

**Mason County PUD 1
Board of Commissioners Meeting
May 22, 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 May 22, 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
Jocelyne Gray- Director of Operations-Water
Kristin Masteller- HR/Communications/Exec. Asst.
Tracy Colard- Director of Ops- Electric
Greg Kester - Auditor/Dir. of Finance & Customer Service

Visitors

Tom Moore, Loretta Swanson, James Medcalf, John Cunningham, Brian Matthews, Mark Core, Tim Sheldon, Steve Bloomfield, Debbie Riley, Lynda Ring Erickson, Sam Sevier, Regina Grimm, Corina Hays, Chris Uber

CONSENT AGENDA

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

The minutes of the May 8, 2012 regular meeting.

Payroll warrants #104487-104493 in the amount of \$78,319.58; Accounts Payable warrants #104486 in the amount of \$1,950.00 and #104494-104544 in the amount of \$318,906.65; Voided warrants #104506 (\$177.78) for a total vouchers amount of \$399,176.23.

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

PUBLIC COMMENTS

Introductions were made and visitors were welcome. Public comment was reserved for the presentation of the County's coordinated water system plan.

BUSINESS AGENDA

Coordinated Water System Plan Presentation by Mason County

A representative from Murray, Smith & Associates presented the Mason County Coordinated Water System Plan that included a system for tracking and maintaining the county's public water systems. They demonstrated the progress made to date on entering the systems and the capabilities of the software/program.

The presentation was opened to questions from the commissioners and visitors. Next steps were discussed including options to continue logging information on the other water systems that are not captured in the plan; the suggestion that perhaps the PUD could consolidate their 35 systems and advantage of the system; and that the group should reconvene after both commissions had time to meet independently and discuss future options.

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After the presentation Jack called for a five minute recess. Meeting resumed at 2:25 p.m.

Base Service Rates Scenarios

Greg shared a document that demonstrated three different scenarios if we were to raise our base service and how those changes would affect kWh rates and overall bills. The commissioners liked the spreadsheet and this subject will be revisited in the future when it's time to review rates and budget.

March 2012 Financials for Water & Electric

March 2012 Financials for electric were presented along with a summary of the year to date TRM effects from the load shaping charges. Water financials are in line with projections.

RPA No. 74- Mini Excavator

Tracy announced that a mini excavator has been selected and comes with a mower and other attachments. Ron made a motion to approve RPA No. 74 in the amount of \$53,064.81; Karl seconded the motion. It passed unanimously.

RPA No. 75- Trailer for Excavator

Tracy found a trailer for the mini excavator that was well below budget that meets the PUD's needs. Ron made a motion to approve RPA No. 75 in the amount of \$5,543.70; Karl seconded the motion. It passed unanimously.

RPA No. 76- Fuel Card System

Tracy announced that a vendor has been selected to replace the existing fuel pump meters, improve security, and track usage of fuel. Karl made a motion to approve RPA No. 76 in the amount of \$15,000.00; Ron seconded the motion. It passed unanimously.

RPA No. 77- Security Lighting for Outback Area

An electrician has been selected from the small works roster to install outside lighting to enhance safety and security in the Outback. Ron made a motion to approve RPA No. 77 in the amount of \$3,500.00; Karl seconded the motion. It passed unanimously.

RPA No. 78- Beach Drive Pressure Reducing Valve Leak Repair

Jocelyne stated that these repairs are necessary to prevent a main line failure. Since it is a patented valve the board approved a sole source for the valve repair. Ron made a motion to approve RPA No. 78 in the amount of \$55,000.00; Karl seconded the motion. It passed unanimously.

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CORRESPONDENCE:

Jocelyne shared a thank you note from a customer from Canal Mutual. Steve shared an invitation to PUD 3's grand opening.

GENERAL MANAGER'S REPORT- Steve Taylor

Steve attended WPUDA meeting in Alderbrook and went to the NWPPA board meeting in Coeur d'Alene last week. He discussed some highlights from those meetings.

STAFF REPORTS

Tracy Colard:

Tracy reported that crews have done close to 500 meter change outs so far. It would be about \$1.5 million to fully transfer to AMI and configure the system, which we do not plan to do. Bee Mill is an area where we have high overtime dollars; we have taken a 3 phase cross country and converted the old 3 phase to single phase and installed tree wire in that area to avoid small tree breakages. We are moving forward on the new Skokomish substation through BKI. Tomorrow we open bids for all major equipment and plan to start road improvements this year.

Jocelyne Gray:

Mason County has approved Bob Sund's short plat and he can finally subdivide. Funds will be available July 1st for the Canal Mutual project and we will begin submitting our permits at that time. Hood Canal A & B intertie permits will be submitted this summer.

Greg Kester:

Greg was excused from the meeting at 4:15 p.m. No additional report.

Kristin Masteller:

Kristin went over some dates with the commissioners to put on their calendars for company & customer appreciation picnics and strategic planning meetings.

Rob Johnson:

Rob gave Kristin information regarding equipment lists and the small works roster and reminded Kristin to post the announcement for the equipment list twice annually.

BOARD REPORTS/COMMENTS

Ron: Ron attended a Dept. of Ecology presentation at last week's WRIA on bio solids. The group is looking at local outside money and partnerships of local government entities and citizens that want to continue to meet and participate.

Karl: Karl discussed highlights from a natural gas presentation from representative from Shell Oil.

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Jack: Jack gave a limited update on the Energy Northwest settlement.

No further board reports.

Meeting Adjourned at 5:15 p.m.

Jack Janda – President

Karl Denison - Vice President

Ron Gold – Secretary