



Mason County PUD No. 1
Regular Board Meeting
June 28, 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) 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.*

2) Consent Agenda

Minutes: June 14, 2022 Regular Board Meeting

Disbursements:	Accounts Payable Wire	\$ 298,144.96
	Check Nos. 121757-121832	\$ 345,254.03
	A/P Sub-Total	\$ 643,398.99
	Payroll Wire	\$ 69,223.94
	Grand Total	\$ 712,622.93

3) Business Agenda

- a. May Financials

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 – Threatened or pending litigation RCW 42.30.11(i)

9) Adjournment

2022 Calendar

July 13-15	WPUDA	TBA (Association Meetings)
July 8	PUD	Employee Appreciation BBQ
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)
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
June 14, 2022, Potlatch, Washington

Present:

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

Visitors:

Marcus Perry, BPA

CALL TO ORDER: Mike Sheetz called the Regular Board meeting to order at 1:08 p.m.

PUBLIC COMMENT:

APPROVAL OF CONSENT AGENDA:

Minutes: May 10, 2022 Special Board Meeting

Disbursements:	<u>Accounts Payable Check Register</u>	
	Accounts Payable Wire	\$ 644,826.93
	Check Nos. 121569-121610	\$ 214,448.08
	A/P Sub Total	\$ 859,275.01
	<u>Payroll Expense</u>	
	Payroll Wire	\$ 128,511.86
	Grand Total	\$ 987,816.87

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



Mason County Public Utility District No. 1
Board of Commissioners Regular Board Meeting
June 14, 2022, Potlatch, Washington

BUSINESS AGENDA:

April Financials – Katie reported gross income of \$1,158,026 and gross expenditures of \$954,035 for the month of April. Currently, the year-to-date revenue is at 33%-40% of the annual budget for revenue, and 33% for expenditures which is right on track for where they should be. Katie provided an update on grant applications with FEMA, stating that the two grant applications that were submitted in April received an email requesting additional information. She said that this is a good sign, and that typically when FEMA sends RFI's it means the grants are moving through the channels to be awarded. There was another grant round that staff submitted two pre-applications for at the beginning of June. One was a resiliency project with the water department to install generators on all systems that don't already have one, replace aging mainline, and install retrofits on reservoirs to protect against earthquakes. She said that we should know more in the next month or so if the PUD gets invited to submit a full application. Lastly, Katie reported that FEMA updated the federal cost share for grants and storm declarations from 75% to 90%. If the state provides 5% of the match, then the District will only have to cover 5% of the match instead of 12.5% as it has been in the past.

Financial Metrics as Compared with Prior Year:	April 2022	April 2021
Total General Cash and Investments	\$1,286,975	\$926,982
Current Ratio (Current Assets/Current Liabilities)	2.02 to 1	2.95 to 1
Debt Service Coverage (O&M/ Debt Service)	3.41	3.26
Long-Term Debt to Net Plant	36%	38%
Total Debt to Equity Ratio (Total Liabilities/Total Equity)	50%	53%
Long Term Debt to Equity Ratio (Long Term Debt / Total Equity)	43%	48%
Times Interest Earned Ratio (Earnings before Interest & Taxes/Total Interest)	7.24	5.03
Cash on Hand (Total Available Cash/Average Daily Costs)	44 Days (General) 182 Days (All Funds)	36 Days (General) 156 Days (All Funds)

Authorize Manager to sign U.S. Bank One Card Contract - Jack made a motion to authorize the Manager to sign the U.S. Bank One Card Contract. Ron seconded the motion. Motion carried.

Award Landscaping Contract to At Work – Jack made a motion to award the Landscaping Contract to At work in the amount of \$61,190.00 plus tax. Ron seconded the motion. Motion carried.

Staff Reports -

General Manager – Kristin reported that she met with Elizabeth Whitney and the Department of Commerce regarding how Commerce intended to stand up the resiliency grant program. She will set up



Mason County Public Utility District No. 1
Board of Commissioners Regular Board Meeting
June 14, 2022, Potlatch, Washington

a meeting with WPUDA and Department of Commerce at the PUD and the option to tour our substation sites. She will also invite PUD 3 to discuss their substation needs. She also reported that she will apply for another ARPA grant on Wednesday. Kristin reported that she and Katie interviewed a Line Superintendent candidate and will invite him to come on site to meet with the crew.

