



**Mason County PUD No. 1
Regular Board Meeting
January 25, 2022
1:00 p.m.**

Join Zoom Meeting
<https://us02web.zoom.us/j/85869053743>

Meeting ID: 858 6905 3743
1 (253) 215-8782

1:00 p.m. Call to Order & Flag Salute

1) Consent Agenda

Minutes: January 11, 2022 Regular Board Meeting

Disbursements:	Accounts Payable Wire	\$ 113,186.23
	Check Nos. 121149-121186	\$ 340,405.41
	121189-121218	\$ 115,647.51
	A/P Sub-Total	\$ 569,239.15
	Payroll Wire	\$ 121,724.19
	Payroll Check Nos. 121187-121188	\$ 11,975.51
	Grand Total	\$ 702,938.85

2) 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 5 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.*

3) Business Agenda

- a. Approve GM to sign Purchase & Sale Agreement for Lake Wood Water System

4) Staff Reports

- a. General Manager
- b. District Treasurer
- c. Water Resource Manager
- d. Legal Counsel

5) Correspondence

6) Board Comments

7) Other Business/Public Comment

8) Executive Session - None

9) Adjournment

2022 Calendar

January 27	WPAG	9:00 am
February 2-3	PPC	Virtual
February 16-18	WPUDA	TBA
February 23	WPAG	9:00 am
March 2-3	PPC	Sheraton Portland Airport
March 16-18	WPUDA	TBA
March 24	WPUDA	TBA (Water Committee Meeting)
March 24	WPAG	9:00 am
April 6-7	PPC	Virtual
April 13-15	WPUDA	TBA
April 28	WPAG	9:00 am
May 4-5	PPC	Embassy Suites Portland Airport
May TBA	WPUDA	Telecom Workshop
May TBA	WPUDA	Managers Committee
May 18	WPAG	9:00 am
May 22-25	NWPPA	Annual Conference
June 1-2	PPC	Virtual
<i>June (TBA)</i>		<i>Employee Appreciation</i>
June TBA	WPUDA	Strategic Planning Committee Meeting
June 10-15	APPA	National Conference
June 23	WPUDA	TBA (Water Committee Meeting)
June 23	WPAG	9:00 am
July 13-15	WPUDA	TBA (Association Meetings)
July 28	WPAG	9:00 am
August 3-4	PPC	Sheraton Portland Airport
August 25	WPAG	9:00 am
August 31/Sept 1	PPC	Virtual (Executive Committee Meeting)
September 14-16	WPUDA	TBA (Association Meetings)
September 22	WPAG	9:00 am
September 21-23	WPUDA	TBA (Water Workshop)
October 5-6	PPC	Virtual (Executive Committee Meeting)
<i>October 7</i>	<i>PUD Campus</i>	<i>Customer Appreciation</i>
October 13	WPUDA	TBA (Budget Committee meeting)
October 22	WPAG	9:00 am
November 16-18	WPUDA	TBA (Association Meetings)
November 16	PPC Town Hall	Sheraton Portland Airport
November 17	PPC Annual Mtg.	Sheraton Portland Airport
Nov/Dec	WPAG	Date/Time TBA



Mason County Public Utility District No. 1
Board of Commissioners Regular Board Meeting
January 11, 2022, Potlatch, Washington

Present:

Mike Sheetz, President (Online)
Jack Janda, Vice President (Online)
Ron Gold, Board Secretary (Online)
Kristin Masteller, General Manager (Online)
Katie Arnold, District Treasurer (Online)
Brandy Milroy, Water Resource Manager (Online)
Julie Gray, Executive Assistant (Online)
Rob Johnson, Legal Counsel (Online)

Visitors:

Kevin Shuttly – Mason County Commissioner

CALL TO ORDER: Mike Sheetz called the Regular Board meeting to order at 1:00 p.m.

APPROVAL OF CONSENT AGENDA:

Minutes:	December 14, 2021 Public Hearing & Regular Board Meeting	
Disbursements:	<u>Accounts Payable Check Register</u>	
	Accounts Payable Wire	\$ 424,010.11
	Check Nos. 121072-121148	\$ 260,410.25
	A/P Sub Total	\$ 684,420.36
	<u>Payroll Expense</u>	
	Payroll Wire	\$ 150,564.36
	Payroll Check 121092	\$ 5,700.00
	Grand Total	\$ 840,684.72

Jack made a motion to approve the consent agenda as presented, Ron seconded the motion. Motion carried.

PUBLIC COMMENT: None

BUSINESS AGENDA:

Kevin Shuttly, Mason County Commissioner – Kevin reported that he was grateful for all the effort by the crews and PUD staff in the recent storm. The commission and Kristin thanked Kevin for the good relationship between County departments and the PUD, stating the working relationship is the best it's been in years.

Outage Update – Kristin reported that the storm started on Jan 1 with a few small outages, before it progressed to a lot of snow and wind which caused widespread damage and power outages. She reported that six mutual aid crews were called in from neighboring utilities to help. The storm work was mostly completed by Jan 8th, with the crew working around the clock to get things done. She stated that



Mason County Public Utility District No. 1
Board of Commissioners Regular Board Meeting
January 11, 2022, Potlatch, Washington

Katie has reached out to the District's FEMA representative to provide a cost estimate of the system damage. They will continue to follow up with the WA State Emergency Management agency to ensure that FEMA declares the latest storm a disaster so that the District would be eligible for reimbursement. Currently, the estimated damages exceed \$400,000.

Award Bid for Hood Canal 101 Broadband/Pole Replacement Project – This will be postponed until to allow mail to be delivered. A special meeting may be held later to award the bid or reject them, depending on the price of the bids.

