



**Mason County Public Utility District No. 1**  
Board of Commissioners Regular Board Meeting & Public Rate Hearing  
June 25, 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, District Treasurer  
Julie Gray, Executive Assistant  
Rob Johnson, District Attorney

**Visitors:**

Cynthia Stang, Holiday View 2

**1:00 p.m. – The Public Hearing was opened by board president Ron Gold to review the proposed fees associated with fulfilling public records requests, pursuant to RCW 42.56.120. There were no public in attendance, the Public Hearing was closed at 1:05 pm.**

**1:05 p.m. – Regular Board Meeting – President Ron Gold called the Regular Board meeting to order.**

**APPROVAL OF CONSENT AGENDA:**

<b>Minutes:</b>	June 11, 2019 Regular Meeting	
<b>Disbursements:</b>	<u>Accounts Payable Check Register</u>	
	Accounts Payable Wire	\$ 76,054.42
	Check Nos. 117054-117125	\$ 748,926.34
	<b>A/P Sub-Total</b>	<b>\$ 824,980.76</b>
	<u>Payroll Expense</u>	
	Payroll Wire	\$ 49,102.01
	Payroll Check No. 117010	\$ 1,355.39
	<b>Total</b>	<b>\$ 875,438.16</b>

Mike made a motion to approve the consent agenda as presented; Jack seconded the motion. Motion carried.

**PUBLIC COMMENT:**

Ms. Stang is a customer at Holiday View II and she stated that she heard the board was considering reclassifying two-party wells into the residential rate. She was there to support that change.

**BUSINESS AGENDA:**

**Approval of Revised Administrative Policy No. 1000 – Electric Service Line Extension Policy.** Mike made a motion to approve the revised Administrative Policy No. 1000 – Electric Service Line Extension Policy; Jack seconded the motion. Motion passed unanimously.



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**Approval of Revised Administrative Policy No. 1007 – Public Records Policy.** Mike made a motion to approve the revised Administrative Policy No. 1007 – Public Records Policy as amended by Rob Johnson, District Attorney. Jack seconded the motion. Motion passed unanimously.

**Claim for Damages - Kasten** Jack made a motion to approve the claim for damages from Gregory R. Kasten in the amount of \$75.00; Mike seconded the motion. Motion passed unanimously.

**May 2019 Financials** – Katie presented the May 2019 financials. She reported that the Gross Revenue was \$941,874 for the month of May 2019, and the Gross Expenditures were \$728,671 for the same time period.

<b>Financial Metrics as Compared with Prior Year:</b>	<b>May 2019</b>	<b>May 2018</b>
Total General Cash and Investments	\$803,162	\$928,301
Current Ratio (Current Assets/Current Liabilities)	3.07 to 1	4.75 to 1
Debt Service Coverage (O&M/ Debt Service)	2.86	3.19
Long-Term Debt to Net Plant	46%	42%
Total Debt to Equity Ratio (Total Liabilities/Total Equity)	64%	57%
Long Term Debt to Equity Ratio (Long Term Debt / Total Equity)	58%	52%
Times Interest Earned Ratio (Earnings before Interest & Taxes/Total Interest)	4.93	6.90
Cash on Hand (Total Available Cash/Average Daily Costs) *Not including Special Funds	39 Days	48 Days

**Direct the General Manager on Next Step for Union Regional Water System Plan** - Kristin reported to the board that the Dept. of Ecology replied to the District’s draft memo of amendments to the water system plan submittal and that the reply was not in line with what the PUD and other attendees took away from the meeting. She felt like the PUD was getting sent back into a circle and that she was tired of wasting ratepayer and taxpayer money if there was not going to be any compromise or progress. Kristin asked the board for guidance on the issue and presented three options- ask Health to move forward with approving the plan as written, with the addendum memo regarding the review of the water right for Alderbrook Wells 3 & 4; pay to write Green Diamond’s development out of the plan and resubmit the plan as a consolidation-only project; or drop the plan and move on with each system as its own system like we have historically. All three commissioners stated that they want Kristin to proceed with moving the plan forward through the approval process and they asked her to bring the addendum document to the next board meeting for approval. They said they understand what is at stake and that the PUD has spent enough time on this issue, almost four years, and it needs to be moved forward so the District can get to work on Union area projects as well as other things that haven’t been getting attention because of this water system plan issue. Kristin agreed to alert Health, Ecology and the Squaxin Island tribe about the board’s decision and place the final draft for review on the next board agenda.



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### Staff Reports

**General Manager** – Kristin reported that she attended the bid walk-thru for the Facilities Phase II project. Only one contractor attended so we'll see if the price comes back within budget and schedule. If not, we may need to delay it until the fall or winter. She also reported that Katie and Darin were working on securing Hazard Mitigation grants for the PUD. Kristin had a conversation with Marcus from BPA regarding the rate review process for BPA and the new large load customer. She has been in touch with the new large load customer and he is in the process of getting the power transferred into his name at his property. BPA would like to do a transmission study before he gets up and running. Those studies may be 18-24 months out. Kristin has a conference call scheduled with Melanie from BPA regarding the study and timeline. Water samples from Bay East Water system have been turned in so Arcadia can determine the best treatment for their manganese problem. Kristin, Katie and Darin will monitor the Strategic Plan quarterly now and reconcile it with the budget to ensure that unforeseen projects and costs are derailing the progress we've made on budgeting. The PUD's new Electrical Engineering/GIS Technician is starting on July 1.

**Director of Operations Report** - Darin reported that the Electric crew is still working on converting some problem overhead areas to underground. On June 24, the T3ba'das Substation will be taken off-line to get some warranty work done. The oil gauge has not been reading properly. The plan is to bring the sub back on-line the first week of July. The water crew is still working on Dalby Road installing new lines. George's Electric will be installing a generator for the Viewcrest Beach water system. Darin also reported that he and James had gone to look at Schumacher Creek with Erica from the Squaxin Tribe as a possible site for PUD 1's in stream monitoring program. The June safety meeting was about heat stress. Darin reported that there was one minor accident with no time loss.

**Treasurer Report** – Katie reported that she attended the NWPPA Finance Conference in Spokane last week. It was a good conference.

**Legal Counsel** – Rob reported that the re-payment order for the embezzlement case had been signed by former employee Cindi Carow's attorney. He is waiting for the prosecutor's office to approve it.

### Board Reports:

**Mike Sheetz:** No report

**Jack Janda:** No report

**Ron Gold:** Ron reported that he attended the annual APPA conference in Texas. It was a good conference.

**Adjournment:** 2:40 p.m.



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**Ron Gold, President**

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**Mike Sheetz, Vice President**

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**Jack Janda, Secretary**