



**Mason County Public Utility District No. 1**  
Board of Commissioners Special Board Meeting  
January 21, 2020 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:**

Willie Pierce – Hoodsport Customer  
Larry DeForrest – Union Customer

**Special 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:** December 14, 2019 Regular Board meeting

**Disbursements:**

Accounts Payable Check Register

Accounts Payable Wire	\$ 68,044.13
Check Nos. 118077-118101	\$ 344,567.85

**A/P Sub-Total** **\$ 412,611.98**

Payroll Expense

Payroll Wire	\$ 56,871.56
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**Total** **\$ 469,483.54**

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

**PUBLIC COMMENT:** Larry DeForrest commended the crew for their safety efforts during the recent storm.

**BUSINESS AGENDA:**

Katie presented the December 2019 Financials. She reported the gross revenue for December 2019 was \$1,161,227 and the Gross Expenditures were \$988,755. The District ended the year with a net operating margin of just over \$1.5 million. She stated that even though the Net Operating Margin seems high, there are transactions not reflected on the Income Statement that reduce the margin. For example, \$800,000 of that NOM was allocated towards the reduction in the District's long-term debt, \$342,000 was allocated to the District's "Substation Fund", which will be used for the construction of the Manzanita Substation in 2025. When taking these allocations into consideration the net operating margin is about \$350,000, which provides assurance to staff that the District is not over-collecting revenues from rates. These margins are



moved into the capital project reserve funding for the next year. Katie also noted the drop in the District’s long term debt and increase on cash on hand reserves for 2019.

<b>Financial Metrics as Compared with Prior Year:</b>	<b>December 2019</b>	<b>December 2018</b>
Total General Cash and Investments	\$958,952	\$922,947
Current Ratio (Current Assets/Current Liabilities)	2.97 to 1	3.52 to 1
Debt Service Coverage (O&M/ Debt Service)	2.32	2.74
Long-Term Debt to Net Plant	43%	46%
Total Debt to Equity Ratio (Total Liabilities/Total Equity)	60%	65%
Long Term Debt to Equity Ratio (Long Term Debt / Total Equity)	55%	61%
Times Interest Earned Ratio (Earnings before Interest & Taxes/Total Interest)	3.58	4.15
Cash on Hand (Total Available Cash/Average Daily Costs)	44 Days (General) 170 Days (All Funds)	43 Days (General) 157 Days (All Funds)

**Appoint 2020 Association Committee Delegates** – Mike made a Motion to Approve the 2020 Association Committee Delegates; Jack seconded the motion. Motion carried.

**Authorize the Manager to sign the Purchase & Sales Agreement for Agate Beach Property** - Mike made a Motion to Authorize the Manager to sign the Purchase & Sales Agreement for the Agate Beach Property; Jack seconded the motion. Motion carried.

**Authorize the Manager to sign the Service Agreement with Archbright for Worker’s Compensation claims management and legal services** – Mike made a Motion to Authorize the Manager to sign the service agreement with Archbright for Worker’s Compensation claims management and legal services; Jack seconded the motion. Motion carried.

**Staff Reports**

**General Manager** – Kristin reported that she attended the WPUDA association meetings last week. The lunch speaker from Ecology was excellent. She also reported that she met with Kevin Shutty, Mason County Commissioner last week. He will ask the county commission for a letter in support of the PUD’s stream flow restoration grants. Scott Corwin, Executive Director of NWPPA asked Kristin to sit on the CEO Panel at the E & O Conference this year in Reno. Kristin will attend the Westside Managers meeting on Thursday January 23 and will attend the WWUC meeting on Friday the 24<sup>th</sup>. On February 4<sup>th</sup>, she and Rob have a meeting with the Squaxin Island Tribe regarding a potential MOU for water service in the Alderbrook and Union areas. Kristin will be on vacation, January 27<sup>th</sup> thru January 31. Darin will be the acting manager while Kristin is out.



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**Director of Operations** – Darin reported that Jefferson County was hit the hardest in the snowstorm this past week. The crew finished up with the storm at midnight on 15<sup>th</sup> of January. They did an outstanding job as usual. Three of our Linemen are attending the Protective Grounding class at PUD 3 today. The water crew has been working on leaks. The safety meeting had to be re-scheduled due to snow. There were no accidents or near misses.

**Treasurer Report** – No additional report.

**Legal Counsel** – No report.

**Correspondence:** None

**Board Reports:**

**Mike Sheetz:** Mike attended the WPUDA meetings last week.

**Jack Janda:** None

**Ron Gold:** None

**Adjournment:** 1:45 p.m.

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**Ron Gold, President**

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**Mike Sheetz, Vice President**

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**Jack Janda, Secretary**