

Mason County PUD 1
Board of Commissioners Meeting
January 10, 2012

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 January 10, 2012 at the District Office Board Room in Potlatch.

Present

Ron Gold – Secretary
Jack Janda – President
Karl Denison – Vice President (via phone conference)
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 December 13, 2011 regular meeting.

Payroll warrants #103740-103746 in the amount of \$72,389.83 and 103813-103821 in the amount of \$87,631.42; Accounts Payable warrants #103747-103812 in the amount of \$390,327.02 and #103822-103886 in the amount of \$96,604.00; Voided warrants #103756 (\$31,334.72) and #103853 (\$945.00).

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

PUBLIC COMMENTS

No members of the public were present.

BUSINESS AGENDA

Election of 2012 Officers

Ron nominated Jack as president, Karl as vice president and himself as secretary. Karl seconded that nomination. It passed unanimously.

Resolution 1028- Non-Union Salary Adjustments

Jack read aloud the proposed adjustments to non-union salary personnel. Rob stated that the manager's recommendation report should be attached to the resolution and referenced.

Karl made a motion to adopt Resolution 1028 as amended to reference the report attachment; Ron seconded the motion. It passed unanimously.

Mason County PUD 1
Board of Commissioners Meeting
January 10, 2012

Resolution No. 1029- General Manager Compensation Adjustment

Jack read aloud the proposed adjustment to the general manager's annual base salary and deferred compensation contribution.

Ron made a motion to approve Resolution No. 1029; Karl seconded the motion. It passed unanimously.

Resolution No. 1030- Set Regular Meeting Schedule

Ron made a motion to approve Resolution No. 1030; Karl seconded the motion. It passed unanimously.

Resolution No. 1031- Post-Retirement Healthcare Benefits

Karl noted that the current Policy No. 385 gave the appearance that the commissioners had a better or special deal regarding healthcare benefits. This policy revision will ensure that the policy is applied equally to both commissioners and employees.

Ron made a motion to approve Resolution No. 1031 which included revised Policy No. 385; Karl seconded the motion. It passed unanimously.

Recommendation for ENW to become a REP Settlement Signer

Jack said that Energy Northwest has gone out to their members to ask their opinions regarding if ENW should sign the Residential Exchange. Jack recommended that the PUD 1 manager sign a letter to encourage ENW to sign. Ron made a motion to authorize the manager to send a letter to ENW stating that the PUD 1 Commissioners encourage them to sign the REP Settlement Agreement; Karl seconded the motion. It passed unanimously.

Accident Prevention Program

Kristin stated that she and Tracy were finished with the Accident Prevention Program Policy & Procedures and that the staff was ready to implement it. She showed what the new manuals and accident reporting packets looked like and stated that as part of the strategic plan, staff would be updating this document on an ongoing basis and providing education on its contents as part of the strategic goal to foster a culture of safety.

CORRESPONDENCE:

Customers in Brinnon expressed their appreciation of the PUD 1 employees via email.

Mason County PUD 1
Board of Commissioners Meeting
January 10, 2012

STAFF REPORTS

Tracy Colard:

Tracy pointed out the safety minutes that were included in the board packets. He stated that the safety meeting this month will be held on the 23rd.

Operations also demoed new radios with a new company and everyone was impressed with the clear signal of the radios and system capabilities in areas that are typically no-reception areas. We received a promotional price on the radios for 23 radios total for the price \$12,000 and a \$16.79 per radio a month charge for cellular service on each radio. The radios are scanner resistant and we are on our own signal.

Tracy also ordered AMR meters for this year and will finish switching out the single phase customers. Finished up Asplundh contract for 2011 and are working under the new 2012 contract. Tracy stated they are doing a good job.

Jocelyne Gray:

Jocelyne had an update on Canal Beach Tracts water system. Ken Martig & Jocelyne met with the WA Department of Health regarding Bob Sund's water planning. The state cannot approve planning documents without a hydraulic model at this point. Steve and Jocelyne are meeting with Mason County to see if they can approve the short plat to justify engineering for the hydraulic model.

Greg Kester:

Just completed year end payroll with the new system and it only took a few days this year instead of a couple weeks last year.

Kristin Masteller:

The two safety meetings that the commissioners expressed interest in attending are listed on the back of the agendas with the rest of the meeting dates for 2012. Kristin will remind them as the date approaches.

The first strategic planning report will be presented the first meeting in February to report January's progress.

Rob Johnson:

No report this meeting.

GENERAL MANAGER'S REPORT- Steve Taylor

Steve stated that he does not recommend moving forward with the new rate structures this year. He recommends that the District perform a pilot study instead and make sure that our 3-phase customers are adequately analyzed to see how they actually impact our system and have a year's

Mason County PUD 1
Board of Commissioners Meeting
January 10, 2012

data to help set demand rates. We need to install all new meters to pull the data we need to make these decisions so we are moving forward with new meters. Consumption and base charges are still issues that we will be addressing and we will be having a workshop on this in the upcoming months.

BOARD REPORTS/COMMENTS

Karl: PPC is dealing with the energy imbalance market due and the wind producers.

Jack: No report.

Ron: Attended WRIA 16 meeting. Looking for local money to help fund the group.

Additional Information:

The following people were appointed as delegates to the following organizations:

WPUDA- Jack (primary), Karl

WPAG- Greg & Steve

APPA- Ron & Jack

ENW- Jack & Karl

PPC- Steve, Karl & Greg

WRIA- Ron & Jocelyne

NWPPA- Karl & Ron

Meeting Adjourned at 1:46 p.m.

Jack Janda – President

Karl Denison - Vice President

Ron Gold –Secretary