



## Mason County Public Utility District No. 1

Regular Board Meeting, Budget Workshop & Public Rate Hearing  
November 12, 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  
Mike Wittenberg, District Auditor  
Rob Johnson, Legal Counsel

### Visitors:

Bill Holtz – Alderbrook  
David Hawkins, Alderbrook  
Paul Stropal, Alderbrook  
Tim Micek, Alderbrook  
Claire Richmond, GM Alderbrook Golf  
Rhonda Westover, Alderbrook  
Mary Gin Kennedy, Alderbrook  
Sergey Tarasov, FCS Group

**2020 Budget Workshop** was called to order at 11:00 a.m. by President, Ron Gold. The proposed 2020 Budget was presented by District Treasurer, Katie Arnold. The 2020 budget was reviewed in depth, showing the revenue requirement following the recently completed Cost of Service Analyses for both Electric and Water. With the 3-year proposed rate increases for both Electric and Water, the District would be able to meet the budgeted expenditures, as well as fund system improvements scheduled within the next five years, including the Manzanita substation. The board asked clarifying questions of staff and Mike Wittenberg. The workshop was adjourned at 12:25 p.m. Mike Wittenberg was excused from the rate hearing and business meeting.

**Public Rate Hearing for Electric and Water** was called to order at 1:00 p.m. by President Ron Gold, followed by the Flag Salute. Katie Arnold reviewed the proposed rates for the Electric business for years 2020-2023. Sergey Tarasov gave another updated presentation on the water COSA and was available to help answer questions from the public. Claire Richmond, General Manager of Alderbrook Golf Club stated that she would like the PUD to acknowledge the relationship between the golf course and the water system and that she feels like the Golf Course is not an irrigation account but a commercial account. She believes the water at the AGYC was never intended to be a municipal water right. She asked that the board grant more time before putting this rate increase in to affect. She also stated that PUD staff had been very professional. Bill Holtz didn't think the AGYC was given enough warning regarding the increase and wanted to know why they were targeted. Tim Micek, President of AGYC agrees with Mr. Holtz in thinking that they were not given enough time. Katie provided rate comparisons for commercial, residential and irrigation to show that the irrigation rates are the lowest, even after the proposed rate increase, and that commercial was considerably more. Kristin asked Claire to please contact Katie in the future with regard to any utility budget or rate questions, as PUD customer service may not be aware of impending decisions or budget work until there is something concrete to communicate with customers. The rate hearing was adjourned at 2:10 p.m.



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**Regular Business Meeting** of the Board of Commissioners of Public Utility District No. 1 of Mason County was called to order at 2:10 p.m.

**APPROVAL OF CONSENT AGENDA:**

**Minutes:** October 22, 2019 Regular Board meeting

**Disbursements:**

<u>Accounts Payable Check Register</u>	
Accounts Payable Wire	\$ 80,154.85
Check Nos. 117767 - 117855	\$ 157,409.13
<b>A/P Sub-Total</b>	<b>\$ 237,563.98</b>
 <u>Payroll Expense</u>	
Payroll Wire	\$ 67,528.52
<b>Total</b>	<b>\$ 305,092.50</b>

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

**PUBLIC COMMENT:** *Members of the public wishing to comment may request permission to do so during the Public Comment portion of the agenda. Comments shall be limited to no more than 3 minutes per speaker. There will be no action or discussion of public comment items, although the board may defer to PUD management for any necessary response.*

**BUSINESS AGENDA:**

**Resolution No. 2026 – Water Rate Schedule** Ron asked the board if they were comfortable moving the resolution to the next meeting on November 26<sup>th</sup>, 2019 to give Alderbrook Golf & Yacht Club more time to review the documents they received this morning. The board agreed and this item was tabled for the next meeting.

**Resolution No. 2027 – Electric Rate Schedule** - Jack made a motion to approve Resolution No. 2027 – Electric Rate Schedule, Mike seconded the motion. Motion carried.

**Staff Reports**

**General Manager** – Kristin presented the commissioners and staff with letters from the Squaxin Island Tribe regarding the Union Regional Water System Plan. She and Rob have scheduled a meeting with their attorney and natural resources department for December 3<sup>rd</sup>. She plans to discuss what items could be included in a possible MOU between the tribe and the PUD. She and James will also be working on a grant application for a feasibility study to use reclaimed water from Alderbrook Resort for the Alderbrook golf course. It's time to reach out the resort to see if they're supportive. She reported that she has not heard back from Elite Mining regarding the draft power purchase agreement. Kristin and James



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met with Dedrick Allan of MasonWebTV to promote the PUD’s new community solar and stream monitoring projects.

**Director of Operations** – Darin reported that Kemp West has started brushing. They have started north at the county line and will work their way south. The electric crew is also brushing, starting with the worst areas first. The water crew is doing clean up work and working on sanitary surveys. There have been no accidents or near misses.

**Treasurer Report** – Katie reported that an invitation was received from WA State Military, to submit full grant applications for the Seismic Retrofit Valves for eight identified water reservoirs and the Solenoid Valve for Pirate’s Cove water system. This was in response to the pre-applications that were submitted in June for the Pre-Disaster Hazard Mitigation Grant round. The Construction loan and grant round through Drinking Water State Revolving Fund closes at the end of this month.

**Legal Counsel** –Rob was at an APPA conference in Oregon during the last meeting. Washington State’s new Pay Equity Law was discussed, and it looks as though public agencies will be required to report positions, gender and salaries to the state to ensure compliance.

**Board Reports:**

**Mike Sheetz:** None

**Jack Janda:** None

**Ron Gold:** None

**Adjournment:** 2:55 p.m.

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**Ron Gold, President**

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**Mike Sheetz, Vice President**

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**Jack Janda, Secretary**