



Mason County PUD No. 1
Regular Board Meeting
February 8, 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 25, 2022 Regular Board Meeting

Disbursements:	Accounts Payable Wire	\$ 64,178.63
	Check Nos. 121219-121240	\$116,070.23
	121242-121281	\$387,376.20
	A/P Sub-Total	\$567,625.06
	Payroll Wire	\$ 78,396.44
	Payroll Check Nos. 121241	\$ 1,218.00
	Grand Total	\$647,239.50

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. Year End and December Financials
- b. Award Eldon Pole Replacement Project to Magnum Power

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

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 25, 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:

None.

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

APPROVAL OF CONSENT AGENDA:

Minutes: January 11, 2022 Public Hearing & Regular Board Meeting

Disbursements:	<u>Accounts Payable Check Register</u>	
	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
	<u>Payroll Expense</u>	
	Payroll Wire	\$ 121,724.19
	Payroll Check 121187-121188	11,975.51
	Grand Total	\$ 702,938.85

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

PUBLIC COMMENT: None

BUSINESS AGENDA:

Approve the GM to sign the Purchase and Sale Agreement for the Lake Wood Water System – Jack made a motion to approve the GM to sign the Purchase and Sale Agreement for the Lake Wood Water System. Ron seconded the motion. Motion carried.

Staff Reports -

General Manager – Kristin reported that she has delayed the CERB Broadband project until late summer or early fall due to the bids coming in much higher than the original budget and grant funding. CERB has invited her to present again in March for additional funding and the Mason County



Mason County Public Utility District No. 1
Board of Commissioners Regular Board Meeting
January 25, 2022, Potlatch, Washington

Commissioners indicated they would be willing to reallocate some ARPA funding to help close the gap. Kristin will bring it back before the board after that meeting. Hood Canal's portion of the project that is funded through their own ARPA contract will continue as planned. She also reported that she will be out of the office Wednesday through Friday this week for vacation. Katie will be Acting Manager.

Director of Finance – Katie reported that FEMA was still collecting preliminary reports for the January 2022 storm. She also reported that FEMA sent an invitation to submit a full mitigation grant application to both Dept. of Fish & Wildlife for the Duckabush project and to Mason County for the Skokomish Valley road relocation that the District partnered on. The overhead to underground project for the cross-country area in Hoodsport is moving forward. She also reported that she is working on year end financials.

Water Resource Manager – Brandy reported that she and Kristin attended the HOA meeting at Shadowood last week. They answered questions that the HOA had so they could understand the process of getting the new reservoir, treatment, and booster station. They are very appreciative for all the work the PUD is doing for that system.

Rob Johnson, Attorney – The long-term care tax has been delayed two years.

Correspondence – Notes of appreciation from storm customers.

Board Reports –

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

Jack – None

Ron – Ron reported that he will attend the Hood Canal Coordinating Council Meeting on January 31, 2022.

PUBLIC COMMENT - None

EXECUTIVE SESSION – None

Adjournment: 1:45 p.m.

Mike Sheetz, President

Jack Janda, Vice President

Ron Gold, Secretary

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Accounts Payable Check Register

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01/24/2022 To 02/04/2022

Bank Account: 4 - COLUMBIA BANK - DISTRICT

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
605 02/01/2022	WIRE	IRS	WEST COAST BANK	FEDERAL TAX LIABILITY	32,856.52
606 02/01/2022	WIRE	WASH 1	WA DEPT OF RETIREMENT SYS	STATE RETIREMENT - PLAN 2	18,586.64
607 02/01/2022	WIRE	WASH 7	WA STATE TREAS-MS: PO-11	DEFERRED COMPENSATION	9,497.25
608 02/01/2022	WIRE	HRA	HRA VEBA TRUST CONTRIBUTI	VEBA MEDICAL SAVINGS	3,238.22
121219 01/25/2022	CHK	CSM HEATING	CSM HEATING & COOLING	HEATPUMP REBATE-CAPPELLUTI	2,100.00
121220 01/25/2022	CHK	LILLIWAUP FAL	LILLIWAUP FALLS GENERATING COMP	DECEMBER POWER USAGE	38,941.96
121221 01/25/2022	CHK	PEAK PROPANE	PEAK PROPANE	LAKE ARROWHEAD WATER PROPANE	1,033.44
121222 01/25/2022	CHK	NAPA AUTO PA	WESTBAY NAPA AUTO PARTS	SHOP SUPPLIES	16.06
121223 01/25/2022	CHK	MUNCHR	MUNCH, ROY	MONTHLY REIMBURSEMENT	740.77
121224 01/25/2022	CHK	APPA	AMERICAN PUBLIC POWER ASSOCIATI	2022 ANNUAL DUES	5,538.99
121225 01/25/2022	CHK	ANIXTER	ANIXTER INC	NON-INVENTORY SUPPLIES	1,141.26
121226 01/25/2022	CHK	ASPECT CONSU	ASPECT CONSULTING LLC	POLE YARD CLEAN-UP	8,171.60
121227 01/25/2022	CHK	DAY	DAY WIRELESS SYSTEMS	RECURRING CHARGES-TWO WAY RADIO 26 UNITS	525.18
121228 01/25/2022	CHK	GCR TIRES	GCR TIRES & SERVICE	VEHICLE #68-(4)NEW TIRES	1,970.11
121229 01/25/2022	CHK	PARSON	PARSONS DIESEL & STEAM	SERVICE EQUIPMENT - #61, #76, #78	417.73
121230 01/25/2022	CHK	VERIZO	VERIZON WIRELESS	ISLAND LAKE MANOR,BEL AIRE, & SHADOWOOD	117.06
121231 01/25/2022	CHK	WPUDA	WASHINGTON PUD ASSOC.	MONTHLY DUES	1,758.00
121232 01/25/2022	CHK	NAPA AUTO PA	WESTBAY NAPA AUTO PARTS	SHOP SUPPLIES	96.20
121233 01/31/2022	CHK	WASH 8	WASHINGTON STATE	JANUARY 2022- HEALTH & LTD INS	47,623.96
121234 02/01/2022	CHK	AFLAC	AFLAC	SUPPLEMENTAL INSURANCE	187.84
121235 02/01/2022	CHK	FERRIER	JANIECE FERRIER	MONTHLY REIMBURSEMENT-#0911011922	1,351.21
121236 02/01/2022	CHK	KESTER	KESTER, GREGORY C.	balance owed from December	1,154.66
121237 02/01/2022	CHK	PACIF1	PACIFIC UNDERWRITERS CORP	SUPPLEMENTAL INSURANCE-JULIE	15.92
121238 02/01/2022	CHK	SMS CLEANING	SMS CLEANING, INC	CLEANING SERVICE-LESS RETAINAGE	1,425.60
121239 02/01/2022	CHK	VERIZO	VERIZON WIRELESS	MONTHLY TABLET & (2)CELLULAR CHARGES	1,579.93
121240 02/01/2022	CHK	34	WASHINGTON ALARM, INC	MONTHLY BILLING - SECURITY SYSTEM SHOP	162.75