Director of Business Services – No report

Water Resource Manager – Brandy reported that H2O will start the reservoir cleaning and inspection on June 15th. She reported that the crew is working on replacing the mainline at Arcadia Estates water system. Sanitary surveys are mostly complete. Nine of the 11 systems are complete and the other two will be completed by July 8th. Brandy also reported that the Consumer Confidence report redesign is complete. She also reported that PUD 3 provided a generator for the Tiger Lake community while they were having an outage.

Rob Johnson, Attorney – Rob reported that he had attended the Municipals Attorneys Association meeting in Chelan.

Correspondence – None

Board Reports –

Mike – No

Jack – No report

Ron – Ron reported that he will attend the Hood Canal Coordinating Council and the SWAT meetings this week.

PUBLIC COMMENT – None.

EXECUTIVE SESSION – None.

Adjournment: 2:10 P.M.

Mike Sheetz, President

Jack Janda, Vice President

Ron Gold, Secretary

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Accounts Payable Check Register

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06/10/2022 To 06/23/2022

Bank Account: 4 - COLUMBIA BANK - DISTRICT

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
677 06/16/2022	WIRE	IRS	WEST COAST BANK	FEDERAL TAX LIABILITY	26,810.30
678 06/16/2022	WIRE	WASH 1	WA DEPT OF RETIREMENT SYS	STATE RETIREMENT - PLAN 2	18,078.17
679 06/16/2022	WIRE	WASH 7	WA STATE TREAS-MS: PO-11	DEFERRED COMPENSATION	7,935.25
680 06/16/2022	WIRE	HRA	HRA VEBA TRUST CONTRIBUTI	VEBA MEDICAL SAVINGS	2,956.24
681 06/17/2022	WIRE	BPA	COLUMBIA BANK	POWER USAGE	242,365.00
121757 06/10/2022	CHK	A WORKSAFE	A WORKSAFE SERVICE, INC	DRUG & ALCOHOL TESTING	339.00
121758 06/10/2022	CHK	ANIXTER	ANIXTER INC	(12)15KVA OH TRANSFORMERS	16,785.71
121759 06/10/2022	CHK	ASPECT CONSU	ASPECT CONSULTING LLC	RIPPLEWOOD, VIEW CREST, & WATER RIGHTS	902.00
121760 06/10/2022	CHK	BUILDERS	BUILDERS FIRSTSOURCE, INC	HIGHLAND ESTATES WATER-SUPPLIES	83.03
121761 06/10/2022	CHK	CENTUR	CENTURYLINK	TELEPHONE CHARGES ACCT#206-Z05-0016 020	1,444.89
121762 06/10/2022	CHK	CORIROSSI, COL	COLE CORIROSSI	CLOTHING ALLOWANCE	178.47
121763 06/10/2022	CHK	CRC	COOPERATIVE RESPONSE CENTER, INC	AFTER HOURS ANSWERING SERVICE	1,641.70
121764 06/10/2022	CHK	DON SMALL & S	DON SMALL & SONS OIL DIST	GAS & DIESEL	4,178.71
121765 06/10/2022	CHK	GORDON TRUC	FREIGHTLINER NORTHWEST OLYMPIA	VEHICLE #65-SENSOR RINGS & SCOTSEAL PLUS	139.24
121766 06/10/2022	CHK	GDS ASSOCIATE	GDS ASSOCIATES, INC	DUCKABUSH ESTUARY HIGHWAY RELOCATION	902.50
121767 06/10/2022	CHK	GE SOFTWARE	GE SOFTWARE INC DBA EKOS	MONTHLY EKOS FUEL SITE MODULE	80.00
121768 06/10/2022	CHK	GENPAC	GENERAL PACIFIC INC	ELECTRIC NON INVENTORY SUPPLIES	95,423.91
121769 06/10/2022	CHK	GOLD	GOLD, RON	TRAVEL EXPENSE REIMBURSEMENT-MAY 2022	208.00
121770 06/10/2022	CHK	GRAIN	GRAINGER	VEHICLE #60-DESICCANT BREATHER	332.56
121771 06/10/2022	CHK	GRAY	GRAY & OSBORNE, INC	SHADOWOOD WATER SYSTEM IMPROVEMENT	19,230.57
121772 06/10/2022	CHK	HDFOWL	HD FOWLER COMPANY	BALANCE OWING ON INV.SALES TAX & FREIGHT	238.89
121773 06/10/2022	CHK	HODDER & ASS	HODDER & ASSOCIATES	CONSULTING ENGINEERING	8,224.16
121774 06/10/2022	CHK	HOODCA	HOOD CANAL COMMUNICATIONS	INTERNET, IT, ALARM DIALER, & TELEPHONE	6,910.94
121775 06/10/2022	CHK	HOOD CANAL	HOOD CANAL MARKET FRESH	HAMMA WATER PARTS	80.74
121776 06/10/2022	CHK	L.G.	L. G. ISAACSON CO. INC.	SHOP SUPPLIES	303.38
121777 06/10/2022	CHK	LENEXA SERVIC	LENEXA SERVICES, INC	PUBLIC OFFICIAL BOND	1,050.00

