

Mason County PUD 1  
Board of Commissioners Meeting  
October 23, 2012

The special meeting of the Board of Commissioners Meeting of Public Utility District No. 1 of Mason County was called to order at 8:00 a.m. on October 23, 2012 at the District Office Board Room in Potlatch.

**Present**

Ron Gold – Secretary  
Karl Denison- Vice President  
Jack Janda – President  
Steve Taylor, General Manager  
Jocelyne Gray- Director of Operations-Water  
Tracy Colard- Director of Ops- Electric  
Greg Kester – Director of Finance & Customer Service  
Kristin Masteller- HR/Communications/EA  
Kristin French – District Counsel

**Visitors**

No visitors.

**SPECIAL MEETING- 2013 BUDGET WORKSHOP**

Greg presented the projections for the 2013 electric budget including expected revenue and power costs. He gave a high, medium and low scenario and outlined what tier that would put the District at financially. In keeping with the medium budget, there should be no additional rate increase in 2013 besides the already approved 4%. We are in the last year of our four-year, 4% increases. The water budget was presented with the medium budget level recommended for approval for 2013. Greg went over the line items of the budget and discussed the issues with meter reading expenses, interest on long-term debt, and our operating margins. Greg believes that the medium budget scenario is a good tier for the water department. The board asked Greg to note the two minor changes and bring it to the November meeting for approval.

**10:00 BUSINESS MEETING**

**CONSENT AGENDA**

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

The minutes of the October 9, 2012 regular meeting.

Payroll warrants #105262-105268 in the amount of \$48,516.34 and #105269 in the amount of \$72,166.84; Accounts Payable warrants #105259-105261 in the amount of \$610.00 and #105270-105319 in the amount of \$219,184.47 and voided warrants #105229 (\$55.50) and #105267 (\$40,728.88) for a total vouchers amount of \$340,477.65.

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

**PUBLIC COMMENTS**

No public comment.

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**BUSINESS AGENDA**

**Approval for Manager to sign Water Supply & Sewer System Agreement and Alderbrook Water Supply Agreement with Green Diamond**

Rob and Joe Brogan found a couple small language changes for both the general water & sewer service agreement and the Alderbrook agreement. The non-Alderbrook agreement, the Bay East water system has restrictive language in the purchase and sale agreement that disallows the District from transferring their water rights to other groups.

Ron made a motion to approve the manager to sign the Water Supply and Sewer Agreement and the Alderbrook Water Service Agreement with Green Diamond Resource Company as amended; Karl seconded the motion. It passed unanimously.

**August 2012 Financials for Water & Electric**

Greg presented the financial statements for water and electric for August 2012. Electric operating revenue is close to last year's numbers. Cost of purchased power is in line with what we projected for this year but is still much higher than last year. Greg will bring a chart showing our consumption to-date. Jack asked Greg to draft a stat report with the different reserve funds.

**Approval for Manager to sign BPA Agreement to Install 115 kV Tap for Skokomish Sub**

Steve stated that this is the division of responsibility agreement for the 115 Skokomish Sub tap which outlines what each entity is responsible to provide. We are not paying the usual \$450,000 for this tap because we are relocating the sub, not building a new one. Melanie at BPA was very helpful with getting this pushed through. The board asked Steve to send a thank you letter to Melanie with a copy also to Steve Wright.

Ron made a motion to approve the manager to sign the BPA Agreement to Install the 115 kV Tap for the Skokomish Substation; Karl seconded the motion. It passed unanimously.

**CORRESPONDENCE:**

Steve shared a thank you letter from Northwest River Partners acknowledging the District's pledge to support the Clean Hydro campaign.

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

Steve and Rob created a "release and hold harmless form" for individuals that want to get firewood off of the Daily property. Karl stated that he will talk to the adjacent property owner about replacing the lock on the property's access gate with a District lock. Steve will find service groups in the area that would like to cut up the firewood to help out community members. Steve also attended Northwest Wage and Hour in Coeur d'Alene this month.

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**STAFF REPORTS**

**Tracy Colard:**

Tracy reported that they met with Ryan from BKI last week and 99% of the substation design is completed. Ops also held a defensive driving class this month for all employees and that the State Auditor was in the conference room during the normal safety meeting time so they will double up the program at the next month's meeting.

**Jocelyne Gray:**

Jocelyne met with the County and they will issue the SEPA for the Canal Mutual project. The Tribe will be present during the archaeological study and probably during the construction phase as well. Should be ready to begin construction in the Spring. Found an alignment along Dalby Rd. for the Hood Canal intertie that the County should agree to. Jocelyne was excused from the meeting at 11:15 a.m.

**Greg Kester:**

Greg stated that he needed a commissioner to attend the exit audit. Ron will attend at 9 a.m. on October 30th.

**Kristin Masteller:**

Working on a safety program for all office personnel to discuss lock down procedures, building security, new procedures for checking in and keeping track of visitors, etc. Kristin attended the NWWH and discussed trends in non-union personnel salary structures, managing the HR department records, economic forecast, tools for dealing with underperforming employees. The Staff are doing final review of 2013 strategic plan; will be on the agenda for November meeting.

Policy committee on November 5th. Kristin is working on a banner/pole attachment policy. Tracy suggested that she insert the RCW for illegal pole attachments into the policy.

**Kristin French:**

Kristin attended the meeting on behalf of Rob. She noted a few items that she wrote down for follow up based on staff reports.

**BOARD REPORTS/COMMENTS**

**Karl:** Had good WPUDA Government Relations & Communications meeting last week. Mike Chandler from Association of Washington Businesses was there and did a presentation. They are working on the I-937 changes. Tri-Cities group have had their Chamber 'SAVER' group active to do a grass-roots pushback on I-937 and to not build before need. A reporter from the Washington Wire was there and gave some projections on the local political races.

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**Ron:** No report.

**Jack:** Jack attended the recent WPAG meeting.

**Meeting Adjourned at 11:43 a.m.**

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Jack Janda – President

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Karl Denison - Vice President

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Ron Gold – Secretary