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Accounts Payable Check Register

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01/24/2022 To 02/04/2022

Bank Account: 4 - COLUMBIA BANK - DISTRICT

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
121242 02/01/2022	CHK	IBEW	IBEW LOCAL UNION #77	UNION DUES	899.28
121243 02/01/2022	CHK	PUDEMP	PUD #1 EMPLOYEE FUND	EMPLOYEE FUND	220.00
121244 02/03/2022	CHK	ANIXTER	ANIXTER INC	NON INVENTORY SUPPLIES	89.76
121245 02/03/2022	CHK	CAPIT2	CAPITAL INDUSTRIAL, INC.	SHOP SUPPLIES	220.58
121246 02/03/2022	CHK	DON SMALL & S	DON SMALL & SONS OIL DIST	GAS & DIESEL	6,788.16
121247 02/03/2022	CHK	GCR TIRES	GCR TIRES & SERVICE	TRUCK #50-(2)NEW TIRES	494.63
121248 02/03/2022	CHK	HOOD CANAL	HOOD CANAL MARKET FRESH	STORM OUTAGE CREW FOOD	243.07
121249 02/03/2022	CHK	J&I	J & I POWER EQUIPMENT INC	BOLTS FOR KX 121 & KX 057 EXCAVATORS	1,255.90
121250 02/03/2022	CHK	PAPE KENWORT	PAPE KENWORTH	VEHICLE #76-GASKETS	4,199.73
121251 02/03/2022	CHK	PLATT ELECTRI	PLATT	DEWALT 20V CORDLESS BATTERY & ADAPTER	302.72
121252 02/03/2022	CHK	ROHLIN	ROHLINGER ENTERPRISES INC	CLEAN & TEST LINEMEN'S GLOVES	136.44
121253 02/03/2022	CHK	RWC GROUP	RWC GROUP	ON COMMAND ANNUAL SERVICE	1,595.74
121254 02/03/2022	CHK	SHOP	THE SHOPPER'S WEEKLY	BUSINESS CARDS-LISA CATES	37.92
121255 02/03/2022	CHK	TOZIER	TOZIER BROS, INC	HOLIDAY BEACH WATER-SOIL	14.93
121256 02/03/2022	CHK	DEPT 14	WASHINGTON STATE DEPARTMENT OF WATER QUALITY-STORMWATER CONSTRUCTION		1,712.00
121257 02/03/2022	CHK	WESCO	WESCO RECEIVABLES CORP.	30,258FEET OF 500MCM	274,283.45
121258 02/03/2022	CHK	2	BLUE HERON CONDOMINIUM ASSOC	REIMBURSE APPLICATION FEE	100.00
121259 02/03/2022	CHK	2	MICHAEL DIEHL	DUCTLESS HEATPUMP REBATE & BPA INCENTIVE	1,300.00
121260 02/03/2022	CHK	2	JOHN L FRAZIER	DUCTLESS HEATPUMP REBATE & BPA INCENTIVE	1,300.00
121261 02/03/2022	CHK	2	P.U.D. NO. 1 OF CLALLAM COUNTY	MUTUAL AID STORM ASSISTANCE 1/4-1/6 2022	27,794.76
121262 02/03/2022	CHK	2	JULIE POIER	PUD#3 CUSTOMER-PAYMENT SENT TO PUD#1	92.24
121263 02/03/2022	CHK	A WORKSAFE	A WORKSAFE SERVICE, INC	DRUG & ALCOHOL TESTING	422.00
121264 02/03/2022	CHK	COLONI	COLONIAL LIFE INSURANCE	SUPPLEMENTAL INSURANCE	860.06
121265 02/03/2022	CHK	CRC	COOPERATIVE RESPONSE CENTER, INC	AFTER HOURS ANSWERING SERVICE	1,770.80
121266 02/03/2022	CHK	GDS ASSOCIATE	GDS ASSOCIATES, INC	DUCKABUSH ESTUARY HIGHWAY RELOCATION	5,671.34
121267 02/03/2022	CHK	GRAY1	GRAY, JOYCE	REIMBURSE-WIFI AT HOME (SEPT 21-FEB 22)	230.70

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Accounts Payable Check Register

