

Mason County PUD 1  
Board of Commissioners Regular Meeting  
July 12, 2016

**Present**

Karl Denison- President  
Jack Janda- Vice President  
Ron Gold- Secretary  
Steven Taylor-General Manager  
Darin Hall-Director of Operations- Electric  
Jocelyne Gray- Director of Ops - Water  
Greg Kester- Dir. of Finance & Customer Service  
Rob Johnson- Legal Counsel  
Kristin Masteller-Dir of Employee & Public Relations

**Visitors**

Larry DeForrest

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

**CONSENT AGENDA**

Minutes June 28, 2016 Regular Meeting

Vouchers:	Accounts Payable:	111881-111882	\$ 1,607.29
		111895-111964	\$ 285,892.82
	Payroll:	111883-111894	\$ 110,467.10
	<b>Total:</b>		<b>\$ 397,967.21</b>

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

**Public Comment**

No comments. Larry DeForrest was welcomed to the meeting.

**BUSINESS AGENDA**

**Larry DeForrest- McReavy House**

Larry DeForrest was here on behalf of the McReavy House which now has a new board and is working to maintain the house. It has a limited budget. All utilities were disconnected last year due to lack of funds. There is a new board now. He is aware that there are back water fees required for reconnect, per District policy. He is wondering if there's a way to get special consideration given to the McReavy House to get the water turned back on.

Karl told Larry that the back dues are \$407 and the monthly fee is about \$45/month. The policy allows the back fees to be paid over two years if there is a hardship. Larry thinks that's doable. The electric is just a \$15 reconnect fee.

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**Authorize the Manager to Sign Contract for Janitorial Services**

Kristin reported that we had three bidders ranging from \$30/hour high to \$15.50/hour low for labor. Coastal was the lowest, qualified bidder and they have good references with Mason County. They will start on the 18th upon execution of the contract.

Jack made a motion to authorize the manager to enter into a three year agreement with Coastal Business Services, the lowest qualified bidder, for Janitorial Services.

**May 2016 Financials for Electric & Water**

Net margins are better now than they were a year ago. Based on these margins, Greg does not recommend taking any action on rate increases at this time. We may need to take a loan on the line of credit in the next couple months to make sure that our cash flow is appropriate. This is the time of year that our revenues are down, traditionally, and this is anticipated. This is the only negative Greg can see in the financial statements. We have funds in reserves, about \$2.2 million, about \$600,000 is debt reserved. The rest is discretionary to offset costs for facilities, pole yard, trucks, etc. to replace those things without borrowing money to do it. The board would like to see a breakdown just as a reminder of what those reserve accounts are. We make more on our money in savings than we would pay in interest on loans. Savings is the better choice since we are making more money on our reserves. Karl asked Greg if there was a report he could run to double check the increase in average water consumption for Alderbrook. Greg said he would check that.

**CORRESPONDENCE**

Steve shared some recent news articles with the commission on PUD 1 projects and activities.

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

Steve reminded the board on upcoming projects. August 16th is the facilities plan meeting. We are wrapping up the final facilities plan. This will be presented at the workshop including the costs to complete the pole yard and then what the future build out plans look like.

**STAFF REPORTS**

**Darin Hall:** Darin reported that they're still working on their underground replacement. Oly Canal Tracts has been trimmed by our in-house crew. There is a safety meeting Thursday for pole top rescue.

**Jocelyne Gray:** No report.

**Greg Kester:** Listened to the rate high water mark workshop. Tier 2 will come in sooner due to dropping of Tier 1 water marks. BPA did not renew the Idaho Falls. Did not attend the WPAG meeting. Until the fall we won't know where we will land (9.1 aMW was projected).

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**Kristin Masteller:** Kristin reported that the Blink electric vehicle charging station has been purchased and hopefully will be installed by the end of July/beginning of August at the Port of Hoodspport's parking lot. Janitorial services are set up and they will begin next week. Been working with NWPPA on the Labor & Employee Relations Group and also with the training & development department on beta testing new trainings. Will resume EDC board meetings this week after being gone since April.

**Rob Johnson:** No report.

**BOARD REPORTS/COMMENTS**

**Karl:** Karl added comments to Ron's PPC report regarding the Bi-Op. The NEPA report has been put out for five years. Thought the PPC executive board did a good job conveying the message of the rate impacts on their customers to BPA. They would like a letter on how the rates not just impact our residential but small business customers, and a cc: to WPUA.

**Ron:** Ron PPC and WPAG meetings and gave an update on the topics discussed at those.

**Jack:** Jack voiced his concerns about customers being afraid of being in a BPA island. He hopes WPAG has their finger on the pulse of this issue.

At 2:16 p.m. Karl called an executive session under RCW 42.30.110(i) to discuss a matter of threatened or pending litigation and performance of a public employee. He stated the session would last 60 minutes. Staff was dismissed.

At 3:16 p.m. Karl closed the executive session and the regular meeting reconvened.

Jack made a motion to terminate Greg Kester as the PUD 1 Auditor and recommended to the manager to terminate his employment. Ron seconded the motion. It passed unanimously.

**Meeting adjourned:** 3:25 p.m.

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Karl Denison, President

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Jack Janda, Vice President

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Ron Gold, Secretary