



Mason County Public Utility District No. 1
Board of Commissioners Regular Meeting Minutes
July 10, 2018 Potlatch, Washington

Present:

Jack Janda, President
Ron Gold, Vice President
Mike Sheetz, Board Secretary
Steven Taylor, General Manager
Darin Hall, Director of Operations
Kristin Masteller, Director of Business Services

Visitors:

Sergey Tarasov, Matt Hobson- FCS Group

Excused:

Rob Johnson, Legal Counsel

The meeting was called to order at 1:00 p.m.

APPROVAL OF CONSENT AGENDA:

Minutes: June 26, 2018 Regular Meeting
July 3, 2018 Special Meeting

Warrants:	Accounts Payable	115514-115523	\$1,193,165.53
		115529-115572	\$ 124,815.73
	Payroll	115524-115528	\$ 129,768.19
	Voids	114508	(\$ 21.73)
		114509	(\$ 18.32)
		114510	(\$ 38.13)
		114638	(\$ 29.46)
		114894	(\$ 96.29)
Total:			\$1,447,545.52

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

PUBLIC COMMENT:

No report.

BUSINESS AGENDA:

Presentation of the Electric Cost of Service Analysis (COSA) by FCS Group

Sergey Tarasov from FCS Group presented the COSA for the electric business to the board. The COSA presented different scenarios for debt coverage, for capital improvement, and one based on a flat rate elevation for 10 years. Steve stated that the COSA needed to be reevaluated on a 3-5 year basis to ensure that the projections are true to the operating budget and actual costs of power and expenses, and that it's comparable to neighboring utilities. In January 2019, the board will hold a rate hearing to present the 10 year cost plan, customer classes, rate schedules, and any proposed electric rate increases.

The District will also need to evaluate if it wants to borrow \$5.7 million in 2023 to build the new substation. FCS group and the District's financial advisor can help revisit the rate design to make sure the District is on track still. Steve stated the District will now move forward with the water COSA.



Resolution No. 2009- Removing the General Manager

The board accepted Steve Taylor's letter of resignation.

Mike made a motion to adopt Resolution No. 2009 as presented; Ron seconded the motion. It passed unanimously.

Resolution No. 2010- Appointing an Interim Manager

Mike made a motion to adopt Resolution No. 2010 as presented; Ron seconded the motion. It passed unanimously.

STAFF REPORTS:

General Manager Report:

Steve shared a letter from the Department of Ecology stating they were not going to approve the Union Regional Water Systems Consolidation Plan because there were inconsistencies with RCWs. The biggest issue is that they have a lot of "what-ifs" and "maybe in the future" guesses. Its possible they are looking for an impact study on build out. Jack asked Steve to circulate the letter for comments from the team working on the issue with the PUD and Green Diamond, as well as WPUDA water committee. The question the District would like to pose to the state agencies is how they will help us come into compliance to satisfy the RCWs rather than shut down the planning documents entirely.

Operations Report- Darin Hall:

The electric crew is replacing underground at Pleasant Tides and Seamount Estates. They are doing an audit of Alderbrook for old cables. The water department is busy changing locks for the new Thurston systems.

Business Services Report- Kristin Masteller:

Kristin scheduled a respectful workplace follow-up training for the employees with a breakout session for foreman and directors. We are getting ready to bid the landscaping contract again and Kristin warned that it will be much larger this time due to the 32 new water systems being added to the scope of work.

Legal Report- Rob Johnson:

No report.

Correspondence:

None.

Board Reports:

Mike Sheetz: No report.

Jack Janda: No report.

Ron Gold: Attended WPAG meeting with Mike.



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At 2:30 p.m., Jack called an executive session under RCW 42.30.110.g to evaluate the qualifications of an applicant for public employment. He stated the session would last 20 minutes.

At 2:50 p.m., Jack reconvened the regular session and there being no further business, he adjourned the meeting.

Adjournment: 2:50 p.m.

Jack Janda, President

Ron Gold, Vice President

Mike Sheetz, Secretary