



Mason County Public Utility District No. 1

Board of Commissioners Workshop, Public Hearing and Regular Board Meeting
April 23, 2019 Potlatch, Washington

Present:

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

Visitor:

Sergey Tarasov, FCS Group
Matthew Hobson, FCS Group

11:00 a.m. Board Workshop – Second Draft of Review of Water COSA

Workshop opened by Ron at 11:04 a.m. Sergey Tarasov and Matthew Hobson from the FCS Group were present to go over the Cost of service Analysis for water with staff and commissioners. Staff and Commissioners were given two scenarios, down from 3 at the previous workshop for the cost of service portion of the study. Scenario 1 is 100% COSA 7-year and Scenario 2 is partial COSA 7-year. Staff and Commissioners agreed that Scenario 1 would be the best option for the PUD. Staff and Commissioners were also in agreement with Option 1 for the System Development Cost. Option 1 is the Average Cost Approach which would be \$4733.00 across the board for all water systems. That cost is an increase of \$1776.00 on average. Workshop adjourned at 12:05 p.m.

1:05 p.m. – Public Hearing – Water Cost of Service Analysis (COSA)

The Public Hearing was opened at 1:05 p.m. by Ron. Public in attendance; Mike Petz, Larry Deforrest, Karen Booth, Gary Carlberg, Jon Koloski, Joel H. Dodge, Constance Ibsen, Sid Knizek, Chad Johnson, and Darren Sweitzer. Sergey Tarasov and Matthew Hobson made the COSA presentation to the public, explaining Scenario 1 and how it would affect the PUD’s water system users. Visitors had a chance to ask questions after the presentation was over. Public Hearing was adjourned at 2:25 p.m.

2:30 p.m. – Regular Board of Commissioners meeting was called to order by Ron

APPROVAL OF CONSENT AGENDA:

Minutes:	April 9, 2019	Regular Meeting	
Disbursements:	Account Payable	116743 - 116772	\$ 34,421.57
		116777 – 116796	\$ 36,270.33
	Payroll	116774 -116776	\$ 1,201.57
	Payroll Wire		\$ 124,611.94
	Total		\$ 196,505.41

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



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BUSINESS AGENDA:

Evergreen Rural Water Association – Water Operator of the Year Award – Tracey Hunter and Kari Fenton from Evergreen Rural Water Association were present to award the Water Operator of the Year Award to TJ Goos.

March 2019 & 1st Quarter Financial Report – Katie presented the March 2019 and 1st Quarter Financials. Gross Revenue was \$1,160,988 for the month of March 2019 and Gross expenditures were \$921,944.

For 1st Quarter 2019, the Electric Division is at 32% of its annual budgeted revenue and 29% of its annual budgeted expenditures. The Water Division is at 26% of its annual budgeted revenue and 24% of its annual budgeted expenditures. The Sewer Division is at 22% of its annual budgeted revenue and 11% of its annual budgeted expenditures. Overall, the District is tracking with its annual budget, even with the added cost of the February snow storm.

Financial Metrics as Compared with Prior Year:	March 2019	March 2018
Total General Cash and Investments	\$661,071	\$974,332
Current Ratio (Current Assets/Current Liabilities)	3.44 to 1	1.96 to 1
Debt Service Coverage (O&M/ Debt Service)	3.36	5.42
Long-Term Debt to Net Plant	46%	34%
Total Debt to Equity Ratio (Total Liabilities/Total Equity)	63%	47%
Long Term Debt to Equity Ratio (Long Term Debt / Total Equity)	57%	41%
Times Interest Earned Ratio (Earnings before Interest & Taxes/Total Interest)	4.13	7.70
Cash on Hand (Total Available Cash/Average Daily Costs) *Not including Special Funds	25 Days	40 Days

1st Quarter 2019 Strategic Plan Report – Kristin presented the 1st Quarter 2019 Strategic Plan. Many of the items have been done. Management and staff have worked hard at getting these things done in a timely manner.

RPA No. 126 – Operations Vehicle Replacement – Jack made a motion to approve RPA No. 126 Operations Vehicle Replacement; Mike seconded the motion. It passed unanimously.

RPA No. 127 – Vehicle Replacement – Water Department – Jack made a motion to approve RPA No. 127 Vehicle Replacement – Water Department; Mike seconded the motion. It passed unanimously.



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Authorize GM & Attorney to Proceed with Canal View Water System Acquisition Process – Canal View Water system is a small 11 connection system that includes the Eldon Store. Commissioners asked that staff do their due diligence before they make a decision.

Staff Reports

General Manager – Kristin reported that she has a meeting with DOH, DOE and the Tribe on Monday May 6th to discuss the Union Regional Water Plan. She and Jack also attended a Port of Hoodspport meeting.

Director of Operations Report – The easement issues at Alderbrook are complete. Darin, Mike Rose and Rich Crump attended the E & O Conference in Spokane the second week of April. Darin reported that the classes were good and the three of them accepted the Safety Award presented to PUD 1 by NWPPA. The Shadowood reservoir project is complete. We are currently waiting for the water test results and for Byron from BKI to do his inspection. John Spain was here last week and did flagger training. There have been no accidents or near misses.

Treasurer's Report – Katie and Kristin are currently looking at funding availability for water and storm water. Katie is attending the Finance Officers meeting on Wednesday April 24 and 25.

Legal Counsel – Rob reported that he is almost finished with PUD 3's Pole Contact Contract and will be sending a modified copy to PUD 1 for consideration.

Correspondence: None.

Board Reports:

Mike Sheetz: Mike reported that he is attending the WPEG meeting on April 24.

Jack Janda: Jack mentioned that he thought it was a successful legislative session for PUD's.

Ron Gold: no report

Visitor Comments: Larry DeForrest, customer from Union Thanked the PUD for their hard work and efficiency.

Executive Session – At 3:25 p.m., Kristin called an executive session under RCW 42.30.110.g to review the performance of a public employee. She stated the session would last 5 minutes.

At 3:30 p.m., Ron reconvened the regular session and there being no further business, he adjourned the meeting.



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Adjournment: 3:30 p.m.

Ron Gold, President

Mike Sheetz, Vice President

Jack Janda, Secretary