



Board Workshop- 11:00 a.m.

Present: Jack Janda, Mike Sheetz, Ron Gold, Steve Taylor, Darin Hall, Kristin Masteller, Dana Kampa (The Shelton-Mason County Journal)

Steve Taylor gave a presentation on the impacts of Bonneville Power Administration's rate increases to the PUD 1 operating budget. The increases are 5.4% for power purchases and 1.57% for transmission costs. This causes an approximate \$211,000 shortfall in revenue each year. A worksheet showed the different options for increasing different percentages and what that would do to the revenue requirements.

Steve recommended passing along an increase in the basic charge effective October 1st to match Mason PUD 3's daily system charge, and then a 3% increase to the kilowatt hour charge in April of 2018. He said this will help alleviate rate relief in the winter months for low and fixed income families. The District's reserves will help cover part of the loss of revenue for the next six months. He also recommended that the District pass on the spill surcharge and any other cost recovery spill charge as separate line items on the billing statements.

Steve shared comparison graphs for 800 and 1,500 kWh per month to show where the PUD would fall in relation to the other westside utilities' rates. It would put the District toward the top end for 800 kWh and middle of the pack for 1,500 kWh assuming no other utilities raised their rates this fall.

The board had a discussion regarding ensuring that the District has enough revenue to pay for power by doing the rate increases both in October rather than April. Steve confirmed that reserves can cover over the winter months. The board asked the manager to bring a resolution to the regular meeting for consideration following the public hearing.

The workshop closed at 12:10 p.m.

Rate Hearing & Business Meeting- 1:00 p.m.

Present:

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

Guests:

Dana Kampa, (The Shelton-Mason County Journal)

A public hearing for electric rates was called to order at 1:00 p.m., followed by the flag salute. The new rates proposed in the upcoming Resolution No. 1092 were reviewed. There was no public comment. Jack Janda closed the public hearing at 1:03 p.m. and convened the business meeting.



APPROVAL OF CONSENT AGENDA:

Minutes:	August 15, 2017 Special Meeting		
Warrants:	Accounts Payable	114140	\$ 9,981.96
		114149-114229	\$ 324,456.90
		114240	\$ 230.00
	Payroll	114141-114148	\$ 98,550.47
		114230-114239	\$ 112,301.82
	Voids	113998	(\$ 1,000.00)
		See attached sheet	(\$ 2,888.22)
Total:			\$ 541,632.93

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

PUBLIC COMMENT:

No public comment.

BUSINESS AGENDA:

Resolution No. 1093- Electric Rate Schedule

Ron made a motion to approve Resolution No. 1093 as presented; Mike seconded the motion. It passed unanimously.

July 2017 Financials

Steve gave the July financial report. The works in progress from our contracted accounting firm include developing the budget tools and planning for 2018; the Form 7 filing for 2015 & 2016. Planned key milestones include: provide assistance to the District to create an Accounting Policies & Procedures manual, to be implemented by the end of 2017; develop benchmark financial ratios, to compare PUD No. 1's ratios to other like-size districts; assist PUD No. 1's management with long range financial and budgetary planning; the amendment of Prior Year Privilege Tax Returns – available in January 2018.

The July financial highlights: Gross Revenue was \$715,994.33 for the month of July 2017, as compared with forecasted gross revenue of \$727,963.56. Gross expenditures were \$716,658.80 as compared with forecasted total expenditures of \$587,296.25. Debt to equity and cash on hand ratios are strong.

Award Bid for Pole Yard

Scarcella Bros. was the lowest qualified bidder for the pole yard project at \$318,096.57. Mike made a motion to award the bid to Scarcella Bros.; Ron seconded the motion. It passed unanimously.

RPA Nos. 121 & 122- COSA

Steve presented the requests for project approval for a cost of service analysis for both the electric and water businesses. Ron made a motion to approve RPA's Nos. 121 & 122 as presented; Mike seconded the motion. It passed unanimously.



Mason County Public Utility District No. 1

Board Workshop, Public Hearing & Regular Meeting Minutes
September 12, 2017 Potlatch, Washington

Mason County Hazard Mitigation Plan Risk Review

Kristin gave an update on the hazard mitigation plan that the PUD has agreed to participate in with Mason County. She went over the phases of the plan and then the maps from the HAZUS analysis that showed the natural disaster risks in our area to our facilities and service territory.

STAFF REPORTS:

General Manager Report-

Steve shared that the WSU Energy Program is taking over the administration of the net metering state cost recovery program for the Department of Revenue. The PUD has already sent a letter of intent to participate.

Operations Report- Darin Hall:

The electric crew has been busy replacing underground cable at Pleasant Harbor and brushing. The water crew has been doing a main line extension at Orre Nobles and sanitary surveys. The safety program this month was vault rescue.

Business Services Report- Kristin Masteller:

Kristin will be attending NWPPA's communications conference next week and NISC's annual conference with Shiane the following week.

Legal Report- Rob Johnson:

DRS has changed the reporting for elected officials and Rob asked Kristin to include a box on their timesheets for them to attest to the number of hours worked each month.

Correspondence:

None.

Board Reports:

Mike Sheetz: Will attend WPUDA this week.

Jack Janda: Will attend WPUDA this week.

Ron Gold: No report.

At 2:15 p.m. Jack called a 10 minute executive session per RCW 42.30.110(g) to evaluate the qualifications of an applicant for public employment. At 2:25 Jack closed the executive session. There was no further business.

Adjournment: 2:25 p.m.

Jack Janda, President

Ron Gold, Vice President

Mike Sheetz, Secretary