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Bank Account: 4 - COLUMBIA BANK - DISTRICT

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
121778 06/10/2022	CHK	LILLIWAUP FAL	LILLIWAUP FALLS GENERATING COMP	MAY POWER USAGE	31,516.15
121779 06/10/2022	CHK	MARSH	MARSH MUNDORF PRATT & SUL	MONTHLY WPAG SERVICES	275.54
121780 06/10/2022	CHK	MASON CO GAR	MASON COUNTY GARBAGE	MONTHLY GARBAGE CHARGES	810.40
121781 06/10/2022	CHK	SHEL 2	MASON COUNTY JOURNAL	HELD WANTED AD (LINE SUPERINTENDENT)	198.20
121782 06/10/2022	CHK	MASTELLER	KRISTIN MASTELLER	TRAVEL EXPENSE REIMBURSEMENT-NWPPA LERG	930.92
121783 06/10/2022	CHK	MTN2COAST	MTN2COAST, LLC	TOPOGRAPHY SURVEY-1681 E MCREAVY RD	5,200.00
121784 06/10/2022	CHK	NISC	NISC	MAY 2022 RECURRING INVOICE	11,699.53
121785 06/10/2022	CHK	NWSS	NORTHWEST SAFETY SERVICE LLC	SAFETY SERVICES ON 05/12/2022	1,136.25
121786 06/10/2022	CHK	PARSON	PARSONS DIESEL & STEAM	SERVICE VEHICLE #65	3,455.73
121787 06/10/2022	CHK	PETTYJOHN ENT	PETTYJOHN ENTERPRISES, LLC	BRUSH DEBRI REMOVAL HOODSPORT WATER	50.00
121788 06/10/2022	CHK	RICOH USA	RICOH USA, INC.	RENT ON TWO MACHINES & ADDITIONAL IMAGES	977.47
121789 06/10/2022	CHK	JOHN 3	ROBERT W. JOHNSON	MAY RETAINER FEE	3,599.54
121790 06/10/2022	CHK	SCOTT MCLEND	SCOTT MCLENDON'S HARDWARE #2	BE AIRE COVE WATER-SUPPLIES	45.62
121791 06/10/2022	CHK	SLATE ROCK SA	SLATE ROCK SAFETY, LLC	FR CLOTHING - JAMES REYES	500.00
121792 06/10/2022	CHK	SPECTRA LAB	SPECTRA LABORATORIES-KITSAP, LLC	VARIOUS WATER TESTING	1,081.00
121793 06/10/2022	CHK	TOZIER	TOZIER BROS, INC	FORKLIFT	94.53
121794 06/10/2022	CHK	TOZIER	TOZIER BROS, INC	ARCADIA ESTATES WATER-SUPPLIES	23.64
121795 06/10/2022	CHK	UTILI1	UTILITIES UNDERGROUND LOCATION	MONTHLY UNDERGROUND LOCATES	224.84
121796 06/10/2022	CHK	VERIZO	VERIZON WIRELESS	MONTHLY TABLET & (2)CELLULAR CHARGES	811.09
121797 06/10/2022	CHK	WPUDA	WASHINGTON PUD ASSOC.	MONTHLY DUES	1,758.00
121798 06/10/2022	CHK	NAPA AUTO PA	WESTBAY NAPA AUTO PARTS	VEHICLE #50-MAGNUM HD SHOCKS	605.62
121799 06/10/2022	CHK	WESTCARE CLI	WESTCARE CLINIC	FITNESS FOR DUTY TEST- ASHTON COOTS	127.00
121800 06/10/2022	CHK	WHITEWOLF EN	WHITEWOLF ENGINEERING SERVICES	ENGINEERING SUPPORT-JAMES4/28/22-5/20/22	1,725.00
121801 06/10/2022	CHK	2	GEOENGINEERS, INC	MANZANITA SUBSTATION-GEOTECHNICAL SERVI	13,319.64
121802 06/13/2022	CHK	WRIGHT	WRIGHT EXPRESS FINANCIAL	MO.MASTERCARD 5569 6200 0003 6811	8,668.72
121803 06/13/2022	CHK	JEFF 1	JEFFERSON COUNTY	UTILITY PERMIT APPLICATION-DUCKABUSH RD	286.00

