



Mason County Public Utility District No. 1
Board of Commissioners Special Meeting Minutes
May 29, 2018 Potlatch, Washington

Present:

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

Visitors:

Joyce Evans, Sergey Tarasov, Matt Hobson,
Matt Zehnder, Jeb Spengler, Nancy Neraas

The meeting was called to order at 1:00 p.m.

APPROVAL OF CONSENT AGENDA:

Minutes:	May 1, 2018 Public Hearing & Special Meeting		
Warrants:	Accounts Payable	115310-115368	\$347,622.73
		115374-115389	\$554,876.31
	Payroll	115306-115309	\$108,181.43
		115369-115373	\$120,567.68
	Voids	115216	(\$ 58.73)
	115378	(\$ 532.57)	
Total:			\$1,130,656.85

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

PUBLIC COMMENT:

Joyce Evans from Island Lake Manor Water System thanked the PUD for their communications to the new water system customers coming from Thurston PUD. She said she'd be in touch if her homeowners group would like the PUD to attend one of their meetings.

BUSINESS AGENDA:

Resolution No. 2006- Electric Bonds

Nancy Neraas, bond attorney from Foster Pepper, reviewed the terms of the resolution with the board. Jeb Spengler, the PUD's financial advisor from Piper Jaffray, clarified terms of the bond amounts. Matt Zehnder from Key Bank also answered questions.

Ron made a motion to adopt Resolution No. 2006 as presented; Mike seconded the motion. It passed unanimously.

Cost of Service Analysis for Electric

Sergey Tarasov and Matt Hobson from FCS Group gave a presentation on the COSA for electric including the different revenue requirement scenarios for different levels of implementation of the capital



improvement plan. The board gave Sergey direction on which scenario they'd like to move forward with and asked FCS Group to use that as the modeling for the final cost of service product.

April 2018 Financials

Katie Arnold presented the April financial statements. Gross revenue was \$947,471 for the month of April 2018 and gross expenditures were \$785,547. Cash is higher this month due to taking a draw from the Key Bank line of credit to cover high power bills from BPA.

Financial Metrics as Compared with Prior Year:	April 2018	April 2017
Total Cash and Investments	\$2,056,777	\$1,501,033
Current Ratio (Current Assets/Current Liabilities)	3.42 to 1	2.55 to 1
Total Debt to Equity Ratio (Total Liabilities/Total Equity)	69%	58%
Long Term Debt to Equity Ratio (Long Term Debt / Total Equity)	56%	45%
Times Interest Earned Ratio (Earnings before Interest & Taxes/Total Interest)	7.34	10.99
Cash on Hand (Total Available Cash/Average Daily Costs) *Not including Special Funds	88 Days	68 Days

STAFF REPORTS:

General Manager Report:

Steve recapped the NWPPA annual conference last week where he passed on the gavel for the board president position. He thanked the board for the opportunity to serve on the NWPPA board of directors.

Operations Report- Darin Hall:

Darin stated that the scheduled Duckabush Substation outage went well and we now have a backup transformer at that site if it is ever needed. Both crews are still working on underground replacements at Highland Park. The safety meeting covered emergency response and mayday protocol. There was a near miss during the outage where a logging truck did not yield to the traffic control signs and almost came into contact with a PUD vehicle. No one was hurt and nothing was damaged. We were unable to determine who the driver of the truck was. They didn't stop.

Business Services Report- Kristin Masteller:

We are almost finished with our Dept. of Retirement Systems audit. We've posted the GM position and have already begun receiving applications. We are scheduling interviews for the water engineering tech position. We have active shooter training next week. The EDC made an offer for the executive director position and should be confirmed next week. There will be a policy committee meeting on June 5th.



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Legal Report- Rob Johnson:

Rob will attend the PUD attorney's conference in Lake Chelan next week.

Correspondence:

A customer sent Steve a thank you note for helping them find their hot water tank issue.

Board Reports:

Mike Sheetz: Mike relayed a call from a customer about the water consolidation project in Union.

Jack Janda: No report.

Ron Gold: Ron stated that the NWPPA annual conference was very good.

Adjournment: 3:52 p.m.

Jack Janda, President

Ron Gold, Vice President

Mike Sheetz, Secretary