November Financials – Katie reported gross revenue was \$1,004,614 for the month of November 2021 and gross expenditures were \$908,140. The Debt Service Coverage and Times Interest Earned ratios are still holding above the minimum 1.25 requirement set forth by bond covenants. It also remains above the 2.0 minimum the board set in its Long-Term Debt policy. The year-to-date actual revenues and expenditures are on track with the 2021 budget, with actuals being +/- 10% of the budget. She stated that at the next board meeting, she'll present the 2021 annual financial report snapshot that will show a detailed breakdown of how the Net Operating Margin was allocated, such as the principal payments on long term debt, designated reserve funding and capital expenditures that are not reflected on the income statement.

Financial Metrics as Compared with Prior Year:	November 2021	November 2020
Total General Cash and Investments	\$1,270,336	\$957,128
Current Ratio (Current Assets/Current Liabilities)	2.22 to 1	3.72 to 1
Debt Service Coverage (O&M/ Debt Service)	2.38	2.54
Long-Term Debt to Net Plant	36%	46%
Total Debt to Equity Ratio (Total Liabilities/Total Equity)	51%	65%
Long Term Debt to Equity Ratio (Long Term Debt / Total Equity)	45%	61%
Times Interest Earned Ratio (Earnings before Interest & Taxes/Total Interest)	3.93	3.69
Cash on Hand (Total Available Cash/Average Daily Costs)	52 Days (General) 194 Days (All Funds)	45 Days (General) 136 Days (All Funds)

Authorize the GM to sign the Agreement with McGuire Whitney Grant Writing & Lobbying Services - Jack made a motion to authorize the General Manager to sign the Agreement with McGuire Whitney for grant writing and lobbying not to exceed \$30,000. Ron seconded the motion. Motion carried.

Approval of Resolution 2057 – Sole Source for Underground Cable – Jack made a motion to approve Resolution 2057 – Sole Source for Underground Cable. Ron seconded the motion. Motion carried.



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Approval of Resolution 2058 – Sole Source for Itron Meters – Jack made a motion to approve Resolution 2058 – Sole Source for Itron Electric and Water Meters. Ron seconded the motion. Motion carried.

Approval of 2022 Voting Delegates – Jack made a motion to approve the 2022 Voting Delegates. Ron seconded the motion. Motion carried.

Claim for Damages (Lemon) – Jack made a motion to deny the claim for damages due to the damage not being proximately caused by negligence on the part of PUD employees. Ron seconded the motion. Motion carried.

Discussion on Hydro Campaign Dues – Jack made a motion to authorize the contribution to the NWRP hydro campaign in the amount of \$1,280.00. Commissioner Gold, seconds the motion

General Manager – Kristin reported that the PUD currently has four active Covid cases. She is running low on tests but has contacted the county for more. She also reported that she and Brandy are meeting with the Shadowood HOA this month, and that she and Brandy and Mike Sheetz also have a meeting with Alderbrook Golf and Yacht Club on Friday, January 14, 2022. Tim Flynn is currently working on the scope of the Alderbrook groundwater study with the tribe's consultant and should have an agreed upon scope by March. She reported that the Colony Surf project has been delayed until the weather is better. She reported that the engineers are working with DOT to get the Duckabush rebuild design finished.

Director of Finance – Katie reported that the FEMA project from last year's storm is finally completing the review/approval phase. The District should soon see reimbursement of around \$75,000 for that specific event. The FEMA Hazard Mitigation grant for the overhead to underground conversion that was submitted in 2019 is continuing through the review process. FEMA has sent their second round of RFI's with a response deadline of February 6, 2022. Katie also reported that the December 26th bills are slow to get delivered to customers because of the holidays and recent storm. Shiane is monitoring the status of delivery as a majority of them have not yet been received. She stated that we will not be charging late charges this month due to the delay.

Water Resource Manager – Brandy reported that the PFAS sample bottles are being sent out soon. This project will take about 7 weeks to complete but will not cost the PUD for the testing. The testing will be done on group A wells only. DOH is reviewing the feasibility studies on five water systems located off Shelton Springs Road for consolidation purposes. Brandy reported she is starting to work on the Consumer Confidence Reports for 2022, also the water facility reports are updated and into Department of Health. Brandy also reported that the water crew was able to get heaters in the pump houses so that the pumps would not freeze up. She also reported that the water crew was a huge help in the storm clean up.

Rob Johnson, Attorney – None



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January 11, 2022, Potlatch, Washington

Correspondence – Notes of appreciation from storm customers and press releases regarding the storm.

Board Reports –

Mike – Mike reported that he had virtually attended the PPC meeting

Jack – None

Ron – Ron reported that he had virtually attended the PPC meeting.

PUBLIC COMMENT - None

EXECUTIVE SESSION – None

Adjournment: 2:20 p.m.

A handwritten signature in blue ink, appearing to read 'Mike Sheetz', written over a horizontal line.

Mike Sheetz, President

A handwritten signature in blue ink, appearing to read 'Jack Janda', written over a horizontal line.

Jack Janda, Vice President

A handwritten signature in blue ink, appearing to read 'Ron Gold', written over a horizontal line.

