



Mason County Public Utility District No. 1

Board of Commissioners Meeting Minutes

October 23, 2018 Potlatch Washington

Present:

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

Guests: Mike Wittenberg, District Auditor

Business Meeting was called to order at 11:00 am

APPROVAL OF CONSENT AGENDA:

Minutes: October 9, 2018 Regular Meeting

| | | |
|-----------------------|------------------|---------------------|
| Disbursements: | Accounts Payable | \$418,245.00 |
| | Payroll Wire | \$ 52,499.94 |
| | Total | \$470,744.94 |

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

BUSINESS AGENDA:

September & 3rd Quarter 2018 Financial Report:

| Financial Metrics as Compared with Prior Year: | September 2018 | September 2017 |
|--|-----------------------|-----------------------|
| Total General Cash and Investments | \$1,136,082 | \$1,219,694 |
| Current Ratio (Current Assets/Current Liabilities) | 4.07 to 1 | 2.72 to 1 |
| Debt Service Coverage (O&M/ Debt Service) | 2.67 | 3.02 |
| Long-Term Debt to Net Plant | 48% | 32% |
| Total Debt to Equity Ratio (Total Liabilities/Total Equity) | 70% | 56% |
| Long Term Debt to Equity Ratio (Long Term Debt / Total Equity) | 66% | 47% |
| Times Interest Earned Ratio (Earnings before Interest & Taxes/Total Interest) | 4.28 | 6.85 |
| Cash on Hand (Total Available Cash/Average Daily Costs) *Not including Special Funds | 54 Days | 63 Days |



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Katie reviewed the 3rd Quarter financial report. Overall, the budgeted versus actual revenue and expenditures are closely mirroring each other. At the end of third quarter, the Debt Service Coverage ratio is holding strong at 2.67, compared to the minimum requirement of 1.25, set by the Bond Rating Agencies. The cash balance is slightly slower as compared to September 2017, due to the District's ability to complete construction work plan projects at a faster pace in 2018. The District's Long-Term Debt ratios are higher than 2017, due to the Electric & Water bond funds that were sold in the Spring / Summer of 2018. The bond proceeds will be used for capital improvement projects for both divisions. Part of the Water bonds funds have already been used for the purchase of water systems acquired from Thurston County. As the principle is paid down on the bonds, and the capital improvement projects are completed, the long term debt ratios will improve. The District's Finance Committee will be meeting at the end of October, to discuss a debt payoff plan to also help reduce those ratios, and continue to improve the overall financial health of the District.

Resolution No. 2014 – Declaring Surplus Property – This Resolution was tabled until the first November meeting.

Resolution No. 2015 – Supporting Energy Northwest's Horn Rapids Solar Project – Ron made a motion to approve Resolution No. 2015 Supporting Energy Northwest's Horn Rapids Solar Project. Mike seconded the motion. It passed unanimously.

STAFF REPORTS:

General Manager Report:

The PUD employees and staff participated in the Shakeout Earthquake drill. Kristin attended her first leadership training class through NWPPA. The potential bitcoin customer has paid his first deposit towards the rate study. It was decided that there will only be one meeting in December on the 11th at 1:00 pm.

Operations Report- Darin Hall:

The crew has been working on the underground at Seamount, also replacing some submersible transformers. Kemp West started the tree trimming in Brinnon on October 22. Water crew has been busy changing out problem meters in some of the water systems from Thurston County. Monthly safety meeting focused on winter driving.

Correspondence:

None.

Board Reports:

Mike Sheetz: No report.

Jack Janda: No report.

Ron Gold: No report.



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Adjournment: 11:45 am

Jack Janda, President

Ron Gold, Vice President

Mike Sheetz, Secretary