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01/24/2022 To 02/04/2022

Bank Account: 4 - COLUMBIA BANK - DISTRICT

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
121268 02/03/2022	CHK	HOODCA	HOOD CANAL COMMUNICATIONS	INTERNET, IT, ALARM DIALER, & TELEPHONE	5,677.46
121269 02/03/2022	CHK	HOOD CANAL	HOOD CANAL MARKET FRESH	WATER SAMPLING GLOVES	27.11
121270 02/03/2022	CHK	LEMAY MOBILE	LEMAY MOBILE SHREDDING	SHRED (2)65 GALLON	114.40
121271 02/03/2022	CHK	MASON CO GAR	MASON COUNTY GARBAGE	MONTHLY GARBAGE CHARGES	402.13
121272 02/03/2022	CHK	NWSS	NORTHWEST SAFETY SERVICE LLC	SAFETY SERVICES ON 1/13/2022	1,136.25
121273 02/03/2022	CHK	RICOH USA	RICOH USA, INC.	MONTHLY RENT (2)COPY MACHINES	514.29
121274 02/03/2022	CHK	SPECTRA LAB	SPECTRA LABORATORIES-KITSAP, LLC	VARIOUS WATER TESTING	3,643.50
121275 02/03/2022	CHK	STANDARD PES	STANDARD PEST CONTROL	QUARTERLY PEST CONTROL SERVICE	211.58
121276 02/03/2022	CHK	NAPA AUTO PA	WESTBAY NAPA AUTO PARTS	ISLAND LAKE MANOR GENERATOR PARTS	7.19
121277 02/04/2022	CHK	LILLIWAUP FAL	LILLIWAUP FALLS GENERATING COMP	JANUARY POWER USAGE	27,852.35
121278 02/04/2022	CHK	16	JIA J LOH	TRAVEL PER DIEM - BOZEMAN,MT WORKSHOP	328.00
121279 02/04/2022	CHK	CITI CARDS	CITI CARDS	MO.CITI CHARGES ACCOUNT ENDING IN 4326	10,298.38
121280 02/04/2022	CHK	DON SMALL & S	DON SMALL & SONS OIL DIST	DIESEL	4,927.35
121281 02/04/2022	CHK	GONZALES, RU	RUDY GONZALES	CLOTHING ALLOWANCE REIMBURSEMENT	200.00

Total Payments for Bank Account - 4 :	(66)	567,625.06
Total Voids for Bank Account - 4 :	(0)	0.00
Total for Bank Account - 4 :	(66)	567,625.06
Grand Total for Payments :	(66)	567,625.06
Grand Total for Voids :	(0)	0.00
Grand Total :	(66)	567,625.06

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Accounts Payable Check Register

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PARAMETERS ENTERED:

Check Date: 01/24/2022 To 02/04/2022
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

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**GENERAL LEDGER
TRANSACTION DETAIL**

FEB 2022 To FEB 2022

Date	Journal Description	Actv BU Project	Mod	Jrnl Reference Code	
Account: 0 131.2 CASH-GENERAL FUND (DISTRICT)			Department: 0		
02/01/22	64306 Check Print	0	PL	2 PAYROLL	78,396.44

PARAMETERS ENTERED:

Division: All
Accounts: 0 131.2
Department: All
Activity: All
Sort By: Div/Acct
Date Selection: Period
Period: FEB 2022 To FEB 2022
Module: PL
Journal Activity: All
Accounts With No Transactions: Yes
Extended Reference: No
Interface Detail: No
Group by Department: Yes

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Payroll/Labor Check Register

Empl Name	Pay Date	Dir Dep/Check	Net Pay	Type
150 GARET A OGG	02/01/2022	121241	1,218.00	CHK

Grand Total:

PARAMETERS ENTERED:

Pay Date: 01/01/1950 To 02/04/2022
Check/Direct Deposit: 81596
Employee: All
Journal: 0

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

Karnold



PUD1 – Executive Summary – December 2021

This report summarizes information on the current financial status of Mason County PUD No. 1 for the month of December 2021:

- **Work in Progress:**
 - Cash Flow Monitoring from COVID-19 Effects
 - 2021 Form 7
 - 2021 Privilege Tax Return
 - 2021 Annual Report (State Auditors Office)

- **Completed Projects:**
 - Clean Energy Implementation Plan
 - 2022 Budget Development
 - Hazard Mitigation Grants – 2021 / 2022
 - DOH Construction Loans / Grants for 2022 Projects

- **Planned Key Milestones, Activities and / or Events:**
 - Long range financial and budgetary planning – ongoing.

Financial Highlights:

- Revenue – Gross Revenue was \$1,397,927 for the month of December 2021.
- Expenditures – Gross expenditures were \$1,260,792 for the month of December 2021.
- COVID Metrics – Cash on Hand is down overall, \$94,049 due to delayed account payments, late fees etc. We have applied \$117,607 to customer’s accounts to assist with past due balances. As of October, there were 117 electric accounts and 70 water accounts that were 90 days or more past due for a total of \$44,243.

Financial Metrics as Compared with Prior Year:	December 2021	December 2020
Total General Cash and Investments	\$1,000,462	\$1,172,356
Current Ratio (Current Assets/Current Liabilities)	2.39 to 1	3.02 to 1
Debt Service Coverage (O&M/ Debt Service)	2.39	2.49
Long-Term Debt to Net Plant	36%	49%
Total Debt to Equity Ratio (Total Liabilities/Total Equity)	49%	60%
Long Term Debt to Equity Ratio (Long Term Debt / Total Equity)	45%	55%
Times Interest Earned Ratio (Earnings before Interest & Taxes/Total Interest)	3.94	3.58
Cash on Hand (Total Available Cash/Average Daily Costs)	43 Days (General) 196 Days (All Funds)	44 Days (General) 170 Days (All Funds)