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06/10/2022 To 06/23/2022

Bank Account: 4 - COLUMBIA BANK - DISTRICT

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
121804 06/13/2022	CHK	2	MARK JACKSON	REFUND FOR OVERCHARGED WATER BILL	564.10
121805 06/16/2022	CHK	IBEW	IBEW LOCAL UNION #77	UNION DUES	924.97
121806 06/16/2022	CHK	PUDEMP	PUD #1 EMPLOYEE FUND	EMPLOYEE FUND	210.00
121807 06/17/2022	CHK	ALTEC	ALTEC INDUSTRIES INC	VEHICLE #60-PARTS	1,438.43
121808 06/17/2022	CHK	CORIROSSI, COL	COLE CORIROSSI	REIMBURSE-CDL PHYSICAL EXAM	121.00
121809 06/17/2022	CHK	COLONI	COLONIAL LIFE INSURANCE	SUPPLEMENTAL INSURANCE	860.06
121810 06/17/2022	CHK	DANDAN	DANIEL C RUBINO DBA:DAN DAN THE	OFFICE KEYS	42.43
121811 06/17/2022	CHK	GENPAC	GENERAL PACIFIC INC	ELECTRIC NON INVENTORY SUPPLIES	980.93
121812 06/17/2022	CHK	HOOD CANAL	HOOD CANAL MARKET FRESH	HAMMA RIDGE WATER SUPPLIES	99.05
121813 06/17/2022	CHK	LES SCHWAB	LES SCHWAB WAREHOUSE CENTER	VEHICLE #65-FLAT TIRE REPAIR	43.55
121814 06/17/2022	CHK	MAGNUM POWE	MAGNUM POWER, LLC	HOOD CANAL 101 BROADBAND SCHEDULE B	73,198.82
121815 06/17/2022	CHK	MILES	MILES SAND & GRAVEL COMPANY	ARCADIA ESTATES WATER	261.04
121816 06/17/2022	CHK	NISC	NISC	MAY 2022-PRINT SERVICES	126.33
121817 06/17/2022	CHK	28	PETRO CARD	BULK OIL	1,036.46
121818 06/17/2022	CHK	SHEETZ, MIKE	MIKE SHEETZ	TRAVEL EXPENSE REIMBURSEMENT FOR MAY 202	689.41
121819 06/17/2022	CHK	GOOS	TJ GOOS	REIMBURSE-ISLAND LAKE MANOR SUPPLIES	133.08
121820 06/17/2022	CHK	NAPA AUTO PA	WESTBAY NAPA AUTO PARTS	SHOP SUPPLIES	34.16
121821 06/17/2022	CHK	2	CAPITOL CITY PROPERTIES LLC	DEP To AP	400.00
121822 06/17/2022	CHK	2	CAPITOL CITY PROPERTIES LLC	DEP To AP	400.00
121823 06/17/2022	CHK	CINTAS CORP	CINTAS CORPORATION	SAFETY SUPPLIES	181.61
121824 06/17/2022	CHK	GENPAC	GENERAL PACIFIC INC	ELECTRIC STOCK INVENTORY	5,178.05
121825 06/17/2022	CHK	HDFOWL	HD FOWLER COMPANY	WATER INVENTORY PARTS	4,143.91
121826 06/17/2022	CHK	KEMP	KEMP WEST	RETAINAGE	2,628.00
121827 06/17/2022	CHK	PLATT ELECTRI	PLATT	ELECTRIC NON INVENTORY PARTS	1,036.93
121828 06/17/2022	CHK	POWER ENGINE	POWER ENGINEERS	SUBSTATION PLANNING STUDY	2,156.35
121829 06/17/2022	CHK	NAPA AUTO PA	WESTBAY NAPA AUTO PARTS	SUPPLIES FOR GARAGE DOOR OPENER	178.57

