



Mason County Public Utility District No. 1
Board of Commissioners Regular Board Meeting
December 10, 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

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**

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

PUBLIC COMMENT: No members of the public in attendance.

BUSINESS AGENDA:

October Financials – Katie reported Financial Highlights for Gross Revenue was \$742,264 and Gross expenditures were \$838,355 for the month of October 2019. The net operating loss was due to timing of larger budgeted expenses, with funds collected earlier in the year to cover the cost.



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Financial Metrics as Compared with Prior Year:	October 2019	October 2018
Total General Cash and Investments	\$921,849	\$1,154,421
Current Ratio (Current Assets/Current Liabilities)	2.86 to 1	3.19 to 1
Debt Service Coverage (O&M/ Debt Service)	2.46	4.47
Long-Term Debt to Net Plant	44%	48%
Total Debt to Equity Ratio (Total Liabilities/Total Equity)	62%	67%
Long Term Debt to Equity Ratio (Long Term Debt / Total Equity)	57%	62%
Times Interest Earned Ratio (Earnings before Interest & Taxes/Total Interest)	2.51	3.40
Cash on Hand (Total Available Cash/Average Daily Costs)	41 Days (General) 178 Days (All Funds)	54 Days (General) 131 Days (All Funds)

Resolution No. 2028 – Establishing Positions and Pay Scales for Administrative Employees – Mike made a motion to approve Resolution No. 2028, Establishing Positions and Pay Scales for Administrative Employees; Jack seconded the motion. Kristin reported that she used the 25th percentile to the scale the salaries for appropriate utility size. Motion carried.

Resolution No. 2029 – General Manager Salary Adjustment for 2020 – Mike made a motion to approve Resolution No. 2029, General Manager Salary Adjustment for 2020; Jack seconded the motion. Motion carried.

Approval of Write-Off's – Jack made a motion to approve the Write-Off's in the amount of \$12,600.30; Mike seconded the motion. Motion carried

Executive Session – RCW 42.30.110(i)(i)

Ron made a motion at 1:29 p.m. to go into executive session for 10 minutes to talk about threatened or pending litigation. Executive Session was adjourned at 1:39 p.m.

Jack made a motion to allow the manager to retain Sarah Mack with Tupper Mack Wells, PLLC as outside legal counsel for the water business; Mike seconded the motion. It passed unanimously.

Staff Reports

General Manager – Kristin gave her report to the commission in the executive session.

Director of Operations – Darin reported that Kemp West is still working onsite and should be done with their work by the end of this week. The Electric is still brushing and working on inventory. The Water crew has been working on water leaks and service upgrades. They will be starting their inventory next week. The problems with the generator at Union Heights water system turned out to be the motherboard and it was repaired under warranty.



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Treasurer Report – Katie reported that the state auditors started the 2018 audit on Monday, December 9th. They would like to do schedule the Entrance Conference on Wednesday, December 18 at 9:30 a.m. at the PUD 1 office. Katie and Ron Gold will attend, in addition to Mike Wittenberg, the District’s Auditor.

Legal Counsel –Rob thanked the board for sending him to the WPUDA Annual conference in Vancouver. It was a good session. Rob also reported that the DNR is saying the PUD is responsible for mitigation in the Robbinswold Fire in the amount of \$8,457.36. All paperwork has been turned over to the PUD’s insurance company and they will appoint an attorney to handle the case.

Correspondence:

The PUD received a ‘thank you’ from a customer who was needing a line locate. Also, letters were received from the Squaxin Tribe and DOH.

Board Reports:

Mike Sheetz: Mike attended the WPUDA annual meeting in Vancouver last week.

Jack Janda: Jack reported that he attended the WPUDA annual meeting last week

Ron Gold: Ron reported that he also attended the WPUDA annual meeting last week and will be attending the WIRA 14 meeting on December 12.

Adjournment: 2:07 p.m.

Ron Gold, President

Mike Sheetz, Vice President

Jack Janda, Secretary