Mason County PUD No 1

Budget Summary by Division For the Month Ended December 31, 2021

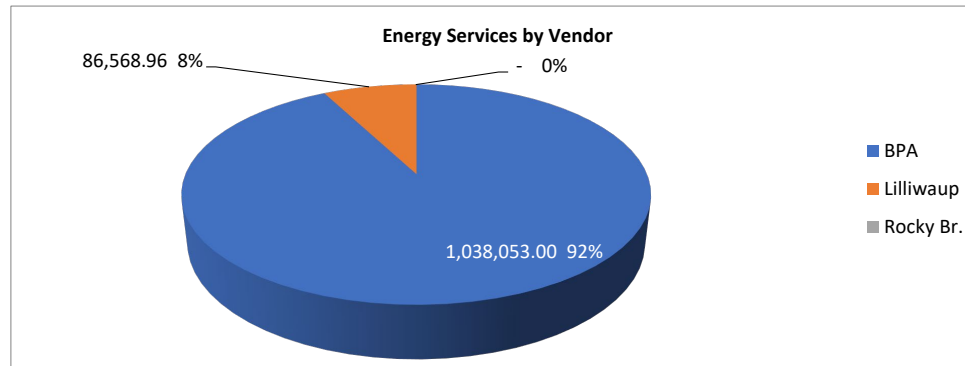
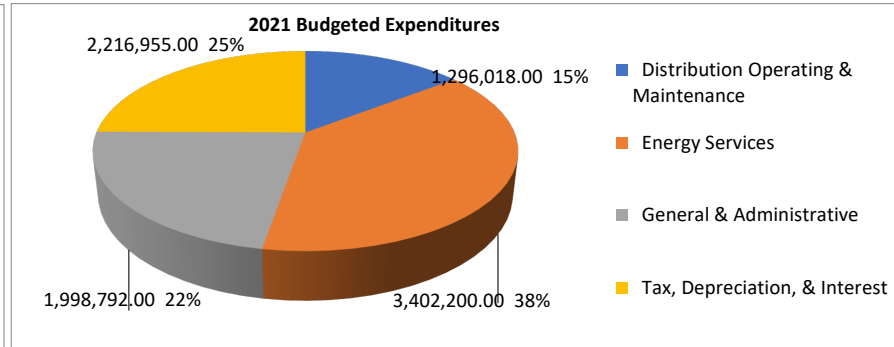
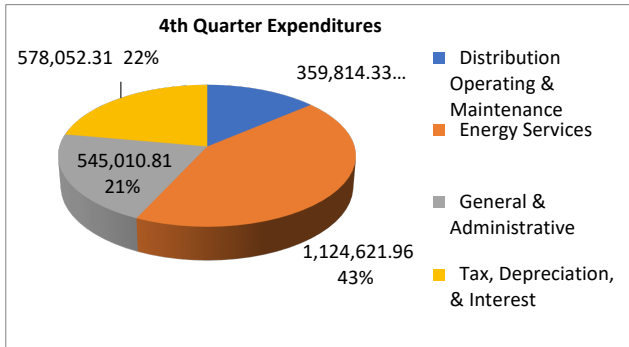
	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
Total Revenue	\$ 1,168,647.27	\$ 228,377.49	\$ 902.36	\$ 1,397,927.12
Budgeted	\$ 964,042.07	\$ 167,494.27	\$ 745.00	\$ 1,132,281.34
Difference (-/+)	\$ 204,605.20	\$ 60,883.22	\$ 157.36	\$ 265,645.78
% of Budget	121%	136%	121%	123%
Total Expenditures	\$ 1,083,757.49	\$ 176,949.07	\$ 85.42	\$ 1,260,791.98
Budgeted	\$ 845,011.35	\$ 175,826.74	\$ 1,726.54	\$ 1,022,564.63
Difference (-/+)	\$ 238,746.14	\$ 1,122.33	\$ (1,641.12)	\$ 238,227.35
% of Budget	128%	101%	5%	123%
Net Operating Margins	\$ 84,889.78	\$ 51,428.42	\$ 816.94	\$ 137,135.14
Budgeted	\$ 119,030.72	\$ (8,332.47)	\$ (981.54)	\$ 109,716.71
Difference (-/+)	\$ (34,140.94)	\$ 59,760.89	\$ 1,798.48	\$ 27,418.43
% of Budget	71%	-617%	-83%	125%

Mason County PUD No. 1

Status of Budget
As of December 31, 2021

ELECTRIC DIVISION

	4th Quarter 2021	4th Quarter Budget	% of 4th Qtr Budget	2021 Actuals	2021 Budget	% of Annual Budget
Revenue	2,635,626.24	2,291,034.14	115%	10,182,885.62	9,167,115.96	111%
Expenditures						
Distribution Operating & Maintenance	359,814.33	501,643.64	72%	1,353,376.31	1,296,018.00	104%
Energy Services	1,124,621.96	919,500.00	122%	3,762,237.07	3,402,200.00	111%
General & Administrative	545,010.81	494,613.63	110%	1,917,655.20	1,998,792.00	96%
Tax, Depreciation, & Interest	578,052.31	543,542.27	106%	2,199,312.19	2,216,955.00	99%
TOTAL EXPENDITURES	\$ 2,607,499.41	\$ 2,459,299.54	106%	9,232,580.77	\$ 8,913,965.00	104%
NET OPERATING MARGINS	\$ 28,126.83	\$ (168,265.40)	-17%	950,304.85	\$ 253,150.96	375%