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Accounts Payable Check Register

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06/10/2022 To 06/23/2022

Bank Account: 4 - COLUMBIA BANK - DISTRICT

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
121830 06/17/2022	CHK	WESTCARE CLI	WESTCARE CLINIC	FITNESS FOR DUTY TEST-RICK BRAGER	127.00
121831 06/17/2022	CHK	CENTURYLINK	CENTURYLINK	LONG DISTANCE & OUTBOARD CHARGES(21)LINE	210.96
121832 06/20/2022	CHK	DEPT 14	WASHINGTON STATE DEPARTMENT OF WATER RIGHT PERMIT-MINERVA TERRACE		50.00
Total Payments for Bank Account - 4 :					(81) 643,398.99
Total Voids for Bank Account - 4 :					(0) 0.00
Total for Bank Account - 4 :					(81) 643,398.99
Grand Total for Payments :					(81) 643,398.99
Grand Total for Voids :					(0) 0.00
Grand Total :					(81) 643,398.99

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Accounts Payable Check Register

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PARAMETERS ENTERED:**Check Date:** 06/10/2022 To 06/23/2022**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

Page: 1

JUN 2022 To JUN 2022

Date	Journal Description	Actv BU Project	Mod	Jrnl Reference Code	
Account: 0 131.2 CASH-GENERAL FUND (DISTRICT)			Department:	0	
06/16/22	67383 Check Print	0	PL	2 PAYROLL	69,223.94

PARAMETERS ENTERED:

Division: All

Accounts: 0 131.2

Department: All

Activity: All

Sort By: Div/Acct

Date Selection: Period

Period: JUN 2022 To JUN 2022

Module: PL

Journal Activity: All

Accounts With No Transactions: Yes

Extended Reference: No

Interface Detail: No

Group by Department: Yes

51217

/pro/rpttemplate/acct/2.52.1/gl/GL_TRANS_DETAIL.xml.rpt

Karnold



PUD1 – Executive Summary – May 2022

This report summarizes information on the current financial status of Mason County PUD No. 1 for the month of May 2022:

- **Work in Progress:**
 - Hazard Mitigation Grants – Due June 3, 2022
 - Feasibility Study Grants – Due June 30, 2022
- **Completed Projects:**
 - 2021 Form 7 – Due March 31, 2022
 - 2021 Privilege Tax Return
 - 2022 Budget Development
 - FEMA Grant Applications (Due April 14, 2022)
 - 2021 Annual Report (State Auditors Office) – Due May 30, 2022
- **Planned Key Milestones, Activities and / or Events:**
 - Long range financial and budgetary planning – ongoing.

Financial Highlights:

- Revenue – Gross Revenue was \$1,133,160 for the month of May 2022.
- Expenditures –Gross expenditures were \$834,835 for the month of May 2022.
- COVID Metrics –As of April, there were 57 electric accounts and 21 water accounts that were 90 days or more past due for a total of \$38,223.09.

Financial Metrics as Compared with Prior Year:	May 2022	May 2021
Total General Cash and Investments	\$1,178,741	\$1,186,083
Current Ratio (Current Assets/Current Liabilities)	2.53 to 1	3.75 to 1
Debt Service Coverage (O&M/ Debt Service)	3.60	3.14
Long-Term Debt to Net Plant	35%	38%
Total Debt to Equity Ratio (Total Liabilities/Total Equity)	48%	52%
Long Term Debt to Equity Ratio (Long Term Debt / Total Equity)	43%	48%
Times Interest Earned Ratio (Earnings before Interest & Taxes/Total Interest)	5.84	5.74
Cash on Hand (Total Available Cash/Average Daily Costs)	43 Days (General) 186 Days (All Funds)	48 Days (General) 156 Days (All Funds)