Ron Gold, Secretary

01/21/2022 10:17:44 AM

Accounts Payable Check Register

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01/07/2022 To 01/22/2022

Bank Account: 4 - COLUMBIA BANK - DISTRICT

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
596 01/18/2022	WIRE	IRS	WEST COAST BANK	FEDERAL TAX LIABILITY	56,157.23
597 01/18/2022	WIRE	WASH 1	WA DEPT OF RETIREMENT SYS	STATE RETIREMENT - PLAN 2	31,189.07
598 01/18/2022	WIRE	WASH 7	WA STATE TREAS-MS: PO-11	DEFERRED COMPENSATION	8,325.75
599 01/18/2022	WIRE	HRA	HRA VEBA TRUST CONTRIBUTI	VEBA MEDICAL SAVINGS	17,514.18
2236 01/19/2022	DD	GORDON TRUC	FREIGHTLINER NORTHWEST OLYMPIA	CREDIT-EQUIPMENT #78 INJECTOR	0.00
121149 01/07/2022	CHK	ARNOLD,KATIE	KATIE ARNOLD	STORM DAMAGE CREW FOOD	206.00
121150 01/07/2022	CHK	ASPECT CONSU	ASPECT CONSULTING LLC	WATER RIGHT PROCESSING	1,261.00
121151 01/07/2022	CHK	BUILDERS	BUILDERS FIRSTSOURCE, INC	HAMMA RIDGE WATER PROJECT SUPPLIES	711.68
121152 01/07/2022	CHK	CACJEF	CLALLAM-JEFFERSON	2021 CANAL COMFORT DONATIONS	3,378.71
121153 01/07/2022	CHK	CRC	COOPERATIVE RESPONSE CENTER, INC	OCTOBER AFTER HOURS ANSWERING SERVICE	3,520.01
121154 01/07/2022	CHK	THE SHOP*	D & H PRINTING	BUSINESS CARDS FOR TJ	43.35
121155 01/07/2022	CHK	DON SMALL & S	DON SMALL & SONS OIL DIST	GAS & DIESEL	9,073.91
121156 01/07/2022	CHK	EVER	EVERGREEN RURAL	2022 ANNUAL MEMBERSHIP DUES	700.00
121157 01/07/2022	CHK	GDS ASSOCIATE	GDS ASSOCIATES, INC	DUCKABUSH ESTUARY HIGHWAY RELOCATION	3,416.24
121158 01/07/2022	CHK	GE SOFTWARE	GE SOFTWARE INC DBA EKOS	MONTHLY EKOS FUEL SITE MODULE	80.00
121159 01/07/2022	CHK	GILLIARDI LOG	GILLIARDI LOGGING AND CONSTRUCT	HAMMA RIDGE WATER-ROCK	156.88
121160 01/07/2022	CHK	HACH	HACH COMPANY	LAKE ARROWHEAD WATER	1,059.67
121161 01/07/2022	CHK	KEMP	KEMP WEST	RETAINAGE 2021 VEGETATION MANAGEMENT	8,714.00
121162 01/07/2022	CHK	LEMAY MOBILE	LEMAY MOBILE SHREDDING	SHRED(2)65 GALLON & SHRED ONE TIME PURGE	768.00
121163 01/07/2022	CHK	MARSH	MARSH MUNDORF PRATT & SUL	MONTHLY WPAG SERVICES	110.94
121164 01/07/2022	CHK	MASON7	MASON COUNTY AUDITOR	GENERAL ELECTION & 2021 ANNUAL COST	565.93
121165 01/07/2022	CHK	CACMAS	MASON COUNTY CAC	2021 CANAL COMFORT DONATIONS	3,378.72
121166 01/07/2022	CHK	MASON CO GAR	MASON COUNTY GARBAGE	MONTHLY GARBAGE CHARGES	797.87
121167 01/07/2022	CHK	SHEL 2	MASON COUNTY JOURNAL	RELEASE OF FUNDS AD-SHADOWOOD CONSOLIDAT	1,780.50
121168 01/07/2022	CHK	NWSS	NORTHWEST SAFETY SERVICE LLC	SAFETY SERVICES ON 12/16 & 12/30	1,136.25
121169 01/07/2022	CHK	RICOH USA	RICOH USA, INC.	MONTHLY RENT (2)COPY MACHINES	514.29

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Accounts Payable Check Register