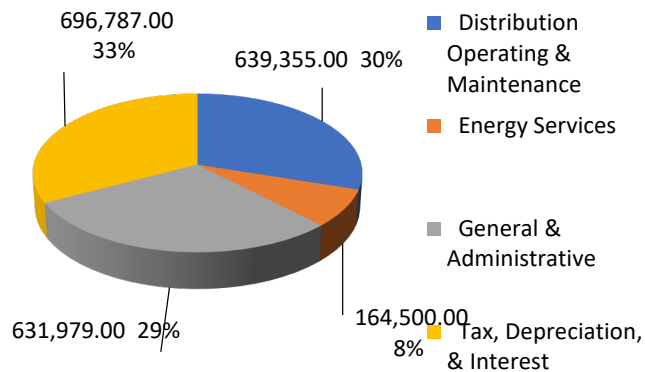
Mason County PUD No. 1

Status of Budget
As of December 31, 2021

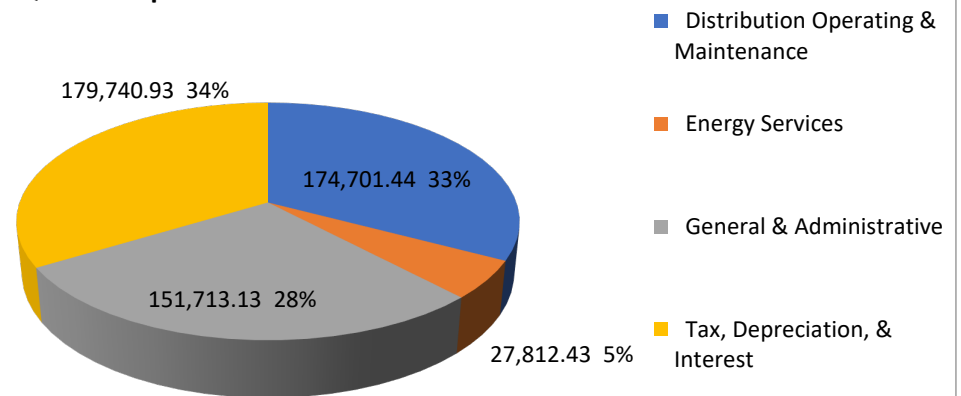
WATER DIVISION

	4th Quarter 2021	4th Quarter Budget	% of 4th Qtr Budget	2021 Actuals	2021 Budget	% of Annual Budget
Revenue	659,529.99	532,395.00	124%	2,801,321.57	2,286,636.00	123%
Expenditures						
Distribution Operating & Maintenance	174,701.44	149,012.35	117%	601,293.20	639,355.00	94%
Energy Services	27,812.43	45,000.00	62%	139,006.87	164,500.00	85%
General & Administrative	151,713.13	178,456.87	85%	707,552.11	631,979.00	112%
Tax, Depreciation, & Interest	179,740.93	162,495.00	111%	728,151.76	696,787.00	105%
TOTAL EXPENDITURES	\$ 533,967.93	\$ 534,964.22	100%	2,176,003.94	\$ 2,132,621.00	102%
NET OPERATING MARGINS	\$ 125,562.06	\$ (2,569.22)	-4887%	625,317.63	\$ 154,015.00	406%

2021 Budgeted Expenditures



4th Quarter Expenditures



Mason County PUD No. 1

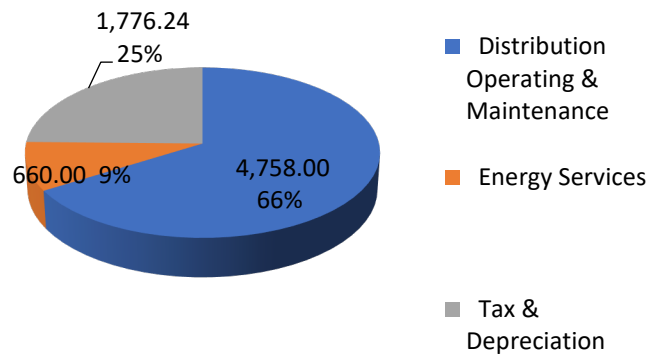
Status of Budget

As of December 31, 2021

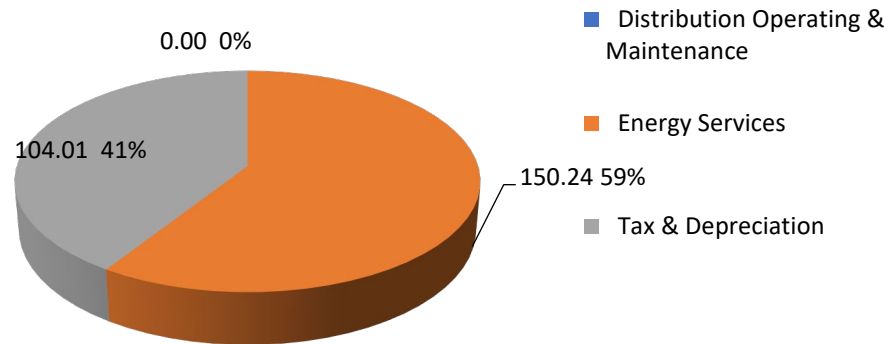
SEWER DIVISION

	4th Quarter 2021	4th Quarter Budget	% of 4th Qtr Budget	2021 Actuals	2021 Budget	% of Annual Budget
Revenue	2,706.97	2,235.00	121%	9,487.20	8,940.00	106%
Expenditures						
Distribution Operating & Maintenance	0.00	2,943.82	0%	7,768.00	4,758.00	163%
Energy Services	150.24	165.00	91%	587.23	660.00	89%
Tax & Depreciation	104.01	90.00	116%	364.23	1,776.24	21%
TOTAL EXPENDITURES	\$ 254.25	\$ 3,198.82	8%	\$ 8,719.46	\$ 7,194.24	121%
NET OPERATING MARGINS	\$ 2,452.72	\$ (963.82)	-254%	\$ 767.74	\$ 1,745.76	44%

2021 Budgeted Expenditures



4th Quarter Expenditures



Mason County PUD No. 1
LGIP Investment Activity 4th Qtr 2021

	<u>9/30/2021</u>	Transfer In	Interest Earned	Transfers Out	<u>12/31/2021</u>
General Investments	795,951.22	38,100.00	149.01		834,200.23
Designated Reserves					
Commerical Liability Fund	97,002.12	32,250.00	9.83		129,261.95
Computer Replacement Fund	92,549.68	18,750.00	13.95		111,313.63
Pole Yard	103,055.49		23.44		103,078.93
Privilege Tax Fund	120,192.41	45,000.00	10.28		165,202.69
Replacement Equipment Fund	454,060.26		103.29		454,163.55
Substation Fund	2,286,719.25	85,500.00	487.76		2,372,707.01
Water Regulatory Fund	100,220.74		22.80		100,243.54
Sysyem Development Fund	75,015.33	24,999.00	7.59		100,021.92
Designated Reserves Total	3,328,815.28	206,499.00	678.94	0.00	3,535,993.22
Restricted Funds					
Electric Revenue Bond '18	322,493.97	128,013.00	24.82	(364,925.00)	85,606.79
Electric Revenue Bond Reserve '18	499,296.59		113.58		499,410.17
Electric System Revenue Bond 2014	230,988.29	78,375.00	29.10	(217,580.00)	91,812.39
Electric System Bond Reserve '14	303,891.91		69.14		303,961.05
Public Works Trust Fund	17,267.85	36,000.00	8.65		53,276.50
RUS Treasury Bond	418,877.96	60,000.00	95.70		478,973.66
Water System Revenue Bond '18	165,599.84	66,000.00	12.65	(216,484.00)	15,128.49
Restricted Funds Total	1,958,416.41	368,388.00	353.64	(798,989.00)	1,528,169.05
TOTAL ALL FUNDS	6,083,182.91	612,987.00	1,181.59	(798,989.00)	5,898,362.50

