



Mason County Public Utility District No. 1
Board of Commissioners Regular Meeting Minutes
July 24, 2018 Potlatch, Washington

Present:

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

Via Phone: Matt Zehnder, Jeb Spangler,
Nancy Neraas

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

APPROVAL OF CONSENT AGENDA:

Minutes:	July 10, 2018 Regular Meeting		
Warrants:	Accounts Payable	115573-115625	\$158,350.32
		115630-115640	\$245,901.26
	Payroll	115626-115629	\$103,4635.43
	Void	115495	(\$ 403.81)
		115590	(\$ 890.77)
Total:			\$506,392.43

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

PUBLIC COMMENT:

No report.

BUSINESS AGENDA:

Electric Revenue Bond Update

Matt Zehnder from KeyBanc and Jeb Spengler from Piper Jaffray gave the board an update on how the electric revenue bond sale went. The District received a favorable rate, despite a soft market. The sale was successful and Kristin and Katie will work with the group to close out all the documentation and transfer of bond proceeds.



June 2018 & 2nd Quarter Financials

Katie Arnold presented the June 2018 and the 2nd Quarter 2018 financial statements for water and electric. Mike Wittenberg and Katie answered board questions. The gross revenue was \$733,717 for the month of June 2018 and gross expenditures were \$650,810. We are meeting all of our financial targets for the year and are in line with budget.

Financial Metrics as Compared with Prior Year:	June 2018	June 2017
Total Cash and Investments	\$1,341,597	\$1,306,862
Current Ratio (Current Assets/Current Liabilities)	3.83 to 1	3.16 to 1
Debt Service Coverage (O&M/ Debt Service)	2.85	3.28
Long-Term Debt to Net Plant	41%	33%
Total Debt to Equity Ratio (Total Liabilities/Total Equity)	66%	56%
Long Term Debt to Equity Ratio (Long Term Debt / Total Equity)	55%	44%
Times Interest Earned Ratio (Earnings before Interest & Taxes/Total Interest)	6.18	8.36
Cash on Hand (Total Available Cash/Average Daily Costs) *Not including Special Funds	62 Days	63 Days

Resolution No. 2011- Waive Competitive Bidding

Darin reported that a pump failed on the Pickering View water system and we needed an emergency replacement.

Mike Sheetz made a motion to authorize Resolution No. 2011 as presented; Ron Gold seconded the motion. It passed unanimously.

Update on BPA Rate Case Preliminary Information

Darin read a memo from WPAG that documented a discussion on impending BPA rate case of 5% increase to power cost and 10% to transmission.

STAFF REPORTS:

General Manager Report:

Steve attended NWPPA board meetings this week and met with the bond team in Seattle for the bond pricing/sale. This is his last meeting at Mason PUD 1.

Operations Report- Darin Hall:

The electric crew is rebuilding underground at Pleasant Tides and Alderbrook. They are also doing a line rebuild at Holiday Beach. The water crew had an emergency pump replacement at Pickering View this week. We are doing pump house maintenance on the new systems and GPS major equipment. We purchased the Skid Steer. The safety program was for pole top rescue.



Business Services Report- Kristin Masteller:

Kristin reported that the District secured the \$1 million treasurer's bond with Federated Insurance. The US Dept of Justice demanded that the former drug screening service pay restitution to the District of \$4,583.88. We are in the process of getting all our solar projects recertified with WSU Energy. Incentive payments have been delayed because WSU isn't ready to receive and process them. Kristin is meeting with the prosecutor's office on Friday about the fraud case. We've had two inquiries for large loads for data mining outfits. The spill surcharge will be on the statement this month with an explanation insert.

Legal Report- Rob Johnson:

No report.

Correspondence:

None.

Board Reports:

Mike Sheetz: Mike stated the WPUDA meetings were good.

Jack Janda: No report. The board agreed to hold their strategic planning meeting on August 30th.

Ron Gold: No report.

Adjournment: 2:57 p.m.

Jack Janda, President

Ron Gold, Vice President

Mike Sheetz, Secretary