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01/07/2022 To 01/22/2022

Bank Account: 4 - COLUMBIA BANK - DISTRICT

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
121170 01/07/2022	CHK	UTILI1	UTILITIES UNDERGROUND LOCATION	MONTHLY UNDERGROUND LOCATES	49.28
121171 01/07/2022	CHK	VERIZO	VERIZON WIRELESS	ISLAND LAKE MANOR,BEL AIRE, & SHADOWOOD	117.08
121172 01/12/2022	CHK	MAS 10	MASON COUNTY PUBLIC WORKS	EELLS HILL URD PROJECT - UTILITY PERMIT	1,018.50
121173 01/12/2022	CHK	BUILDERS	BUILDERS FIRSTSOURCE, INC	WONDERLAND WATER SUPPLIES	2,403.91
121174 01/12/2022	CHK	CITI CARDS	CITI CARDS	MONTHLY CITI CHARGES ACCT ENING IN 4326	8,930.08
121175 01/12/2022	CHK	FEDINS	FEDERATED RURAL ELECTRIC	46 ARB 026-21 ALL RISK BLANKET	109,123.00
121176 01/12/2022	CHK	GRAY1	GRAY, JOYCE	2022 SNOW STORM	92.68
121177 01/12/2022	CHK	HANSON EXCAV	HANSON EXCAVATION LLC	2022 SNOW STORM-RENTAL EQUIPMENT	4,557.00
121178 01/12/2022	CHK	HOOD CANAL	HOOD CANAL MARKET FRESH	HAMMA RIDGE WATER PROJECT SUPPLIES	438.00
121179 01/12/2022	CHK	LENEXA SERVIC	LENEXA SERVICES, INC	46XSLIAB026-22-001 EXCESS LIABILITY	21,696.25
121180 01/12/2022	CHK	NISC	NISC	DECEMBER 2021 RECURRING INVOICE	12,080.99
121181 01/12/2022	CHK	PUGET SOUND	PUGET SOUND HARDWARE, INC	MASTER LOCK BLUETOOTH PADLOCKS	124,381.30
121182 01/12/2022	CHK	2	APPLIED ARCHAEOLOGICAL RESEARC	CANAL VIEW WATERLINE REPLACEMENT PROJECT	4,350.00
121183 01/12/2022	CHK	2	APPLIED ARCHAEOLOGICAL RESEARC	HOOD CANAL 101 BROADBAND PROJECT	4,100.00
121184 01/12/2022	CHK	2	ARCHBRIGHT	2022 ANNUAL MEMBERSHIP DUES	4,152.00
121185 01/12/2022	CHK	2	PAT O'BRIEN	MULTI INDOOR HEATPUMP REBATE-O'BRIAN	1,300.00
121186 01/12/2022	CHK	HOOD CANAL	HOOD CANAL MARKET FRESH	DISTILLED WATER FOR ALL GENERATORS	241.39
121189 01/18/2022	CHK	IBEW	IBEW LOCAL UNION #77	UNION DUES	899.27
121190 01/18/2022	CHK	PUDEMP	PUD #1 EMPLOYEE FUND	EMPLOYEE FUND	220.00
121191 01/18/2022	CHK	BUILDERS	BUILDERS FIRSTSOURCE, INC	SHOP SUPPLIES	105.92
121192 01/18/2022	CHK	GCR TIRES	GCR TIRES & SERVICE	VEHICLE #77-(4)NEW TIRES	1,128.67
121193 01/18/2022	CHK	GENPAC	GENERAL PACIFIC INC	STREET LIGHTS	14,962.15
121194 01/18/2022	CHK	LES SCHWAB	LES SCHWAB WAREHOUSE CENTER	VEHICLE #61-(4)NEW TIRES	1,670.33
121195 01/18/2022	CHK	NW RIVER PART	NORTHWEST RIVER PARTNERS	2022 DUES ASSESSMENT &"OUR POWER IS WATE	2,980.00
121196 01/18/2022	CHK	PEAK PROPANE	PEAK PROPANE	ALDERBROOK WELL - PROPANE	2,282.43
121197 01/18/2022	CHK	TOZIER	TOZIER BROS, INC	SHOP SUPPLIES	46.77

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Accounts Payable Check Register

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01/07/2022 To 01/22/2022

Bank Account: 4 - COLUMBIA BANK - DISTRICT

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
121198 01/18/2022	CHK	NAPA AUTO PA	WESTBAY NAPA AUTO PARTS	TRUCK #49-WIPERS	301.28
121199 01/18/2022	CHK	2	RUSSELL I JOHNSON	DUCTLESS HEATPUMP REBATE & INCENTIVE	1,300.00
121200 01/18/2022	CHK	2	RONALD WOOD	DUCTLESS HEATPUMP REBATE & BPA INCENTIVE	1,300.00
121201 01/18/2022	CHK	ASW	ASW	Q1 2022 L&I CLAIM ONLY SERVICE FEE	863.50
121202 01/18/2022	CHK	BKI ENGINEERI	BKI ENGINEERING SERVICES	EMBEDDED ENGINEERING SUPPORT	12,284.75
121203 01/18/2022	CHK	BUILDERS	BUILDERS FIRSTSOURCE, INC	WONDERLAND WATER SUPPLIES & HAMMER	52.62
121204 01/18/2022	CHK	CENTUR	CENTURYLINK	TELEPHONE CHARGES ACCT#206-Z05-0016 020	1,045.21
121205 01/18/2022	CHK	CENTURYLINK	CENTURYLINK	LONG DISTANCE & OUTBOARD CHARGES(21)LINE	163.89
121206 01/18/2022	CHK	CRUMP	RICHARD CRUMP	REIMBURSE RICH-WATEWORKS OPERATOR CERT	42.00
121207 01/18/2022	CHK	FARWEST	FARWEST LINE SPECIALTIES	VEHICLE #78-PARTS	326.00
121208 01/18/2022	CHK	GOLDSTREET	GOLDSTREET DESIGN AGENCY, INC.	WINTER 2022 NEWSLETTER	2,309.10
121209 01/18/2022	CHK	KEMP	KEMP WEST	POWER LINE CLEARANCE TREE TRIMMING	40,090.00
121210 01/18/2022	CHK	NISC	NISC	POSTAGE, ACH E-CHECK, & REMITPLUS CARE	51.05
121211 01/18/2022	CHK	PARSON	PARSONS DIESEL & STEAM	SERVICE VEHICLES & WATER SYS GENERATOR'S	4,077.43
121212 01/18/2022	CHK	SPEC	SPECIALTY ENGINEERING, INC.	RECLOSER EVAULATION	10,700.54
121213 01/18/2022	CHK	2	ELLEN JACOBSON	HEAT PUMP REBATE & BPA INCENTIVE	1,900.00
121214 01/22/2022	CHK	WRIGHT	WRIGHT EXPRESS FINANCIAL	MO.MASTERCARD 5569 6200 0003 6811	3,621.96
121215 01/19/2022	CHK	GCR TIRES	GCR TIRES & SERVICE	VEHICLE #70-(4)NEW TIRES	805.54
121216 01/19/2022	CHK	GENPAC	GENERAL PACIFIC INC	WATER BADGER METERS	9,124.85
121217 01/19/2022	CHK	L.G.	L. G. ISAACSON CO. INC.	SHOP SUPPLIES	514.85
121218 01/19/2022	CHK	PARSON	PARSONS DIESEL & STEAM	SERVICE VARIOUS VEHICLES & EQUIPMENT	477.40