Mason County PUD No. 1
Treasurer's Report to Commission
 December 31, 2021

12/31/2021

General Electric Cash	65,413.24
General Water Cash	96,037.62
General Sewer Cash	4,195.20
Investments	834,217.85
Petty and Register	600.00
General Funds Total	1,000,463.91

Designated Reserves

Commerical Liability Fund	129,261.95
Computer Replacement Fund	111,313.63
Contruaction Fund (Electric)	622,428.35
Contruaction Fund (Water)	393,533.34
Pole Yard	103,078.93
Privilege Tax Fund	165,202.69
Replacement Equipment Fund	454,163.55
Substation Fund	2,372,707.01
Water Regulatory Fund	100,223.54
System Development Fee	100,021.92
Designated Reserves Total	\$ 4,551,934.91

Restricted Funds

Customer Deposits	60,931.22
Electric Revenue Bond '18	85,606.79
Electric Revenue Bond Reserve '18	499,410.17
Electric System Revenue Bond 2014	91,806.12
Electric System Bond Reserve '14	303,986.51
Public Works Trust Fund	53,168.06
RUS Treasury Bond	243,026.87
US Treasury Reserves	235,946.79
Water System Revenue Bond '18	15,078.26
Restricted Funds Total	1,588,960.79
TOTAL ALL FUNDS	7,141,359.61

Long-Term Debt

	Beginnging Balance	Principle Payments	Ending Balance
Electric Revenue Bond 2014	2,665,000.00	(155,000.00)	2,510,000.00
Electric Revenue Bond 2018	6,270,000.00	(245,000.00)	6,025,000.00
PWTF	622,093.83		622,093.83
RUS Long Term Debt	2,775,692.45	(29,846.15)	2,745,846.30
Water Bond '18	2,470,000.00	(174,000.00)	2,296,000.00
Total Long Term Debt	14,802,786.28	(603,846.15)	14,198,940.13

Mason County Public Utility District #1
Overview of the Status of Budget
2021

<i>Status of Budget</i>			
As of December 31, 2021			
	2021 Actuals	2021 Budget	% of Annual Budget
Revenue	12,993,694.00	11,462,693.00	114%
<u>Expenditures</u>			
Distribution Operating & Maintenance	1,957,409.00	1,939,931.00	101%
Energy Services	3,901,831.00	3,567,360.00	110%
General & Administrative	2,630,236.00	2,630,771.00	100%
Tax, Depreciation, & Interest	2,928,196.00	2,915,518.00	101%
TOTAL EXPENDITURES	11,417,672.00	11,053,780.00	104%
NET OPERATING MARGINS	1,576,022.00	408,913.00	386%

The District's total revenue was 14% higher, collecting \$1,531,001 more than what was budgeted for 2021. A few key factors that played into the additional revenue collected include the following components:

1. Kilowatt hour sales (kWh) increased substantially from 2020 to 2021. In 2020, the total kWh sales were approximately 77.2 million, while in 2021, total sales were around 81.8 million, for an overall increase of just at 4.6 million kWh. The District has had record growth in 2021, with a total of 101 new services connected in 2021. The weather also played a role in the increased kWh sales in 2021, with a record breaking heat wave in June, and then the cold snap we had in November and December.
2. The PUD received grant income to assist with various electric and water projects, as well as assistance with customer arrearages due to COVID related hardships. The total amount of grant funding received in 2021 was \$189,500.
3. Other non-operating revenues increased primarily due to an increase in system development fees collected for new water system connections. The Water department also saw a record number of new connections in 2021 at 108 new services, with an overall increase of \$135 thousand in system development fees over 2020.

The District's operating expenses include purchased power, transmission and distribution, customer services, and administrative and general expenses. The Distribution Operating & Maintenance ended the year just over 1% of what was budgeted for 2021. The Energy Services (purchased power costs) was 10% higher than the 2021 budget. With the growth in new services, as well as the above average weather related events, power costs increased as the customer's energy consumption increased. The General & Administrative expenses ended the year right at budget.

How is the Net Operating Margin Allocated?

The Net Operating Margin for 2021 ended at 1.5 million, a 1.2 million increase, compared to the 2021 budget. It's important for the District's commission and customers to understand what the Net Operating Margin is used for. The income statement does not include the principle portion of the District's debt service, or any of the designated reserve funding approved through the budget. It also only includes a portion of the capitalized construction work plan, which is depreciated over a period of time. Here are the key components of how the Net Operating Margin is allocated:

1. At the end of 2021, the District invested just over \$1.9 million in capital assets. The investment includes land, distribution, general plant, and equipment. The total increase in the District's investment from 2020 to 2021 was 3%.
2. The District plans to construct the Manzanita Substation in 2025, without adding additional debt to the District's portfolio. Because the District plans to pay for the substation through general cash flow, and not debt, the District has determined that it needs to fund a designated reserve with \$342,000 each year. As of the end of 2021, the balance in the fund is just under \$2.4 million.
3. At the end of 2021, the District had \$14.4 million in outstanding debt, an overall decrease of \$842,335. With the 2021 budget, the District approved 1% of the overall rate increase to go specifically towards paying down long-term debt. With that 1%, the District was able to fund \$110,144 into the debt reserves fund. With the 1% funding of the reserves each year, in conjunction with the interest earned on the balance of the funds, being invested in the LGIP, the District plans to be able to pay off its debt by 2030, which is five to ten years earlier than the debt tables shows.
4. The District has a policy goal to reach 90 days general cash on hand, not including the designated reserves, by 2025. To reach this goal, the District budgeted to fund five days a year, which equates to approximately \$152,000 annually that is set aside. Cash on Hand is a savings account, of sorts, that ensures that the District can continue to make payroll and cover operating expenses if there is a catastrophic event or severe economic downturn that limits the PUD's ability to collect revenue. In this case, the board-set policy goal is to be able to cash flow operations for up to three months.

