

Mason County PUD 1  
Board of Commissioners Meeting  
March 27, 2012

The regular Board of Commissioners Meeting of Public Utility District No. 1 of Mason County was called to order at 1:11 p.m. on March 13, 2012 at the District Office Board Room in Potlatch.

**Present**

Ron Gold – Secretary  
Karl Denison- Vice President  
Jack Janda – 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.  
Julie Gray- Credit & Collections Specialist

**Visitors**

Terry Carr

**CONSENT AGENDA**

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

The minutes of the March 13, 2012 public hearing for Water System Plan-Part A and the regular meeting.

Payroll warrants #104177 in the amount of \$74,715.87; Accounts Payable warrants #104175-104716 in the amount of \$713.19 and #104184-104265 in the amount of \$553,329.14; Voided warrants #104126 (\$206.98); #107174 (\$206.98); #104117 (\$38.54) for a total vouchers amount of \$628,758.20.

Karl made a motion to approve the consent agenda as presented; Ron seconded the motion. It passed unanimously.

**PUBLIC COMMENTS**

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

**BUSINESS AGENDA**

**Administrative Policy No. 1009- Social Media**

The policy committee reviewed the policy and recommended it for approval. Kristin anticipated that it would be June or July before the Facebook and Twitter accounts are live.

Ron made a motion to adopt AP No. 1009 Social Media as presented; Karl seconded the motion. It passed unanimously.

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**Project Update for new Skokomish Substation**

Steve reported that he is waiting for the draft purchase and sale agreement from Green Diamond and then he will bring it to the board for approval.

**Approval of write-offs for Delinquent Accounts**

Julie presented a list of write-offs for delinquent accounts and stated that water and electric write-offs should now be presented in a monthly basis now that the computer system issues have been solved.

Karl made a motion to approve the presented list of write-offs totaling \$4,059.35 for water accounts and \$5,490.78 for electric accounts; Ron seconded the motion. It passed unanimously.

**January 2012 Financials for Water & Electric**

Greg presented the financial statements for January. Revenues were from December but billed in January. Net margins are down from last year, partly because of the cost of power under the tiered rate methodology from BPA. Distribution expenses for maintenance have increased due to the contracted tree trimming done this year. Greg went over some statistical reports, which are the first ones produced by the iVUE system for us. The water department paid back monies borrowed from the electric side in the amount of around \$500,000. Margins for water look good but there still is not a lot of growth.

**CORRESPONDENCE:**

No correspondence was presented.

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

Steve will be taking vacation next week. Greg will be in charge while Steve is out.

Steve had a meeting with Green Diamond regarding an opportunity to be owners and managers of a water system within a development they plan to create over the next five to 15 years.

Regarding the fallen tree outage, Steve stated that our journeyman linemen are qualified to remove trees and vegetation, as part of their training to be journeymen. To fall large areas of trees, it might be advantageous to hire a contractor to do that work and keep our guys working on our electrical system. We are doing a safety review and debrief of the incident with the tree falling on the line with the crews. Steve stated he is also working with Tacoma because part of their right-of-way intersects with ours and he is making sure that they are quickly getting in to clear their areas of line. Ron said he will ask about certified cutters for logging and report back to Steve.

Leaks around the sign on the front office have caused some damage to the main office. The cinderblocks on the sign contain water. The roofer will bring back a proposal to seal that area with roofing material. The estimate is at \$1,700.

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**STAFF REPORTS**

**Tracy Colard:**

Safety Minutes for February were included in the packet. CPR/1st Aid class is rescheduled for this Friday. Three electric crew members will be attending the NWPPA Energy & Operations Conference in Spokane in April, where they will also accept PUD 1's Safety Award.

**Jocelyne Gray:**

The pump motor went out in the Hood Canal A well. We replaced it yesterday and we are still on boil water advisory. Tomorrow we should have the results from the five samples we took. Jocelyne and Brandy took bottled water to businesses that cannot boil water.

**Greg Kester:**

Greg went over some highlights from the WPAG meeting he attended last week. The group agreed to a minimal protest with FERC with an option to go to the 9th Circuit court regarding fees for high water/low water events.

**Kristin Masteller:**

The spring newsletter has been completed. Kristin noted that there has been improved outage communications amongst PUD staff/employees and the media and it has been working very well. Kristin was asked to join the NWWH steering committee. Will be soliciting website quotes in the next few weeks.

**Rob Johnson:**

Rob had a request from Foster Pepper that when our Water System Plan Part A is submitted that we state we serve all of Mason County for water services. The rest of Rob's report was saved for executive session.

**BOARD REPORTS/COMMENTS**

**Karl:**

Karl attended the APPA fly-in in Washington, D.C. and stated it was very good. Some of the issues they discussed with law makers included a request to stop production tax credits for renewable sources, discussed wind issues with BPA regarding the hydro system and wear on equipment; a proposal to stop tax-exempt bonding for PUDs was also discussed; discussed the proposal to put Department of Homeland Security in charge of cyber security for utilities and the argument was that FERC already regulated this for utilities and no additional oversight was needed. Grays Harbor PUD's resolution on preference passed. Everyone supported the VEBA fix and the hydrogenation.

**No further board reports.**

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Jack called an Executive Session in accordance with RCW 42.30.110(i) at 3:01 p.m. to discuss potential or threatened litigation. He stated that the executive session will end and the regular session will resume at 3:09 p.m.

**Meeting Adjourned at 3:09 p.m.**

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Jack Janda – President

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Karl Denison - Vice President

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Ron Gold – Secretary