Total Payments for Bank Account - 4 : (73) 569,239.15

Total Voids for Bank Account - 4 : (0) 0.00

Total for Bank Account - 4 : (73) 569,239.15

Grand Total for Payments : (73) 569,239.15

01/21/2022

10:17:44 AM

Accounts Payable Check Register

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Grand Total for Voids :	(0)	0.00
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Grand Total :	(73)	569,239.15
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01/21/2022

10:17:44 AM

Accounts Payable Check Register

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PARAMETERS ENTERED:**Check Date:** 01/07/2022 To 01/22/2022**Bank:** All**Vendor:** All**Check:****Journal:** All**Format:** Summary**Extended Reference:** No**Sort By:** Check/Transaction**Voids:** Current**Payment Type:** All**Group By Payment Type:** No**Minimum Amount:** 0.00**Authorization Listing:** No**Credit Card Charges:** No

01/21/2022 9:40:27 AM

GENERAL LEDGER
TRANSACTION DETAIL

Page: 1

JAN 2022 To JAN 2022

Date	Journal Description	Actv BU Project	Mod	Jrnl Reference Code	
Account: 0 131.2 CASH-GENERAL FUND (DISTRICT)			Department:	0	Beginning Balance:
01/17/22	63987 Check Print	0	PL	2 PAYROLL	121,724.19

PARAMETERS ENTERED:

Division: All

Accounts: 0 131.2

Department: All

Activity: All

Sort By: Div/Acct

Date Selection: Period

Period: JAN 2022 To JAN 2022

Module: PL

Journal Activity: All

Accounts With No Transactions: Yes

Extended Reference: No

Interface Detail: No

Group by Department: Yes

51217

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Karnold

01/07/2022 8:14:45 AM

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Payroll/Labor

Check Register

Pay Date: 12/16/2021 To 12/16/2021

Empl Name	Pay Date	Dir Dep/Check		
114 MICHAEL YORK	12/16/2021	121092	5,700.00	CHK

Grand Total:**PARAMETERS ENTERED:**

Pay Date: 12/16/2021 To 12/16/2021
Check/Direct Deposit: All
Employee: 114
Journal: 0

Division: All
Format: Summary By Check
Sort By: Check/Direct Deposit

Karnold

51217

t/2.52.1/pl/PL_EMP_CHECK_REGISTER.xml.rpt

Purchase of Lake Wood Water System

Executive Summary

The District will be acquiring the Lake Wood Water System owned and operated by Dan and Pam Ward. The water system is a Group B system- the well was drilled in 1973, with the first connection in 1977, it is located off E Island Lake Rd and adjacent to our Island Lake Manor, Cherry Park, Woodland Manor, and Springwood water systems in the City of Shelton. The system consists of a well, 8 services, approximately 400' of mainline, and is not treated. The District intends to eventually wrap it into the Shelton systems' consolidation project down the road. The system is in good condition and does not require water rights due to it being a Group B system. Water department and senior staff, including legal, did our review of the checklist and recommend acquisition of the system to the commission.

- Brandy Milroy, Water Resource Manager



AGREEMENT

THIS AGREEMENT for the sale and purchase of water system property ("Agreement"), made this ____ day of _____ 2022 (Effective Date) by Pam Ward, a single person, ("Seller"), and MASON COUNTY PUD No. 1, a Washington municipal corporation, 21971 N. Highway 101, Shelton, Washington 98584 ("Purchaser") (individually a "Party" and collectively the "Parties").

WHEREAS, Seller is the owner of a public water system "Water System" located in the "Plat of Cherry Park" ("Plat") recorded Volume 9 of Plats, pages 52 and 53, records of Mason County Washington.

WHEREAS, Seller became the owner of the Water System commonly known as the Lake Wood Water System (the "Water System"), (DOH ID # 05234 D), which is located on, under and in the vicinity of Plat by virtue of a Bill of Sale and Easement. Recorded October 13, 1977 under Auditor's File No. 335188, Water System

WHEREAS, the Water System consists a well, pumps, pumphouse, holding tank and other personal property and intangible property used in connection with the Water System. The Water System also includes certain easements in real property within the Plat and through the Agreement.

WHEREAS, Purchaser is desirous of acquiring and the Seller is desirous of selling the Water System on the terms set forth herein.

WHEREAS, the Parties are desirous of entering into an agreement as set forth below.

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, it is mutually agreed:

1. **SALE OF WATER SYSTEM.** Seller agrees to sell and Purchaser agrees to purchase the Water System in accordance with the terms provided below, including but not limited to all tangible and intangible assets, water rights, wells, water mainlines, tanks, well house, pumps and all other assets and property owned by Seller which constitute the assets of the Water System or in which Seller has any right, title, or interest in, inchoate or otherwise, of every kind and description, wherever located which may pertain to the Water System or be used there at, including but not limited to all property, tangible or intangible including, accounts receivables, goodwill, processes, leasehold interest, contract rights, equipment warranties, customer lists and telephone numbers and related water system apparatus all known or used in the Water System. The sale does not include cash or any bank accounts.
2. **SALE PRICE/CONSIDERATION:** The sale price of the Water System and real property is One and 00/100 Dollars (\$1.00).

3. **SALE FREE OF ENCUMBRANCES:** Seller warrants and agrees that this sale is intended to be a sale of the Water System and real property free of encumbrances and that Sellers will satisfy all outstanding obligations accrued through Closing.
4. **REPRESENTATIONS AND WARRANTIES:** Seller's Representations and Warranties.

4.1 Seller is legally authorized to enter into this transaction and the execution, delivery and performance of this Agreement and any and all agreements contemplated herein has been duly authorized, and no further action is necessary on the part of Seller to make this Agreement fully and completely binding upon Sellers in accordance with its terms. The person executing the Agreement on Seller's behalf warrants his or her authority to do so and to bind the Sellers.