Requests for Information

This financial synopsis is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the

information provided in this report should be directed Katie Arnold, District Treasurer at N. 21971 Hwy. 101, Shelton, WA 98584 or (360) 877-5249.



1.8 BID PROPOSAL

The undersigned Bidder offers to enter into a contract with Mason County Public Utility District No. 1, hereinafter referred to as the Owner, to provide all qualified professional personnel, labor, supervision, construction equipment and tools for the earthwork and construction, as shown on, or called for, by the Contract Documents (including the Instructions to Bidders, Division of Responsibility, and Construction Contract documents) and specified herein including all addenda, and according to the requirements of the Engineer for the "Hood Canal - 101" project.

The following prices are submitted with the understanding that the amount of the bid covers all work including labor, equipment, and tools to complete the work specified in the Contract Documents.

All bidders are required to furnish the Owner, as part of the bid proposal, any required submittals that are to be evaluated as part of the bid award process.

The undersigned agrees not to withdraw the proposal for a period of forty-five (45) calendar days after the bid opening date.

The Bidder agrees to complete the work for the sum of: _____

Schedule A (Hood Canal Communications Portion)

Mobilization in and out (LS)	\$ 23,362.00
Installation of Utility Poles (LS)	\$ 122,204.00
Installation of Fiber Line (LS)	\$ 135,324.00
Hamma Hamma Underground- 4 Drill crossings and Trenching (LS)	\$ 186,345.00
*Relocate 3rd party attachments (FA)	\$4,000.00**

*Subject to whether existing utilities move pole attachments in designated time window

**Estimated amount providing equal basis for all bidders. Please See WSDOT Division 1 General Requirements - 2022 Standard Specifications Sec. 1-09.6

Subtotal, Excluding Sales Tax	\$ 471,235.00
Tax	\$ 40,054.98

Schedule B (Mason County PUD 1 Portion)

Mobilization in and out (LS)	\$ 60,601.00
Installation of Utility Poles (LS)	\$ 947,992.00
Installation of Fiber Line (LS)	\$ 203,436.00
*Relocate 3rd party attachments (FA)	\$12,000.00**

*Subject to whether existing utilities move pole attachments in designated time window

**Estimated amount providing equal basis for all bidders. Please See WSDOT Division 1 General Requirements - 2022 Standard Specifications Sec. 1-09.6

Subtotal, Excluding Sales Tax	\$ 1,224,029.00
Tax	\$ 104,042.47

Total For all Work, Including Tax \$ 1,839,361.45

Total Amount In Words: One million eight hundred thirty nine thousand three hundred sixty one dollars and forty five cents

From: [Kristin Masteller](#)
To: [Julie Gray](#)
Subject: FW: Question from State Board of Health re: HB 1684 (Fluoride)
Date: Tuesday, February 1, 2022 5:03:27 PM
Attachments: [image003.png](#)

Please add to correspondence. Thank you.

From: Kristin Masteller
Sent: Tuesday, February 1, 2022 4:58 PM
To: 'Herendeen, Lindsay (SBOH)' <Lindsay.Herendeen@sboh.wa.gov>
Cc: Nicolas Garcia <NGarcia@wpuda.org>; Brandy Milroy <brandym@mason-pud1.org>
Subject: RE: Question from State Board of Health re: HB 1684 (Fluoride)

Hi Lindsay,

We would not implement fluoridation on our water systems, absent of a mandate. So, “no” on number one, and “n/a” on number two. We don’t have any systems that have fluoride, and we don’t want to be placed in a position to poll for consensus on public health decisions that are outside the scope of our mission.

It’s been my experience over the last decade, that the Mason County community is very resistant to additives in their drinking water supply. Many customers are already displeased with chlorination, even when they realize the safety benefits. They would not be supportive at all of fluoride. I have an elected board that are our policy makers that represent the community we serve. We would not be in favor of state mandates making these decisions for our local community for a few reasons:

1. These mandates often become unfunded, regardless of the initial intent of the law or initiative.
2. Local control is the cornerstone of our public utility districts. Our elected board make the best decisions for the communities they represent.
3. State and local staff resources and funding should be focused on addressing existing water quality issues like replacing lead pipes, PFAS, etc. and not creating more hoops for already-overwhelmed water suppliers to jump through or for already over-taxed state agencies to attempt to oversee and manage.
4. Customers have the opportunity to self-treat with fluoride through a wide variety of easily accessible sources, such as oral hygiene products, tablets and drops that are over the counter. Do they really need their government dictating it to them and is that really our role as public utility providers? I don’t believe it is.
5. There is conflicting science in both camps that would make it difficult for us to publicly support this endeavor. We would likely take actions available to us to oppose the mandate.

6. Creating new certification requirements and staffing roles will impact workforce expenses, especially when they are union represented. It's not as simple as adding staff. These things must be bargained. There are ripple effects that many public water suppliers will have to navigate.
7. While we appreciate the thoughts and feelings behind the desire to help facilitate positive outcomes for children's oral health, public water purveyors have enough to do, to worry about, and to try to tackle just to address the day-to-day work of providing safe drinking water to the public. We don't need to be part of the oral health police force. It's not an appropriate role for us.

I would have to ask my board take formal action on my PUD's policy position for HB 1684, but at this point, my staff's recommendation to the board would be to oppose the bill, for the reasons listed above, and likely more reasons following more in-depth policy analysis.

