

Mason County PUD 1  
Board of Commissioners Meeting  
October 25, 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 25, 2011 at the District Office Board Room in Potlatch.

**Present**

Ron Gold – President  
Jack Janda – Vice President  
Steve Taylor, General Manager  
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**

Terry Carr

**Excused**

Karl Denison – Secretary

**CONSENT AGENDA**

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

The minutes of the October 4, 2011 Special Meeting and the October 11, 2011 regular meeting.  
Payroll warrants #103463-103469 in the amount of \$70,612.67 and 103470-103518 in the amount of \$279,093.95; Accounts Payable warrants 103466-103518 in the amount of \$343,209.85.

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

**PUBLIC COMMENTS**

Terry Carr was welcomed to the meeting and made no comment.

**BUSINESS AGENDA**

**Employee Policy No. 609- Employee Recognition**

Jack made a motion to approve Employee Policy No. 609 as presented; Ron seconded the motion. Karl was absent from voting. Motion carried.

**Administrative Policy No. 1000- Electrical Service Line Extension**

Jack made a motion to approve Administrative Policy No. 1000 as presented; Ron seconded the motion. Karl was absent from voting. Motion carried.

**RPA No. 67- EES Consulting Retail Rate Demand Proposal**

Jack made a motion to approve RPA No. 67 as presented; Ron seconded the motion. Karl was absent from voting. Motion carried.

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**RPA No. 68- Ductless AC**

Jack made a motion to approve RPA No. 68 as presented; Ron seconded the motion. Karl was absent from voting. Motion carried.

**CORRESPONDENCE:**

NW River Partners sent an informational flyer that Steve shared with the board for their review.

**STAFF REPORTS**

**Tracy Colard:**

Tracy stated that we are still waiting for new safety consultants for our monthly program. They have selected two individuals to replace the outgoing person. Tracy brought in Jason Johnson from Grays Harbor PUD who was injured on the job. Jason talked to the crew and answered questions about his accident. Tracy also reported that we have only had one recent outage above Brinnon.

**Jocelyne Gray:**

Jocelyne has been preparing for next Friday's Canal Mutual meeting and working on the cost for each customer to make the system improvements themselves. Jack stated that he received feedback from that community. One of the concerns was that people who own two lots not be allowed to get two connections before everyone is able to get one connection. Another concern was whether people were still getting connections if they're not building. The letter was sent out to all community members in Canal Mutual. Jack spoke with Bob Sund today about his concerns about the new developments and DOH requiring a new 6" line. Jocelyne has been staying in contact with Bob on the issue.

**Greg Kester:**

Greg has been working on the budget requests from the commissioners to accommodate the three options. He will present the budget in second meeting of November. The audit is completed as of this afternoon. Greg will contact Jack to do exit interview on the first or second Tuesday of November.

Greg discussed the new cell phone laws stating that at the end of September the IRS determined that cell phones are no longer taxable. The utility will not tax for phones, but will not do stipends either. Greg submitted the RUS loan reimbursement from the treasury and got a 35 year, 2.853% fixed interest rate from the U.S. Treasury. This is much lower than what we budgeted for long term debt.

**Kristin Masteller:**

The staff held their strategic planning session and are getting feedback from all employees. We will have the final draft to board by end of November for approval. Kristin attended the WPUDA records managers meeting this month. Kristin and Steve are working on a brief NWWH summary report for the next board meeting. Kristin will attend the WPUDA communications meeting next week.

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**Rob Johnson:**

Rob reported that we have reached a resolution with the Abbots on Island Hide-A-Way regarding the covenant issue. They have accepted the offer of five years of no basic service charge in exchange for the well covenant. Jack made a motion to approve Rob to move forward to resolve the dispute with the Abbots by granting them 60 months of no basic service charge in exchange for the conveyance of the PUD for a well protected covenant. Ron seconded the motion; Karl was absent from voting. The motion carried.

Dec. 8th is the semi-annual PUD lawyers meeting and it is PUD 1's turn to sponsor the trip for Rob. He stated the cost is \$65 for the full day CLE's, plus hotel costs. The Board was fine with Rob attending.

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

Steve also attended the NWWH meeting. He also had an opportunity to meet with other managers from small utilities who also attended the conference. Oregon has a quarterly managers meeting and Steve would like to see one here in Washington. Steve and the staff have been working with Greg on the budget for 2012.

**BOARD REPORTS/COMMENTS**

**Karl:** No report this meeting.

**Jack:** No report this meeting.

**Ron:** Ron went to the last WRIA 16 meeting where the group strategized on how to stay afloat with the budget cuts. He also participated in a meeting with engineers at the Lilliwaup Falls hydro site.

**Meeting Adjourned at 1:47 p.m.**

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Ron Gold – President

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Jack Janda - Vice President

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Karl Denison –Secretary