4.2 **Delivery of Information.** Seller will deliver to Purchaser within 10 days following the Effective Date full and complete copies of (1) any proposed building plans and specifications for the Water System, including civil plans, underground utilities, mechanical, electrical, well reports, water rights and any other engineering plans; and (2) any environmental reports, soil reports and compaction studies, inspections, surveys and other related studies in Seller's possession.

4.3 **Other Agreements.** There are no other contracts or agreements in force or effect for sale of all or any portion of the Water System that would survive Closing and Seller shall not, without the prior written consent of Purchaser enter into any such contracts or agreements between the date hereof and the earlier of Closing or termination of this Agreement. As of Closing, Seller shall terminate or cause to be terminated any and all agreements affecting the Water System including, but not limited to, leases, maintenance, management, security, service, supply and other similar contracts and agreements and shall terminate all personnel employed in connection with the Water System.

4.4 **Litigation.** Other than as disclosed to Purchaser in writing, Seller is unaware of any action, suit, investigation or proceeding (administrative or otherwise) pending or threatened against or affecting the Water System or any portion of it, the transactions contemplated hereby, or which might affect the right of Purchaser to own, operate, develop or possess or which might have material effect on the Water System or result in any liability of Purchaser with respect thereto.

4.5 **Condemnation.** Seller has no knowledge of any pending or threatened governmental proceeding or any other fact or condition which would limit or result in the termination of any current easement, permit or access to the Water System or in the reduction in the size or capacity of the Water System.

4.6 **Compliance with Laws.** To the best of its knowledge, except as has been disclosed in writing to Purchaser, Seller has kept and maintained the Water System in compliance with and has not caused or permitted the Water System, or any improvements located

thereon to be in violation of any environmental law, building law, or zoning regulation, and Seller is unaware of any material defect in the premises or improvements thereon.

4.7 Utilities. All utilities and water lines required for the operation of the Water System are located on public streets or rights-of-way with authorization of the governmental authorities, or if they pass through private land, do so in accordance with valid public easements or private easements which will inure to the benefit of Purchaser. All of said public utilities are installed and charges have been paid in full, and the right to the return of any deposit or contribution in connection therewith shall inure to Seller.

4.8 Hazardous Materials. Seller represents and warrant to Purchaser that except as otherwise disclosed by Seller to Purchaser in writing within 10 days of the Effective Date, (1) neither the Water System nor any real estate in the vicinity of the Water System is in violation of any federal, state, local or administrative agency ordinance, law, rule, regulation, order or requirement relating to environmental conditions or Hazardous Material ("Environmental Laws"); (2) neither Seller nor any third party have used, manufactured, generated, treated, stored, disposed of, or released any Hazardous Material on, under or about the Water System or real estate in the vicinity of the Water System or transported any Hazardous Material over the Property in the vicinity of the Water System, (3) neither Sellers nor any third party have installed, used or removed any Hazardous Materials storage tank on, from or in connection with the Property in the vicinity of the Water System, and there are no storage tanks or wells other than those currently serving the Water System (whether existing or abandoned) located on, under, or about the Property in the vicinity of the Water System and (4) the Water System does not consist of any building materials that contain Hazardous Material. For the purposes hereof, "Hazardous Materials" shall mean any substance, chemical, waste or other material which is listed, defined or otherwise identified as "hazardous" or toxic under any federal, state, local or administrative agency ordinance or law, as well as any formaldehyde, urea, polychlorinated biphenyls, petroleum, petroleum product or by-product, crude oil, natural gas, synthetic gas, radon, lead and asbestos. If Seller and/or Purchaser discovers or determines the existence or any Hazardous Materials or other condition that exists, including the presence of asbestos, as of and/or prior to Closing, the result of which may require remedial action pursuant to any Federal, state or local law for the completion of Purchaser's intended redevelopment of the Water System (including demolition of any improvements), the party shall promptly notify the other of such Hazardous Materials or environmental condition and Sellers shall take any and all appropriate action in response thereto at its cost ("Sellers's Obligation").

4.9 Flood Zone. To the best of Seller's knowledge, the Water System is not located within a flood zone.

4.10 Change in Circumstances. Upon notification of any fact that would change any of the representations or warranties contained herein, Purchaser shall have the option of (a) waiving the breach of warranty that would be caused by such change, (b) agreeing with Seller to adjust the terms hereof to compensate Purchaser for such change, or (c) terminating the Agreement. If such fact is different because of a misrepresentation of

Seller, then the options stated in the previous sentence shall be in addition to any other remedy available to Purchaser at law or in equity. As used in the Agreement, Seller's knowledge includes the knowledge of any agent, officer, member, manager or general partner of Seller and any agent thereof.

4.11 Condition of Equipment: Sellers represents that: 1) The Water System is in good operating condition except as disclosed in writing to Purchaser; 2) Seller is in title to the Water System and there are no encumbrances or liens against any assets that will survive Closing; 3) Seller shall maintain the Water System in its current condition until Closing.

5. REPRESENTATIONS AND WARRANTIES: Purchaser's Representations and Warranties.

5.1 Organization and Authority. Purchaser is a Washington municipal corporation in good standing and has the right, power and authority to enter into this Agreement, to execute all documents and instruments contemplated by this Agreement, to consummate this transaction and to perform all other obligations to be performed by Purchaser under the terms of this Agreement. The execution, delivery and performance of this Agreement and all agreements, documents and instruments contemplated hereby have been duly authorized by all necessary action on the part of Purchaser.

