



**Mason County Public Utility District No. 1**  
Board of Commissioners- Regular Meeting Minutes  
January 24, 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  
Rob Johnson, District Legal Counsel

**Excused:**

Darin Hall, Director of Operations- Electric

**Visitors:**

None in attendance.

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:**

<b>Minutes:</b>	January 10, 2017 Regular Meeting		
<b>Warrants:</b>	Accounts Payable	112970-112973	\$ 982.70
		112979-113043	\$ 554,610.48
	Payroll	112974-112978	\$ 88,417.69
	Voids	112944	(\$ 272.44)
<b>Total:</b>			<b>\$ 643,738.43</b>

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

**PUBLIC COMMENT:**

No public in attendance.

**BUSINESS AGENDA:**

**Financial Report- Mike Wittenberg & Katie Arnold**

Katie stated that the goal is to be complete and closed out of year end 2016 within the next few weeks. We are reconciling all the liability accounts. Katie has also been working on the regular audit for 2015 to ensure that the statements were completed. The format wasn't correct and the numbers on the statements were inaccurate. Incorrect figures were provided to Moss Adams so the GASB 68 reporting was wrong. We have been working our way backwards through the process to make the corrections to the 2015 financial statements. Katie will upload the 2016 financial reports to the auditor's office online this year.



Mike and Katie presented some examples of both monthly and quarterly financial reports. The board and staff discussed options for each of those reports. The January 2017 report will be made at the second February meeting. 2015 and 2016's year end financial reports are being wrapped up and will be corrected for the auditor and 2016 year end will be available.

**Marcus Perry, BPA**

Marcus gave an update on the BPA Initial Proposal Rates and the Rate Impact Model and how that applies to Mason PUD 1. Marcus reported that Elliot Mainzer received our letter stating the impact of BPA's rate increases to the PUD 1 customers and seriously considered the comments that the utilities are tightening their belts so BPA should too. As a result, BPA came up with more cost savings in their operations. They're now estimating a lower rate increase. BPA's goal is to be the provider of choice through 2028 and they're having competitiveness discussions to ensure they still have value with their customers.

**Motion to Call the 2002 Water Bond for Repayment**

Jeb from Piper Jaffray discussed an immediate savings opportunity for the District. Piper Jaffray has been reconciling all the bonds for water and electric and organizing all the loans- what is outstanding, what can be paid off. He stated it was nice to finally sort through them and get it organized. The PUD has a lot of small loans, many of which are low to no interest rate through Public Works Trust Fund. The 2002 bond have high coupons. There is an opportunity to free up cash that is restricted specifically for this bond and there's enough cash to cover the rest of the payment without drawing from a line of credit. The immediate savings will be \$94,701 in foregone interest payments and \$751,635 overall over the next five years.

Ron made a motion to authorize the manager to call and issue repayment in full for the 2002 water bond; Mike seconded the motion. It passed unanimously.

**Resolution No. 1087- Safe Deposit Box Signing Authority**

Ron made a motion to approve Resolution No. 1087 as presented; Mike seconded the motion. It passed unanimously.

**Resolution No. 1088- Establish a New Fund for Insurance Premiums**

Ron made a motion to approve Resolution No. 1088 as presented; Mike seconded the motion. It passed unanimously.

**John Steigers, Energy Northwest (EN)**

John is leading the Applied Technology and Innovation group focused on the non-traditional aspects of the Energy Services and Development department. He gave an update on projects that Energy Northwest is working on with partners, like BPA. John and Steve have been discussing if there is any benefit to having a demand response capability through EN.



**Change Meeting Dates in May & August**

Jack requested to move the dates in May to the 16<sup>th</sup> and 30<sup>th</sup>. The other changes will be August 15<sup>th</sup> and the 29<sup>th</sup>. No one had conflicts with those dates. Kristin will post the changes.

**STAFF REPORTS:**

**Steven Taylor, General Manager's Report:**

Steve reported that the electric crew has been working around the county road restrictions trying to get work done and underground replacement. Water department has been changing meters out. We are still getting feedback and questions on the Union Water System Consolidation Plan. We continue to reply that the project is on hold and in comment period with DOH right now. We continue to work with Green Diamond Resource Company on the inherent water rights on our systems. There are questions about water allocation and Shumacher Creek flows. Steve is meeting with the DOE later. There is such an abundance of acre feet of water in that system that even if there is full build out in Alderbrook and surrounding properties, there are still hundreds of acre feet of water available. We have two water systems that are asking us to evaluate taking ownership.

**Darin Hall, Operations Report:**

No report.

**Kristin Masteller, Business Services Report:**

Steve, Mike Sheetz and Kristin met with Congressman Derek Kilmer last week at PUD 3. Policy Committee was scheduled for Monday, April 3<sup>rd</sup> at 1:30. Brandy and Kristin are beginning a roll out of backflow assembly and cross connection control literature for the Alderbrook Water System this spring.

**Rob Johnson, Legal Report:**

No report.

**Correspondence:**

None.

**Board Reports:**

**Mike Sheetz:** No report.

**Jack Janda:** No report.

**Ron Gold:** No report.

**Adjournment:** 5:00 p.m.

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**Jack Janda, President**

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**Ron Gold, Vice President**

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**Mike Sheetz, Secretary**