

**Mason County PUD 1
Board of Commissioners Meeting
January 24, 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 24, 2012 at the District Office Board Room in Potlatch.

Present

Ron Gold – Secretary
Jack Janda – President
Karl Denison – 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

CONSENT AGENDA

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

The minutes of the January 10, 2012 regular meeting.

Payroll warrants #103890-103896 in the amount of \$82,076.58; Accounts Payable warrants #103888-103889 in the amount of \$261.00 and #103897-103947 in the amount of \$377,496.13; Voided warrants #103325 (\$17.44) for a total vouchers amount of \$459,833.71.

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

PUBLIC COMMENTS

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

BUSINESS AGENDA

RPA No. 69

Jocelyne reported that the Department of Health said the pump on well two at Alderbrook has to be replaced because it runs a potential risk for contamination, even though we have not had contamination to date. She stated that we need to complete this project before irrigation starts. Ron made a motion to approve RPA No. 69 as presented; Karl seconded the motion. It passed unanimously.

RUS Form 219- 3rd Quarter 2011

The 219's for closed work orders through the 3rd quarter of 2011 were presented.

Karl made a motion to approve the RUS Form 219 as presented; Ron seconded the motion. It passed unanimously.

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Discussion on Water Policy- SMA/Ownership

The policy committee would like to move forward on developing a comprehensive SMA policy but wanted board guidance before all the work was put into the policy. Ron asked for an exit clause in the agreements. Jack stated he is on policy committee and is in favor of this section. Karl stated that he also supports it and is not in favor of putting a two-year limitation on the SMA and control timeframes through the contracts.

Discussion occurred at Mason County regarding privatizing their utilities and they have asked Mason 1 to present to them a proposal for managing their services. Ron is against managing the sewer and wastewater systems. Karl stated he is open to Steve talking with the County to see what it all entails. Jack agrees with Ron but stated he is also open to Steve investigating the options. Steve and Jocelyne will speak with the County to hear their ideas and report back to the board.

Public Hearing for DOH Water System Plan- Part A

It was decided that the Public Hearing will occur at 1 p.m. on March 13th for WSP-Part A. Kristin will set up a Google Docs accounts to upload the large documents and commissioners or anyone else that wants to read the plan in its entirety can obtain the log-in information from Kristin and view it online prior to the hearing. A hard copy will also be in the front office for physical review during that time.

CORRESPONDENCE:

No correspondence.

STAFF REPORTS

Tracy Colard:

Held safety meeting yesterday and will be working with the consultant on improving the program for our crew. Our apprentice is in Oregon for 10 days to receive his first year training and he also worked with PUD 3 to gain some more experience. Tracy gave an overview of the recent outage and answered questions. We struggled a little with the cold load and with the trees hitting the same spot twice. Asplundh are off the trimming job for us right now and went to assist Puget Sound Energy with their massive outages and damages. Jack thanked the crews for how well they did.

Jocelyne Gray:

Power outages in our service area and PUD 3 resulted in water outages for our systems that don't have back-up generators. We suspended chlorine checks last week due to extreme weather issues. Jocelyne is researching CO2 injection for wells to clear out iron and manganese bacteria at Lake Arrowhead.

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Greg Kester:

Greg handed out a sheet that outlined examples of capital surcharge schedules for the different water systems and how the debt structure makes up the rates and surcharges. He stated that his department is on schedule for yearend wrap up.

Kristin Masteller:

Entered NWPPA safety annual contest. Kristin is working on updating the website and building a communications plan. She sent pictures out during the outage of our crews working and KMAS online posted the photo with the outage story. Kristin is attending WWPU meeting Friday at PUD 3 to discuss status of collective bargaining with other General Managers and Human Resources Managers. She is beginning a HR Policy course through The Evergreen State College this weekend which will continue through March.

Rob Johnson:

No report this meeting. Discussed recent outages.

GENERAL MANAGER'S REPORT- Steve Taylor

Steve attended a manager's meeting with NWPPA Leadership Roundtable on creating a safety culture in the workplace. 15 General Managers attended from different PUDs and Cooperatives. The program was put on through Caterpillar and is very well regarded by NWPPA.

BOARD REPORTS/COMMENTS

Karl: WPUDA commissioner meeting is on Feb. 9 and 10. All three commissioners will attend.

Jack: No report.

Ron: Attended WRIA 16 meeting at the library to respond to Puget Sound Partnership and their agenda and keep the group alive. Steve and Jocelyne were asked to draft a letter of support for WRIA, emphasizing the concepts of local control and involvement in decisions, as well as the poor data used by Department of Ecology.

Meeting Adjourned at 2:40 p.m.

Jack Janda – President

Karl Denison - Vice President

Ron Gold –Secretary