5.2 No Violation. Neither the execution and delivery of this Agreement; the consummation of the transaction contemplated hereby; nor the performance by Purchaser of, and compliance by Purchaser with, any of the provisions of this Agreement will violate any provision of Purchaser's organizational documents.

6. RECORDS AND COOPERATION. Seller shall provide Purchaser with all relevant records pertaining to the Water System. Seller's representative shall cooperate and attempt to provide Purchaser with information necessary for an easy transition of operation of the Water System to Purchaser at no further expense to Purchaser. Purchaser shall place its own keys on the well house and water reservoir at the date of Closing.

7. ASSIGNMENT OF EASEMENTS AND RIGHTS. The Water System has certain water rights and easement rights that are of record, on file with the State of Washington Department of Ecology or described in documents of record. There are easements where other water system facilities are located. Seller will execute an "Assignment of Easements and Water Rights" in recordable form at Closing. This Assignment of recorded rights will be with warranty and Sellers agree to list, to the best of Seller's knowledge, areas where Seller has easements, rights or claims of easements and rights. Seller agrees to cooperate and sign any necessary documents in order to secure the assignment of any and all water rights utilized by the Water System. The form of Assignment is attached hereto as ***Exhibit "A"*** and incorporated herein by this reference.

8. CONVEYANCE OF PERSONAL PROPERTY: Title to all personal property, tangible and intangible, shall be conveyed with warranty of free and unencumbered title by Bill of Sale. The form of the Bill of Sale is attached hereto as ***Exhibit "B"*** and incorporated herein by this reference.
9. CAPACITY OF SYSTEM: Purchaser shall not connect customers to the Water System unless such additional service is approved by the Washington State Department of Health, the Washington State Department of Ecology and any other applicable regulatory agency. Purchaser assumes no obligation or liability of Seller by entering this agreement for the provision of service to any property unless such connection is within the capacity of the Water System and approved by applicable regulatory agency. Purchaser agrees to work towards making improvements to the Water System to increase additional capacity only as a discretionary governmental function when, in the sole discretionary judgment of the governing board, resources and sound business judgment justify such improvement or expansion.
10. HOLD HARMLESS: Seller shall indemnify and hold harmless Purchaser, its successors, and assigns from any and all claims of whatsoever nature arising out of, or in any way connected to the Water System for any acts or omissions occurring before the sale of the assets herein and in addition, against any and all damages, resulting from any breach of any representation, warranty, or agreement set forth in this Agreement, or the untruth or inaccuracy thereof. This indemnification and hold harmless provision includes actual attorneys' fees and legal costs, and includes but is not limited to expert witness fees and costs.

Purchaser shall indemnify and hold harmless Seller from any and all claims of whatsoever nature arising out of, or in any way connected to the Water System for any acts or omissions occurring after the sale of the assets herein and, in addition, against any and all damages resulting from any breach of any representation, warranty or agreement set forth in this Agreement, or the untruth or inaccuracy thereof. This indemnification and hold harmless includes actual attorneys' fees and legal costs, and includes but is not limited to expert witness fees and costs.
11. TITLE INSURANCE: Within three days of the execution of this Agreement Seller authorizes closing agent to order from Mason County Title Insurance Company a preliminary commitment for title insurance. Purchaser shall have 7 days from receipt of the preliminary commitment to accept or reject the condition of the title in its sole discretion. If written notice is given within such period by Purchaser to Seller of such unacceptability and Seller cannot satisfy the Purchaser's concerns within 30 days of such notice being sent, then this Agreement shall terminate and become null and void as if it had never been entered into.
12. PURCHASER'S OPTIONAL INSPECTIONS: Purchaser may, in Purchaser's sole discretion, conduct inspections of the Water System within 30 days of the mutual acceptance of this Agreement. The evaluation may include, but not be limited to engineering evaluation, site inspections, surveys, well tests, water tests, pressure test,

electrical, soils and/or topographical studies. Purchaser, its agents and assigns, shall be permitted full access to the Property and Water System during the site evaluation process upon reasonable advanced notice to Sellers. Purchaser shall be responsible for the costs of any optional inspection. In the event, in Purchaser's opinion, the report(s) show(s) the necessity for substantial repairs unacceptable to Purchaser, Purchaser may give notice of intent to terminate this Agreement by delivering to Sellers a written notice, together with copy(ies) of said report(s).

13. CLOSING COSTS: Sellers shall pay their own attorney's fees, if any, and Purchaser shall pay all other closing costs. All taxes, utilities and other accounts shall be prorated as of Closing.

14. LEGAL RIGHTS: This Agreement affects the legal rights and obligations of the parties. Each party has employed the services of attorneys to review and draft this Agreement. All parties participated in the drafting of this Agreement and therefore the rule of construction interpreting this document against its drafter shall not apply.

15. ASSIGNMENT: Purchaser's rights under this Agreement may be assigned by Purchaser.

16. NOTICES: Any and all notices required or permitted to be given under this Agreement must be given in writing by certified mail, return receipt requested to the following addresses:

Purchaser:

To:

Kristin Masteller
PUD No. 1 of Mason County
N 21971 Hwy. 101
Shelton WA 98584

And to:

Robert W. Johnson, P.L.L.C.
P.O. Box 1400
Shelton, WA 98584

Seller:

To:

Pamela Ward
60 E Lakewood Ct
Shelton, WA 98584

Any Party to this Agreement may change the address of that Party to which notices may be sent hereunder by addressing notice of such change in the manner above.

