

Mason County PUD 1  
Board of Commissioners Regular Meeting  
December 13, 2016

**Present**

Karl Denison- President  
Jack Janda- Vice President (via phone)  
Ron Gold- Secretary  
Steven Taylor- General Manager  
Darin Hall- Director of Operations- Electric  
Rob Johnson- Legal Counsel  
Kristin Masteller- Director of Business Services  
Katie Arnold- District Accountant

**Visitors**

Mike Sheetz

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.

**CONSENT AGENDA**

**Minutes:** November 8, 2016 Regular Meeting

<b>Vouchers:</b>	Accounts Payable:	112689-112693	\$ 3,646.07
		112696	\$ 1,500.00
		112701-112750	\$ 290,248.49
	Payroll:	112694-112695	\$ 2,435.50
		112697-112700	\$ 110,995.09
	Voids:	112598	(\$ 459.90)
<b>Total:</b>			<b>\$ 408,825.15</b>

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

**PUBLIC COMMENT**

Mike Sheetz was welcomed to the meeting. It was noted that he'd be sworn in at the end of the meeting.

**BUSINESS AGENDA**

**Update on Financials**

Katie Arnold gave an update on what work is being done on financials. She is working with the state auditor to get 2015's financials reviewed and adjusted appropriately so all the accounts balance. She is also working on closing out 2016's year end financials. Starting in February, the board should receive year end 2016 financial statement and then we will start a schedule of regular reports once we know all the accounts balance the way they should. Kristin and Katie are collecting examples of other utilities' financial reports to see what information is helpful and informational for the board and staff moving forward.

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**2017 Budget for Water & Electric**

Steve presented the 2017 budget for the commissioners' review and approval. The proposed budget captured all three business units- water, electric and sewer- with a revenue of \$9,340,766.46 and expenditures of \$8,566,443.92 and operating margins of \$774,322.54 and non-operating margins of \$163,487.41. Capital projects for 2017 were budgeted at \$922,500.00 for both water and electric. The capital projects are financed out of the margins. The District will need to borrow funds to complete the projects since there is no rate increase scheduled for January of 2017. The water business is at the end of their four year four percent increase in 2017. In April, staff will revisit a need to increase electric rates to cover the increased cost of power from Bonneville. Both the water and the sewer will also need to be revisited before next budget cycle to ensure that the rates are adequately covering the cost of service.

Ron made a motion to approve the 2017 budget as presented; Jack seconded the motion. It passed unanimously.

**Resolution No. 1083- 2017 GM Salary Adjustment**

Ron made a motion to approve the 2017 General Manager's salary adjustment as presented in Resolution No. 1083; Jack seconded the motion. It passed unanimously.

**Resolution No. 1084- 2017 Non-Union Salary Adjustments**

Ron made a motion to approve the 2017 adjustments to non-union salary scales as presented in Resolution No. 1084; Jack seconded the motion. It passed unanimously.

**CORRESPONDENCE**

A very kind thank you note was shared from some former Brinnon customers that had moved to Sequim. They thanked the PUD for years of great service.

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

Steve gave an update on the audit entrance meeting and reported that he also attended the NWPPA Hack Attack training. Steve re-distributed the plans for the proposed phasing for the pole yard. Steve gave an update of the pole contact rate difference with the new calculated rate, which will be approximately \$23,000.

**STAFF REPORTS**

**Darin Hall:** Kemp west completed their tree trimming. They did a great job. Water crew working on pump houses. Two group B water systems at Enchanted Heights asked us to take them over. We are working on gathering signatures to agree to the acquisition.

**Kristin Masteller:** Kristin attended the county commission meeting this morning where they signed a proclamation in support of December 15<sup>th</sup> being Hydro Appreciation Day in Mason County.

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**Rob Johnson:** Rob went to the small claims court hearing with PUD 1 and the Lake Arrowhead customers. There was a leak, but it was repaired. The claimants did not have a measurable cost for damages so the case was dropped. Rob also went to WPUDA annual conference.

**BOARD REPORTS/COMMENTS**

**Karl:** It was Karl's last meeting on the PUD 1 board. Steve Taylor brought in a card and dessert to share after the meeting.

**Ron:** Ron gave an update on PPC, he testified to oppose removing snake river dams. Attended WPUDA.

**Jack:** Jack noted that the PUD was losing a friend in Karl's departure but gaining one with Mike Sheetz's arrival.

Commissioner Mike Sheetz was sworn into office by Rob Johnson, to begin his 6 year term as the PUD's District 1 commissioner.

**Meeting adjourned:** 2:18 p.m.

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Karl Denison, President

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Jack Janda, Vice President

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Ron Gold, Secretary