I hope that's helpful feedback. Thank you for soliciting our input and please feel free to reach out if you have any further questions.

Kristin

Kristin Masteller

General Manager

21971 N. Hwy. 101, Shelton, WA 98584

(360) 877-5249, x. 202- Office * (360) 877-9274- Fax

Pursuant to the Washington Public Records Act, RCW 42.56, this email, and any attachments, may be disclosed as a public record. This institution is an equal opportunity provider and employer.



From: Herendeen, Lindsay (SBOH) <Lindsay.Herendeen@sboh.wa.gov>

Sent: Tuesday, February 1, 2022 3:16 PM

To: Kristin Masteller <kristinm@mason-pud1.org>

Subject: Question from State Board of Health re: HB 1684 (Fluoride)

Hi Kristin,

Nicolas Garcia recommended I reach out to you. The Washington State Board of Health, in collaboration with the Governor's Interagency Council on Health Disparities

conducts Health Impact Reviews at the request of any legislator or the Governor. A [Health Impact Review](#) is an objective, non-partisan, evidence-based analysis to determine how proposed legislation may impact health and equity in the state. We received a request from Representative Pollet to conduct a review of [HB 1684](#), Concerning public health and fluoridation of drinking water (sponsored by Representative Harris).

We have been reaching out to water systems' associations to learn more about how the bill may impact water systems. At this point in our process, I think we have two main questions for you:

1. Would conducting an analysis of the cost to design, install, operate, and maintain community water fluoridation as part of water system planning result in a water system implementing fluoridation?
2. Would seeking public health information and notifying customers 90 days prior to a vote or decision to discontinue community water fluoridation impact a water system's decision to discontinue fluoridation?

If possible, it would be wonderful to have your thoughts via email by noon tomorrow (Wednesday, February 2). I am also happy to talk via phone. Moving forward, if we do have more questions, may I follow-up with you again?

Thank you, Kristin!

Lindsay

Lindsay Herendeen, MPH, MCRP (she/her)
Health Policy Analyst
Washington State Board of Health
lindsay.herendeen@sboh.wa.gov
360-628-6823
[Website](#), [Facebook](#), [Twitter](#)

February 1, 2022

PUD #1 Water

Dear Sir or Madame,

I am writing this letter in high praise of several of your crew. My wife and I have lived on Stretch Island in Grapeview for 37 years. Recently, we have begun to make a move up to Silverdale due to a variety of medical issues. As we begin the sale and shut down of our house, I want to take a moment to pass on some words of praise.

I was the president of our small HOA (Island Hide A Way) on Stretch Island when we joined the PUD. We had been handling all of the well and water problems ourselves for many years. We had even tried to work with some private water managers. As we all seemed to get old at the same time, I and a few others decided the best way to handle our water situation was to give our system to PUD#1. After almost a year of lobbying and explanations, we made that decision. And, that has been a superb decision.

Early on two people were very, very helpful. Jocelyn Gray? was able to reinstate 3 of our hookups within months. She was able to assign the crew to come out and actually work with us as they did all of the physical upgrades. I believe she has moved on to another position but I wanted to mention her name right off the bat as the one who understood our problems. I give her an A+

TJ was and continues to be Excellent in his work. He was the point person from the 1st day. He is professional and friendly at the same time. He always makes us feel like he cares about us and our system. He takes time to explain the work he is doing and how the system is looking now and what needs to be done in the future. I give him an A+

In addition there are two others I want to praise very much. I have never met him but I must tell you how much I enjoy the writing of Ron Gold. He is to the point and passionate at the same time. He is understandable when writing about complicated issues. I know that often the public face of any public service institution is often ignored or taken for granted except when something goes wrong. He makes me proud of the world of politics and public service. His work on the Board of Commisioners is highly appreciated. A+

Finally, I just read the recent publication of The Connector for Winter 2022 I thought the writing of Kristin Masteller was excellent and perceptive of the changes that are taking place in our National Government as related to infrastructure. Her words "Now's the time to strike while the iron's hot and the federal and state infrastructure dollars are coming down. We will likely not see another opportunity like this, at least in my career, for us to capitalize on the federal government's infrastructure investments..." her words show an understanding of the needs of the public and of the PUD and of the gigantic federal investment coming down the

road. I liked her analysis. She, too, receives an A+

In closing my wife, Sarah, and I are moving to Silverdale and no longer will be with PUD #1 after February. My father worked with the old Soil Conservation Service and he taught me the values of the PUD system. All of you, Joycelyn, TJ, Ron and Kristin, are doing outstanding work. So, thanks very much for your good work. You are not forgotten.

Take care.

Joel and Sarah Seidel

A handwritten signature in cursive script that reads "Joel H. Seidel".

(old site address 200 E Sund Road, Grapeview, 98546)

new address...1600 NW Crista Shores Lane, #211...Silverdale, WA 98383

360.204.5094

Power Out

A first flicker... oh no! Maybe a flash... oh no!

Then, there it goes. Power out.

The house suddenly quiet...

No music, no refrigerator hum, no whirr of the heat pump.

Silence. I wonder... how long?

I peer across the Canal to see if lights are elsewhere.

Not there, not there, not there. Huh? I wonder, why there?

Okay, stoke up the fire, put on my headlamp, light the candles, break out the propane stove.

Where did I put the transistor radio?

Bundle up... this looks to be a long one.

Update notices from the P.U.D. website say it could be a while.

Dawn! Quit looking at them! Preserve your phone battery!

A night. A day. The wait seems unending.

Quiet can be peaceful. Or deafening. Sometimes claustrophobic.

We know they're doing their best. Lights are flashing across the water.

We marvel at their ability to soldier on... through the snow, the wind, the night.

They are our heroes. We count on them.

My blanketed nest in the chair by the stove a comfort.

Soup warming, scotch abundant, sweet dog at my feet.

Relief is palpable when power returns.

Oh joy! Here's to our saviors.