



Mason County Public Utility District No. 1
Board of Commissioners Special Meeting Minutes
August 15, 2017 Potlatch, Washington

Present:

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

Excused:

Rob Johnson, District Legal Counsel
Darin Hall, Director of Operations

The meeting of the Board of Commissioners of Public Utility District No. 1 of Mason County was called to order at 1:00 p.m. followed by the Flag Salute.

APPROVAL OF CONSENT AGENDA:

Minutes: July 25, 2017 Regular Meeting
August 1, 2017 Public Hearing

Warrants:	Accounts Payable	113906-113913	\$ 22,210.37
		113921-113923	\$ 1,306.00
		113925-114139	\$ 211,874.57
	Payroll	113914-113920	\$ 10,131.65
		113924	\$ 101,758.78
	Voids	113920	(\$ 1,067.70)
		113512	(\$ 1,006.00)
		112818	(\$ 257.53)
		113739	(\$ 300.00)
		111323	(\$ 248.00)
Total:			\$ 344,402.14

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

PUBLIC COMMENT:

No public comment.

BUSINESS AGENDA:

Marcus Perry, BPA

Marcus Perry presented the new rate case for the biennium 2017-2018. The new rates went out in July to be effective 10/1/17. Overall average power increase is 5.4%. A few things are driving up BPA's costs including less load, which means there are fewer customers to spread the costs amongst resulting in higher rates. The transfer service cost is also an increase driver as well as surplus secondary sales prices being very low. BPA has a 1% reserves policy, which when they fall below that, they must institute a CRAC, to ensure that reserves are properly funded. BPA almost had a CRAC this year. Ron asked about the Residential Exchange and organizational issues at BPA. He doesn't understand why things aren't being streamlined and are taking so long. He doesn't believe BPA operations are sustainable the way they are going. The price of power has doubled since he's been a commissioner. Marcus said these



concerns of Ron's are all being put on the agenda for discussion at the Focus 2028 meeting. The 6% total impact to Mason PUD 1 is higher than average. This is largely in part to a reduction in our Low Density Discount and an increase in our power costs. There will also be a spill surcharge assigned to all customers to pay for lost revenue for the spill, which was mandated by federal district court. The surcharge will be enacted in the Spring of 2018. The transmission rate impact is 0.84%, or approximately \$2,200.

Resolution No. 1092- Designating RUS Certifiers

This resolution authorizes the manager to appoint someone to do the RUS reporting, in this case Katie Arnold.

Ron made a motion to adopt Resolution No. 1092 as presented; Mike seconded the motion. It passed unanimously.

Establish Date for Electric Rate Hearing

The board decided to hold a rate workshop for the commission at 11:00 a.m. on Tuesday, September 12th with a public hearing on the new proposed electric rate schedule to follow at 1:00 p.m. The rate schedule will be on the agenda for approval at the business meeting following the public hearing.

STAFF REPORTS:

General Manager Report-

Steve showed the board a graph that outlined where Mason PUD 1 rated in relations to the other water PUD's in rates. Mason PUD 1 is at the low end of the scale. The RFP has gone out for the cost of service analysis and we can address the water rates after it is completed.

Operations Report- Darin Hall:

No report.

Business Services Report- Kristin Masteller:

No report.

Legal Report- Rob Johnson:

No report.

Correspondence:

Kristin and Steve sent a letter to the Hood Canal Lion's Club to thank them for choosing Mason PUD 1 for their service project. They painted the fire hydrants in Alderbrook, allowing us to cross that item off of our strategic plan.

Board Reports:

Mike Sheetz: No report.

Jack Janda: No report.

Ron Gold: No report.



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At 2:55 p.m. Jack called an executive session per RCW 42.30.110(i) to discuss threatened or pending litigation. He stated the session would last 5 minutes.

At 3:00 Jack closed the executive session. Mike made a motion for the manager to ask Federated to defend the pending claim; Ron seconded the motion. It passed unanimously.

Adjournment: 3:01 p.m.

Jack Janda, President

Ron Gold, Vice President

Mike Sheetz, Secretary