



Mason County Public Utility District No. 1

Board of Commissioners Board Meeting

August 27, 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, Legal Counsel

Visitor: Marcus Perry, BPA

The meeting of the Board of Commissioners of Public Utility District No. 1 of Mason County was called to order at 1:00 p.m. followed by the Flag Salute.

APPROVAL OF CONSENT AGENDA:

Minutes:

August 6, 2019 Special Meeting
August 19, 2019 Special Meeting to Review Water COSA

Disbursements:

Accounts Payable Check Register

Accounts Payable Wire	\$ 81,897.30
Check Nos. 117304 - 117469	\$ 102,649.94
117472 – 117547	\$ 455,423.90

A/P Sub-Total \$ 639,971.14

Payroll Expense

Payroll Wire	\$ 63,152.90
Check Nos. 117470 – 117471	\$ 4,900.00

Total \$ 708,024.05

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

PUBLIC COMMENT:

BUSINESS AGENDA:

BP-20 Rate Impact Model – Marcus Perry from BPA attended the meeting to talk about the 2020 BPA Rate Impact to the Utility. PUD 1 will incur an increase of 2.58%. In the fall of 2019, BPA representatives will talk with the utilities regarding the 2028 contract renewals. Talks should begin in 2022.



Mason County Public Utility District No. 1

Board of Commissioners Board Meeting

August 27, 2019 Potlatch, Washington

July 2019 Financials – Katie reported that gross revenue was \$798,709 for the month of July 2019 and gross expenditures were \$762,070 for the month. She also reported that PUD 1 was the first utility to complete the funding process for the December 2018 windstorm. FEMA approved the final documents and the PUD should receive the grant reimbursement within the next couple weeks. The grant reimbursement amount is \$24,387.43.

Financial Metrics as Compared with Prior Year:	July 2019	July 2018
Total General Cash and Investments	\$881,844	\$747,008
Current Ratio (Current Assets/Current Liabilities)	4.16 to 1	3.52 to 1
Debt Service Coverage (O&M/ Debt Service)	3.07	3.26
Long-Term Debt to Net Plant	45%	41%
Total Debt to Equity Ratio (Total Liabilities/Total Equity)	61%	56%
Long Term Debt to Equity Ratio (Long Term Debt / Total Equity)	58%	52%
Times Interest Earned Ratio (Earnings before Interest & Taxes/Total Interest)	4.88	5.46
Cash on Hand (Total Available Cash/Average Daily Costs)	45 Days (General) 184 Days (All Funds)	40 Days (General) 205 Days (All Funds)

Resolution No. 2025 – Adopting a Moratorium on Electric Service Applications for High Density Computing and Data Processing Loads – Kristin reported that BPA has put restrictions on the amount of energy requests that PUD 1 can make until a line load study is completed for both lines that feed T3ba’das and Duckabush substations. The PUD cannot accept or serve any new large loads over 0.5 aMW until this issue is resolved. The PUD also needs time to develop policies and procedures for processing high density loads and rate structures. Mike made a motion to approve Resolution No. 2025 Adopting a Moratorium on Electric Service Applications for High Density Computing and Data Processing Loads as presented; Jack seconded the motion. Motion carried.

Authorize the General Manager to sign Land Use Permit with Green Diamond – Mike made a motion to Authorize the General Manager to sign the Land Use Permit with Green Diamond; Jack seconded the motion. Motion carried.

Authorize the General manager to sign Purchase and Sale Agreement for Canal View Water System – Jack made a motion to Authorize the General Manager to sign the Purchase and Sale Agreement for Canal View Water System; Mike seconded the motion. Motion carried.

Approval of Bid Package for Facilities – Phase 2 – Mike made a motion to Approve the Bid Package for Facilities – Phase 2; Jack seconded the motion. Motion carried.



Mason County Public Utility District No. 1

Board of Commissioners Board Meeting

August 27, 2019 Potlatch, Washington

Staff Reports

General Manager –Kristin reported that she met with Department of Ecology on Friday, August 23. John Kounts, Bill Clark, Mary Verner, Mike Gallagher and Alan Reichman were in attendance. They agreed to not serve Green Diamond until the permitted water right is reevaluated by Ecology. Alan Reichman is drawing up the paperwork. She reported that the survey that was sent to the Bay East Water System giving them an option to have a full system treatment or an individual home treatment had been counted. Twenty-two surveys were received back, twenty-one of them said “no” to the full system treatment, and one customer voted “yes”. She reported that the MOU with the Mason County for water and wastewater services was approved by the county commission. She has a meeting scheduled with Skokomish Tribe on September 6th regarding the Minerva Terrace Water System and she is working on a grant to acquire property and drill a new well for that system. Kristin attended the NWPPA meeting at Tacoma Public Utilities to meet with Congressman Derek Kilmer. Marcus Perry from BPA has notified the Rocky Brook Hydro representative that they will be allowed to keep the RECs and the contract will not be severed. She and Katie have scheduled a meeting on September 30th with Claire Richmond from Alderbrook Golf course regarding the water COSA study. Rob confirmed to Kristin that the rates for pole contacts can be changed in October, even if they have not signed the new contract. Darin and BKI are working on the environmental permit for the Jorstad Sub-station. Her evaluation with the Commissioners will be held on December 2, 2019 from 10:00 am to 3:00 pm in the Mt. Elinor room at Alderbrook.

Director of Operations – Darin reported that the Electric crew continues to replace old or broken poles along Hwy 106 and doing more underground replacements in Highland Park. The Water crew is working on leak repairs and getting the well houses painted and maintained. The safety meeting was focused on vault rescue and there have been no accidents or near misses.

Treasurer Report – Katie reported that Kristin was named one of Puget Sound Business Journal’s 40 under 40 for 2019 and would not be attending the Customer Appreciation BBQ because she must receive her award in Seattle on that day.

Legal Counsel – No report.

Board Reports:

Mike Sheetz: None

Jack Janda: None

Ron Gold: None

Adjournment: 3:12 p.m.

Ron Gold, President

Mike Sheetz, Vice President

Jack Janda, Secretary



Mason County PUD 1
Board of Commissioners Special Meeting
August 28, 2019

Present

Jack Janda- President
Ron Gold- Vice President
Mike Sheetz- Board Secretary
Kristin Masteller- General Manager

Special Meeting-

The special meeting of the Board of Commissioners of Public Utility District No. 1 of Mason County was called to order at 10:30 a.m. at Alderbrook Resort Mt. Elinor Room.

The board provided a list of employee projects and behaviors that they were proud of this year. They began a SWOT analysis for the different departments at the PUD.

At 12:30, Ron called a recess for one hour.

At 1:30 p.m., the board reconvened the meeting and began goal setting for the 2020 strategic work plan.

Public Comment

There were no public in attendance.

Meeting Adjourned at 4:15 p.m.

Ron Gold, President

Mike Sheetz, Vice President

Jack Janda, Secretary