



Mason County Public Utility District No. 1
Board of Commissioners Regular Board Meeting
November 26, 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

Visitors:

Bill Holtz, Alderbrook
Tim Micek, Alderbrook
Maureen Hart, Alderbrook
Claire Richmond, AGYC
Mary Gin Kennedy, Alderbrook

Regular Business Meeting of the Board of Commissioners of Public Utility District No. 1 of Mason County was called to order at 1:00 p.m.

APPROVAL OF CONSENT AGENDA:

Minutes: November 26, 2019 Regular Board meeting

Disbursements:

Accounts Payable Check Register

Accounts Payable Wire	\$ 47,616.33
Check Nos. 117856 - 117897	\$ 69,759.69

A/P Sub-Total **\$ 117,376.02**

Payroll Expense

Payroll Wire	\$ 56,504.32
Payroll Check Nos. 117894	\$ 3,203.83

Total **\$ 117,084.17**

Jack made a motion to approve the consent agenda as presented; Mike 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.*

Claire Richmond from Alderbrook Golf & Yacht Club thanked the PUD staff for all their communication and work to assist the HOA board regarding the rate increase. She sent a letter to the PUD 1 commission on behalf of AGYC asking them to postpone any rate increases until the HOA board can fully understand how the cost of service was developed.



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Alderbrook customer Tim Micek thanked the PUD for their efforts and communications and asked them to please continue to prioritize the grant application for reclaimed water use at the golf course.

BUSINESS AGENDA:

Resolution No. 2026 – Water Rate Schedule Jack made a motion to approve Resolution No. 2026 – Water Rate Schedule, Mike seconded the motion. Discussion ensued.

Jack stated that it was never an easy decision to raise rates, but he felt strongly that the board was moving in the correct direction. We need to be accountable to existing and future customers that our water business was in good financial shape and we can continue to provide safe drinking water.

Mike said he has wrestled with this for a while and he realizes that it is a shock to the Alderbrook Golf & Yacht Club members, but they had been getting a discounted rate for many years. He compared it to the price of groceries and that when those staple items also go up, we're not able to go to the store and negotiate for last year's price. The price covers the costs to provide the service in today's dollars.

Ron agreed that the rates needed to allow the PUD to provide safe, reliable drinking water and continue our capital projects to replace aging infrastructure. He thanked AGYC for coming to the meetings and reaching out to the PUD. He said he hoped that the collaboration on the grant application will come to fruition and help offset the consumptive use for the golf course in the long run and keep their bills affordable.

Ron then called for the vote, and the motion passed unanimously.

Authorize Treasurer to submit Grant/Loan Applications to DWSRF & FEMA – Mike made a motion to Authorize the Treasurer to submit Grant/Loan Applications for the following projects: Canal View \$131,755, Lake Arrowhead Mainline Replacement \$159,625, Lake Arrowhead Manganese Treatment \$300,000, Bay East Manganese Treatment \$87,250, View Ridge Mainline Replacement \$17,650, and Arcadia Mainline Replacement \$28,887. Jack seconded the motion. Motion carried.

Approval of 2020 Budget – Mike made a motion to Approve the 2020 Budget as presented with revenues of \$11,265,026 and expenditures of \$10,584,624, and debt service/reserve funding of \$1,345,683; Jack seconded the motion. Motion carried.

Award Contract for Community Solar II project – Jack made a motion to award the contract for the Community Solar II project to South Sound Solar in the amount of \$119,985.00, Mike seconded the motion. Motion carried.

Adopt 2020 Strategic Planning work plan – Mike made a motion to Adopt the 2020 Strategic Planning work plan, Jack seconded the motion. Motion carried.

Motion to Approve Final Revision of WSP-Part A and SEPA – Mike made a motion to Approve the Final Revision of WSP-Part A and SEPA, Jack seconded the motion. Motion carried.



Staff Reports

General Manager – Kristin reported that the WSP-Part A has been approved. The Union Regional Plan will not be approved by the end of 2019 as planned. Kristin suggested that the PUD pay the Kiwanis Membership dues, as it's a great way to communicate with our customers. Kristin also reported that she and Ron attended the PPC meeting last week, and Kristin went to the River Partners annual meeting which featured a scientist speaking on her research regarding chinook salmon survival rates all along the west coast. Survival rates all decline at approximately the same rate from Alaska to California, regardless of the presence of dams, in-stream vs. open ocean, climate temperature, etc. Kristin reported that she, Ron, James, and Darin met with the AGYC Board to discuss a reclaimed water project and possible ensuing grant opportunity. Kristin will contact Shawn from the Alderbrook Resort to involve him. The manager's evaluation is Monday, December 2 at Alderbrook.

Director of Operations – Darin reported that Kemp West is working south of Lilliwaup and have removed some danger trees at the girl scout camp. The Electric crew is working on tree trimming and some underground replacements. The Water crew is working on installing meters at the Hellickson and Holiday View II water systems. The move-in date for the contractor doing the covered storage is Monday, December 4th. Darin and Rich flew to San Francisco to look at a 2007 Kenworth T-300 5 yd dump. It will be delivered sometime next week. Darin reported that he had a conference call with the owners of the Pleasant Harbor Marina, they have gotten through their legal hurdles and will begin an eight-year phased approach to the sports facility with a 9-hole golf course and condos. Last safety meeting was on rigging and sling inspections. There have been no accidents or near misses.

Treasurer Report – Katie reported that she was contacted by the State Auditor's Office. Christine plans to be here to start the 2018 Audit beginning December 4th. An entrance conference will be scheduled soon.

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.

Correspondence:

The PUD received a letter of appreciation from the president of the HOA at Shadowood Water System.

Board Reports:

Mike Sheetz: Mike attended the WPUA meeting this past week. Very good meeting.

Jack Janda: Jack reported that he has been selected to the Audit, Legal and Finance Chair for Energy NW. Jack would also like to change the second January 2020 meeting from the 28th to the 21st, and the second March meeting from the 24th to the 31st. Mike and Ron agreed that this would work for their calendars as well.

Ron Gold: None



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Adjournment: 2:40 p.m.

Ron Gold, President

Mike Sheetz, Vice President

Jack Janda, Secretary