released later this month.

STAFF REPORTS

Tracy Colard:

Tracy presented the August safety minutes stating that they did not have a meeting for September. He also gave an update on the lineman who was hurt at Grays Harbor PUD. We are waiting for a new safety consultant to begin.

Jocelyne Gray:

Jocelyne stated that her speech went well at the WPUDA water conference and she thanked Jack and Karl for their input as well. They agree that Jocelyne did a great job with the speech. She said that at the conference, they discussed the Madrona Beach water improvements and got a lot of good feedback from others in the industry. Ron and Jocelyne attended the WRIA meeting. Roy will be training Brandy this week to do the groundwater monitoring.

Greg Kester:

Greg reported that we are winding down on the audit and all seems to be going well. Greg will contact Jack when it's time for the exit interview. Greg gave an update on the Helms' claim and stated that the Helms were appreciative of the PUD's assistance on the issue. Greg will be attending the finance officers meeting for WPUDA, which he stated is a valuable training and workshop for him to participate in.

Mason County PUD 1
Board of Commissioners Meeting
October 11, 2011

Kristin Masteller:

Kristin received verification to hand out the goals produced from the board's strategic planning session. She will also be attending a WPUDA Records Management workshop next week in Olympia.

Rob Johnson:

Rob's report is reserved for executive session.

GENERAL MANAGER'S REPORT- Steve Taylor

No report this meeting.

BOARD REPORTS/COMMENTS

Karl: Karl gave an update on the PPC meeting and the wind integration discussion. Karl mentioned the Grays Harbor PUD telecom meeting regarding the possibility of going after retail authority for telecom. GHPUD developed a SWOT analysis and Karl handed copies out to the commissioners. Their position is that WPUDA should not be seeking the authority.

Jack: Jack gave an update on ENW and stated they're at 100% power.

Ron: Ron spoke about the in-stream flows which are turning into an issue.

- Jocelyne will add this item to the strategic plan and recruit WPUDA to assist in this issue with the Department of Ecology and to pull in other community partners.

At 2:30 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 2:35 p.m.

Ron reconvened the regular session at 2:35 p.m. and then adjourned the meeting.

Meeting Adjourned at 2:35 p.m.

Ron Gold – President

Jack Janda - Vice President

Karl Denison –Secretary