17. **COMPUTATION OF TIME:** Unless otherwise specified, any notice or other period of time in this Agreement shall commence on the day following receipt of the notice, and shall expire at 9 p.m. of the last day, unless the last day is Saturday, Sunday, or State legal holiday, in which event the time shall expire at 9 p.m. on the next business day.
18. **FACSIMILE TRANSMISSION:** The transmission of any signed original document, and transmission or retransmission of any signed facsimile transmission, shall be the same as delivery of an original. At the request of either Party, or the closing agent, the Parties will confirm facsimile transmitted signatures by signing an original document.
19. **CLOSING:** This transaction shall be closed on _____. Closing may be sooner by mutual agreement. "Closed" and/or "Closing" means the date the sale proceeds are available to Sellers. Purchaser and Sellers will, on demand of either, deposit with closing agent all documents and monies requested to complete the transaction. It is understood that there are no verbal or other agreements that modify or affect this Agreement. If, prior to Closing, any portion of the Water System shall be destroyed or materially damaged by fire or other casualty, this agreement, at option of Purchaser, shall become null and void. Closing agent shall be Mason County Title Insurance Company.
20. **POSSESSION:** Purchaser shall be entitled to possession on Closing.
21. **DEFAULT AND ATTORNEY'S FEES:** In the event of default by either Party, the non-defaulting Party shall have the election to either: Collect actual damages or obtain specific performance together with any incidental damages. If any Party institutes suit under this Agreement, the prevailing Party is entitled to court costs and a reasonable attorney's fee. In the event of trial, the court shall fix the attorney's fee. The venue of any suit shall be Mason County, Washington.
22. **MODIFICATION:** This Agreement and the rights and duties hereunder may not be modified, revised or terminated except by a writing signed by all Parties hereto or their duly authorized representative.
23. **COUNTERPARTS:** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same agreement of the Parties.
24. **GOVERNING LAW:** This Agreement shall be construed in accordance with the laws of the State of Washington.
25. **SURVIVAL OF TERMS:** The warranties, representations and provisions of this Agreement shall survive Closing and shall not merge into the final documents.

26. SEVERABILITY: If any provision of this Agreement is held invalid or unenforceable by a court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

SELLER

Pam Ward

PUBLIC UTILITY DISTRICT NO. 1 OF MASON COUNTY

By: Kristin Masteller
Its: General Manager

EXHIBIT "A"

AFTER RECORDING RETURN TO
ROBERT W. JOHNSON, P.L.L.C.
P.O. BOX 1400
SHELTON, WA 98584

DEED OF EASEMENTS AND RIGHTS

THE UNDERSIGNED, Pam Ward (“Assignor”), hereby warrants, conveys and assigns to Mason County PUD No. 1 (“Assignee”), all of its right, title and interest, if any, in the easements, water rights and other rights, real or personal, associated with the Lake Wood Water System.

The Assignors operates a water system known as Lake Wood Water System (the “Water System”) in Mason County, Washington. The Assignor has certain improvements located within the easements by virtue of a Bill of Sale and Easement. Recorded October 13, 1977 under Auditor’s File No. 335188, records of Mason County, Washington, and the Assignor assigns such rights.

The Assignor claims by prescriptive easement rights where record rights do not exist for any improvements related to the Water System together with the right to access associated improvements.

The Assignor warrants any easements or rights described herein and has claimed the rights during the ownership of the Water System.

There is no independent monetary consideration as part of this Assignment.

Pam Ward

STATE OF WASHINGTON)
 :ss
 COUNTY OF _____)

On this ____ day of _____, 2022, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Pam Ward, a single person, to me known to be the individual, who executed the foregoing instrument, and acknowledged he/she said instrument to be the free and voluntary act and deed of said trust, and on oath stated that he was authorized to execute the said instrument.

Witness my hand and official seal hereto affixed the day and year first above written.

Notary Public in and for the State of
Washington, residing at _____
My Commission expires:

EXHIBIT "B"

BILL OF SALE

THE UNDERSIGNED, owner of the personal property described herein ("Seller") in and for the consideration of \$1.00 and other valuable consideration, does hereby transfer, assign, convey, warrant and sell unto Mason County PUD No. 1 ("Purchaser") all interest and title in the below-described property free and clear of any encumbrances:

Description: All of the Water System known as the Lake Wood Water System acquired by Seller by virtue of a Bill of Sale and Easement. Recorded October 13, 1977 under Auditor's File No. 335188, Water System (DOH ID # 05234 D) which is located on, under or in the vicinity of Plat of "Plat of Cherry Park" ("Plat") recorded Volume 9 of Plats, pages 52 and 53, records of Mason County Washington, located in Mason County, Washington (the "Water System"), including, but not limited to the water lines, pumps, tanks, well, meters, and related equipment consisting of all of the Water System; together with Seller's interest in the easement in the rights of way where the water lines are located at the well site and in the service area which is located on, under and in the vicinity of the Plat.

The undersigned warrants that the property subject to this Bill of Sale is free of encumbrances or will be at Closing except as provided in the Agreement. The undersigned will warrant and defend the sale of said property hereby made unto Purchaser against all and every person whomever so claiming.

DATED this ____ day of _____, 2022.

Pam Ward

Jan 7, 2022

MASON DO PERI, FIELD CREW & OFFICE STAFF

For all you do...



THANK YOU. !!!

PLEASE KNOW All of you ARE THE "FIRST RESPONDERS" THAT ARE NOT ACKNOWLEDGED - I WANT you ALL TO KNOW HOW MUCH you ARE APPRECIATED.

PLEASE, BE AWARE, All your HARD WORK DOESN'T GO UNOTICED!!

Andrea K. DeLeon
390 APPALOOSA DR
BRINNON, WA

I just wanted to
Thank all of your
Crews and office
Workers for the
the great job you
do - It's much
appreciated!

Sincerely
Phyllis
Weisenburger

