



**Mason County Public Utility District No. 1**  
Board of Commissioners Regular Meeting Minutes  
March 12, 2019 Potlatch, Washington

**Present:**

Ron Gold, President  
Mike Sheetz, Vice President  
Jack Janda, Board Secretary, via Skype  
Kristin Masteller, General Manager  
Darin Hall, Director of Operations  
Katie Arnold, Treasurer  
Julie Gray, Executive Assistant  
Rob Johnson, District Attorney

**Visitor:**

Jordan Opdahl, Nova Contracting

**APPROVAL OF CONSENT AGENDA:**

<b>Minutes:</b>	February 26, 2019	Regular Meeting	
<b>Disbursements:</b>	Account Payable	116615 - 116619	\$ 816.97
		116624 – 116700	\$ 154,112.73
	Accounts Payable Wire		\$ 166,217.05
	Payroll Wire		\$ 113,834.78
	<b>Total</b>		<b>\$ 434,981.53</b>

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

**BUSINESS AGENDA:**

**Award Bid for Phase Two of Facilities Work** – Mike made a motion to award the Phase 2 Facilities Covered Storage and Mass Grading bid to Nova Contracting, the lowest responsible bidder at \$1,188,075.00; Jack seconded the motion. It passed unanimously.

**Discussion on Highland Estates Water Right Application** – Kristin met with Joe Morrice and Tim Flynn from Aspect Consulting, along with Adam Gravley to discuss the Highland Estates Water Right Application. There has been no response from Taylor United or their attorney. The PUD is ready to move forward when Taylor reaches out.

**Discussion on Union Regional Water System Plan** – Kristin shared a letter from Jeff Dickison from Squaxin Island Tribe that she received just before the meeting today regarding Jeff’s concerns about the approval process for the Union Regional Water Systems Consolidation Plan. He stated he wanted to meet with the state agencies and the PUD to discuss review processes and thought the plan was on hold. Kristin said she’d reach out to Jeff and confirm that the District would like to attend that meeting. The board reviewed the draft letter to Health from the District, asking Health to approve the plan as presented. The board asked Kristin to send the letter today, following the meeting.



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**Discussion on Victim Impact Statement for Fraud Case** – Mike made a motion to approve the Victim Impact Statement for Fraud Case; Jack seconded the motion. It passed. Rob suggested we add the name and case number to the letter.

**Discussion on Retaining Water Rights Attorney** – The PUD continues to run into water rights legal questions with several water systems; just about every time Ecology reviews a plan or process. Kristin would like to continue using Adam Gravley as a resource to understand these issues better. Rob concurs that Adam is a good resource for the District. Kristin has not exceeded the \$5,000.00 that was allotted to hire the water rights attorney for the Highland Estates issue, but the board may see additional water system billable hours on invoices. Rob and Kristin will be consulting with him in the future if needed.

### **Staff Reports**

**General Manager**– Kristin reported that Mason PUD 1 won the APPA Safety award for 2018. TJ Goos was awarded Water Operator of the Year by Evergreen Rural Water Association. We celebrated both by having a potluck lunch. Topics at the Supervisors Breakfast were safety and positive workplace culture. The PUD is looking into live voltage arrestors for the electric crew to wear, and additional AEDs for the trucks that don't currently have them. Kristin attended the WPUDA Legislative Rally in Washington, D.C. WPUDA members met with federal representatives. Kristin's topics that she specifically covered were the value of BPA to the Pacific Northwest, and the FCC ruling regarding pole attachments. The PUD is still posting for a water resource engineer. Kristin and Darin will interview a candidate on Wednesday, March 13. If this interview does not go well and we don't get any other eligible applicants, the PUD will reach out to Energy NW for recruitment help. Kristin has been in contact with the large load customer. His land acquisition at the Duckabush should close soon and he has been in contact with the Tribe regarding permit access to the substation road. The regular quarterly newsletter will be going out with the billing on March 26. It talks about the 4% rate increase with the 1% added to decrease PUD debt. Also, the 2030 proposed date to have the whole PUD facility moved up on the hill behind the current PUD was specifically mentioned for the first time. If there is pushback on the 10 year facilities plan, we need to know about it now, not 8 years from now when more money has been put toward the project. Jack and Kristin will schedule a time to meet with the Hoodspout Kiwanis to also discuss the 2030 target dates and help get the information out in the community. Kristin will be attending the WPUDA Water meeting on Thursday, March 21. Kristin and Julie will be conference calling with Phil Lou, WSU Solar Consultant to talk about the possibility of the PUD having a second community solar project. Vicky Heinrich is retiring after 13 years of service at the PUD. Her retirement party will be held on March 29 at the Union Square Deli.

**Director of Operations Report** – Darin reported that most of the snow is gone so the electric crew is brushing and doing underground replacements in the Alderbrook area. An audit was done of the Alderbrook underground utilities. We identified some conduits that had nothing in them and are currently trying to get them filled. The water crew had to replace the pump at Lake Arrowhead. Nobody was out of water because the old pump was able to run 5 minutes at a time to fill the reservoir. We put the community on a conserve water advisory and they did a good job. The reservoir hardly drew down at all. The electric crew attended Life Flight training at PUD 3. Our in-house safety meeting this month is Thursday, March 14. Tacoma Power contacted Darin regarding the pole yard clean up. They are willing to work with us on timeline and budgeting.



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**Treasurer's Report** – Katie reported that she had applied for FEMA Funds for the December windstorms and the snow storm in February. Mason County was included in the approved Major Disaster Declaration for the December windstorm, so the District will be moving forward with the process. She has not yet heard whether the February snowstorm has been approved yet. She attended a Public Funds Investment class last week, that was a high level overview and very informative. Peter for TVI will be meeting with Katie and Kristin on Wednesday, March 13 regarding PUD investments. She is working on a cash receipting policy procedure in addition to a few others in preparation for the Policy Committee meeting.

**Legal Counsel** – Rob has looked into restitution to the PUD regarding the employee fraud case. The PUD will offer a reduced interest rate to the past employee if the larger amount is paid on a monthly basis.

**Correspondence:** A letter of appreciation was received from the Department of Energy (BPA) regarding the District's participation in the TC-20 Settlement Agreement.

**Board Reports:**

**Mike Sheetz:** No report

**Jack Janda:** No report.

**Ron Gold:** No Report

**Adjournment:** 2:26 pm

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**Ron Gold, President**

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**Mike Sheetz, Vice President**

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**Jack Janda, Secretary**