

Mason County PUD 1
Board of Commissioners Meeting
December 13, 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 December 13, 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

No visitors present.

CONSENT AGENDA

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

The minutes of the November 22, 2011 regular meeting.

Payroll warrants #103659-103667 in the amount of \$99,472.87; Accounts Payable warrants #103656-103658 in the amount of \$280,136.00 and #103668-103739 in the amount of \$80,641.04.

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

PUBLIC COMMENTS

No members of the public were present.

BUSINESS AGENDA

Final Budget Presentation & Resolution No. 1027- “Approval of 2012 Electric & Water Budget”

Greg presented the final budget compilation which incorporated the staff and commissioner changes from the last meeting. He noted that we still have a tiered rate of 2.05, which is good. The Northwest River Partners Fish Assessment dues are the only variable and the commissioners decided to continue with that so a request was made to pass the budget by Resolution No. 1027. Karl made a motion to approve Resolution No. 1027; Jack seconded the motion. It passed unanimously.

Administrative Policy No. 1002- Electric Service Policy

Policy No. 1002 was presented. This policy reflects the changes made in the electrical line extension policy and the current practices of the customer service group. Rob was thanked for all of his efforts in revising the policy. Greg’s team and Vicky were also acknowledged for their input and help to update it to reflect current practices. Jack made a motion to approve AP Policy No. 1002 as presented; Karl seconded the motion. It passed unanimously.

**Mason County PUD 1
Board of Commissioners Meeting
December 13, 2011**

Approval for Manager to sign 2012 WPAG Contract

The dues amount and value of Terry Mundorf's legal services were discussed and the commissioners agreed that these services provided value to the District. Jack made a motion to approve the Manager to sign the 2012 WPAG contract; Karl seconded the motion. It passed unanimously.

Discussion on naming the Skokomish Substation

Steve informed the commissioners that staff has been discussing the possibilities for rebranding the new Skokomish Substation to differentiate it from the current one. A suggestion was made to receive input from both Hood Canal School and the Skokomish Tribe to see if they had any good recommendations for a new name. The commissioners did not express any opinions on the naming and so Steve will continue to work on this as the project progresses.

Approval for Early Closure- 12/13 and 12/30

Steve stated that past practice has been to close the office and operations early the Friday before major holidays and that barring any emergency, he would like the board to authorize him to close early on the afternoons of the 13th and 30th at his discretion. Jack made a motion to authorize the manager to close the office and operations at his discretion on December 13th and 30th; Karl seconded the motion. It passed unanimously.

Cancellation of the December 27, 2011 Regular Meeting

Since the budget was approved at this meeting the board discussed the option to cancel the last meeting of the year since it fell right after the recognized holiday. Jack made a motion to cancel the December 27, 2011 Regular Meeting; Karl seconded the motion. It passed unanimously.

CORRESPONDENCE:

There was no correspondence.

STAFF REPORTS

Tracy Colard:

Tracy reported that the Asplundh contractor will be finishing up tree trimming on 106 this Thursday and then the crew will move north. Asplundh has done a great job on this trimming project. The District has scheduled an outage next Monday (19th) night from 11:30 p.m. to 6:00 a.m. on Tuesday morning. The outage will be from Lilliwaup to Colony Surf and will complete the overhead to underground conversion. Karl noted that he heard of the possibility of a large wind storm coming and asked Tracy about checking trees and arresters in the corridors. Tracy also reported that Mason County will not permit us to plow in the cable down Sunnyside road in the valley. The road has washed out in five or six places.

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

Jocelyne Gray:

Jocelyne reported that she attended a WRIA technical meeting at the beginning of the month. Department of Ecology is still considering implementing in-stream flow requirements. WRIA's concern is that sediment loading is a major problem and water is available but the DOE is not willing to recognize it. Ron also spoke about these issues and his concerns with the misinformation that DOE is using to base their decisions and regulations upon. Jack asked if there's a way for the PUD to utilize local river restoration groups to obtain some of the BPA restoration money to help fix rivers in our district. The water crew is busy winterizing well houses right now. Jocelyne is working with Rob on Canal Mutual latecomer's agreements.

Greg Kester:

No additional report.

Kristin Masteller:

The last newsletter for 2011 will go out in this month's bills. A press release has been drafted and will be sent to the media regarding the approval of the 2011 budget and not having an additional rate increase due to the BPA rate increases that the utility will incur. Kristin has almost finished a comprehensive Accident Prevention Program manual and will send a final copy out next month for everyone's information. This document is based on Washington State laws and regulations so it will not go through policy committee for board approval due to the frequency of changes it will undergo throughout each year. Kristin also has been working on revamping the Small Works Roster process and system.

Rob Johnson:

Rob reported that he attended the PUD attorneys meeting in Seattle last week where there was lots of discussion on the environmental dispatch issue. They had a public records speaker there also. The issue of suggested mandatory energy audits for home sales was also discussed.

GENERAL MANAGER'S REPORT- Steve Taylor

Mike Rose has 15 years of service, Vicky Heinrich 5 years, and Steve Brown 5 years and they will be recognized today after the board meeting.

Steve attended WPUDA, PPC and NW River partners meetings last week and found them very enjoyable and informational. Steve and Tracy had a discussion with Garth Mann from Black Point/Pleasant Harbor on how to partner to meet the needs of their development.

BOARD REPORTS/COMMENTS

Karl: Legal counsel for APPA spoke to PPC about the environmental dispatch decision. Terry Mundorf responded on the BPA capital program.

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

Jack: Jack went over comments from the recent audit exit interview and asked that the good audit be published in a press release. Jack asked for opinions or feelings regarding Jefferson County's authority and if there was a possibility of acquiring Mason 1's part of the system.

Ron: Ron previously discussed the recent WRIA issues and had no additional report.

Meeting Adjourned at 3:14 p.m.

Ron Gold – President

Jack Janda - Vice President

Karl Denison –Secretary