

Mason County PUD 1
Board of Commissioners Meeting
November 8, 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 November 8, 2011 at the District Office Board Room in Potlatch.

Present

Ron Gold – President
Jack Janda – Vice President
Karl Denison – Secretary
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

Lauren Danforth

Excused

CONSENT AGENDA

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

The minutes of the November 4, 2011 Public Meeting and the October 25, 2011 regular meeting.
Payroll warrants #103535-103542 in the amount of \$86,183.62; Accounts Payable warrants #103519-103534 in the amount of \$4,477.43 and #103543-103603 in the amount of \$58,150.12.

Karl made a motion to approve the consent agenda as presented; Jack seconded the motion. Motion carried.

PUBLIC COMMENTS

Lauren Danforth was welcomed to the meeting and reserved his comments for the Canal Mutual discussion portion of the agenda.

BUSINESS AGENDA

Canal Mutual Follow-up Discussion

At the public meeting on November 4, 2011, a discussion occurred regarding how to allocate the two available water connections on the Canal Mutual Water System. A general consensus was reached to use the sewer design dates listed with Mason County to determine a “first come, first served” priority for the five lot owners who have already paid for and received approved septic designs. The priority by date is as follows: Haas 1971, Abrahamson 1997 (removed himself from list), Madrid 1997 (approval expired in 1998), Menig 2001, Adams 2003, Danforth 2008, and Deatherage 2009.

Another consensus was to prioritize the second group of lot owners without septic designs by conducting a lottery for those that still desire to connect. Those on the second list who in 2003, were on the “already paid” list, will not have to pay “hook-up” fees. The Staff’s recommendation is to have the board make a motion for a line extension cost to serve the lots based on an engineering estimate

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to be calculated, starting with the Haas'. A latecomers agreement would be associated with anyone who connected on the line afterward. This will get the ball moving and the two connections allocated quickly.

Jocelyne stated that the 2003 list of people who paid system fees did not guarantee priority for connections; it just states that the PUD agrees not to charge "hook-up" fees. Those on the list would not owe the connection fees when they are able to connect. They will still have to pay for the meters and any improvements needed to extend the water service to their properties based on engineering design estimates.

A motion was made by Karl to use the septic design approval date to set the priority for the first round of water connections for Canal Mutual Water System, and then use the lottery system to establish priority order for additional connections. Jack seconded the motion. After further discussion the original motion was withdrawn by Karl.

A revised motion was made by Karl to use the septic design approval date to set the priority for the five lot owners who have existing approved septic designs and use this system to award the two existing additional connections. Jack seconded the motion. The motion carried.

Steve stated that the Staff will bring more information about the other lots and connections back to the board for further recommendations.

Karl suggested that the costs for making the upgrades go into a pool to be divided amongst the new group of connectors. Rob said from a legal standpoint, we would not be able to do that due to the initial agreement when the PUD acquired Canal Mutual. The only way to do that is if all the people on the 2003 list waived their rights to not pay a connection fee. Jocelyne and Rob discussed that line extension costs and latecomers agreements are difficult to apply here because an improvement on one side of the system could actually end up benefiting the other side of the system because these are system capacity upgrades for the whole water system, rather than straight forward line extensions on one street or road.

Rob was asked by the board to research legality of service charges, charging two sub-groups different rates, line extensions with the existing agreement, and latecomer agreements.

Greg stated that these improvements are not extensions but are system capacity improvements. From an auditor's standpoint, we have two options: charge a system development fee, which doesn't seem to be a viable option here, or add the cost to the base charge.

Jack brought up the fact that there is some major maintenance that needs to be done to the system as well.

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CORRESPONDENCE:

Jocelyne reported that a customer called into the office to praise T.J.'s work and customer service. The commissioners expressed their praise of T.J. as well.

Steve shared an announcement from Lewis County PUD stating that they have hired a new general manager.

STAFF REPORTS

Tracy Colard:

The new contracted safety consultant comes on board at the end of November, so he probably will not facilitate a safety meeting for us until the end of December. Safety meetings have still been occurring regularly even with the absence of a consultant. Tracy will receive a land survey and topographic map for the new Skokomish substation. Asplundh will begin tree trimming soon. Steve and Tracy have been researching more economic ways of approaching our tree trimming schedule and budget. Tracy also reported that his crews have started the Weyerhaeuser electrical line extension project today. Karl reported some flashes occurring in one of the lines on Vine Maple St. in Union and Tracy said he will research that.

Jocelyne Gray:

Jocelyne reported that she has fulfilled the RFQ requirements for water engineering services. Three of our water systems are on temporary chlorination- Madrona, Southside and Lakewood, due to trace coliform hits. We have not been able to locate the source. The WRIA meeting on December 1st will be held at 10 a.m. at PUD 1.

Greg Kester:

Greg will have budgets to present to the board at the November 22nd meeting.

Kristin Masteller:

Kristin will have the final draft of the 2012 strategic plan to present to the board for approval at the November 22nd meeting.

Rob Johnson:

Rob presented a final agreement with the Abbotts regarding the well covenant for Steve to sign with the board's approval. Jack made a motion to authorize the manager to sign the settlement agreement with the Abbotts on Island Hide-A-Way for a protected radius around the well in exchange for 60 months of no base charge. Karl seconded the motion. It passed unanimously.

GENERAL MANAGER'S REPORT- Steve Taylor

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PPC notified the non-signing utilities of the REP Agreement that BPA is working toward an additional agreement for the next round of signers. There are still a handful of individuals who haven't returned the document and consented to allow this additional group of non-signers to now sign the agreement. PUD 1 should get settlement documents in mid-December or January.

Jocelyne and Steve attended the county's Coordinated Water System Plan presentation yesterday on Phase 1. This plan would benefit the PUD by creating a county-wide database that identifies and acknowledges all water systems. PUD 1 will revisit MOU with the county in 2012. The county is not interested in having PUD 1 take over their water systems unless the utility manages their sewer systems too.

BOARD REPORTS/COMMENTS

Karl: Karl attended PPC last week and part of that discussion was about the fish runs and that they are above the 10 year average on the Columbia system. Karl wants an article in next newsletter about fish restoration. Kristin informed him that he is the next author of Commissioner's Corner and Karl stated he would write something for that. BPA's proposed capital programs were put out without any sort of priority setting. There has also been significant conservation program overspending by BPA but they have stated they will keep the 2012 budget as proposed and cut the following two years. Steve was asked to bring up BPA push back strategies at the next WPUA managers meeting.

Jack: PPC has started discussions on the Columbia River treaty. Jack also reported that the Columbia generating station is at 100% power.

Ron: Ron reported that the Reeds are conducting a feasibility study for re-starting the hydroelectric production at Lilliwaup Falls.

Meeting Adjourned at 2:50 p.m.

Ron Gold – President

Jack Janda - Vice President

Karl Denison –Secretary