Mason County PUD No 1

Budget Summary by Division For the Month Ended May 31, 2022

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
Total Revenue	\$ 924,531.12	\$ 207,683.60	\$ 945.42	\$ 1,133,160.14
Budgeted	\$ 773,400.00	\$ 182,485.00	\$ 903.75	\$ 956,788.75
Difference (-/+)	\$ 151,131.12	\$ 25,198.60	\$ 41.67	\$ 176,371.39
% of Budget	120%	114%	105%	118%
Total Expenditures	\$ 664,234.23	\$ 170,512.35	\$ 88.12	\$ 834,834.70
Budgeted	\$ 700,552.85	\$ 187,323.99	\$ 792.05	\$ 888,668.89
Difference (-/+)	\$ (36,318.62)	\$ (16,811.64)	\$ (703.93)	\$ (53,834.19)
% of Budget	95%	91%	11%	94%
Net Operating Margins	\$ 260,296.89	\$ 37,171.25	\$ 857.30	\$ 298,325.44
Budgeted	\$ 72,847.15	\$ (4,838.99)	\$ 111.70	\$ 68,119.86
Difference (-/+)	\$ 187,449.74	\$ 42,010.24	\$ 745.60	\$ 230,205.58
% of Budget	357%	-768%	768%	438%



Mason County PUD No 1

Budget Summary by Division for the Five Months Ended May 31, 2022

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
Total Revenue	\$ 5,171,490.86	\$ 1,039,900.91	\$ 4,652.04	\$ 6,216,043.81
2022 Budget	\$ 9,867,493.00	\$ 2,559,920.00	\$ 11,169.00	\$ 12,438,582.00
Difference (-/+)	\$ (4,696,002.14)	\$ (1,520,019.09)	\$ (6,516.96)	\$ (6,222,538.19)
% of Budget	52%	41%	42%	50%
 Total Expenditures	 \$ 4,180,729.84	 \$ 942,112.83	 \$ 1,050.21	 \$ 5,123,892.88
2022 Budget	\$ 9,511,110.00	\$ 2,324,170.29	\$ 8,121.00	\$ 11,843,401.29
Difference (-/+)	\$ (5,330,380.16)	\$ (1,382,057.46)	\$ (7,070.79)	\$ (6,719,508.41)
% of Budget	44%	41%	13%	43%
 Net Operating Margins	 \$ 990,761.02	 \$ 97,788.08	 \$ 3,601.83	 \$ 1,092,150.93
2022 Budget	\$ 356,383.00	\$ 235,749.71	\$ 3,048.00	\$ 595,180.71
Difference (-/+)	\$ 634,378.02	\$ (137,961.63)	\$ 553.83	\$ 496,970.22
% of Budget	278%	41%	118%	183%

Cash Flow

Beginning Cash (General Fund)	49,753.30	96,037.62	4,195.20	149,986.12
Net Operating Margin (Excluding Depreciation)	1,354,724.55	584,007.60	3,306.08	1,942,038.23
Cash Transferred to / from Special Funds	(374,067.44)	(232,020.97)	(38.89)	(606,127.30)
Change in Accounts Receivable	41,116.68	17,764.54	(2,728.09)	56,153.13
Change in Accounts Payable	111,768.31	(8,302.16)	140.20	103,606.35
Cash Expended on Utility Plant	(539,329.77)	(463,868.82)	(679.30)	(1,003,877.89)
Change in CWIP	(537,330.17)	98,107.13	0.00	(439,223.04)
Ending Cash (General Fund)	106,635.46	91,724.94	4,195.20	202,555.60



Mason County PUD No. 1

Cash & Investment Balances

As of May 31, 2022

Cash Balances

Cash - General Funds

\$ 202,555.60

Cash - Restricted

\$ 77,359.97

Total Cash

\$ 279,915.57

Investment Balances (LGIP)

Investments - Electric

\$ 580,828.76

Investments - Sewer

\$ 30,588.54

Investments - Water

\$ 287,408.46

Total Investments

\$ 898,825.76

Total Cash & Investments

\$ 1,178,741.33

***Does Not Include Designated Funds*



PUBLIC UTILITY DISTRICT NO. 1
OF MASON COUNTY
N. 21971 Hwy. 101
Shelton, Washington 98584

BOARD OF COMMISSIONERS

MIKE SHEETZ, Commissioner
JACK JANDA, Commissioner
RON GOLD, Commissioner

June 20, 2022

Environmental Protection Agency
BABA-OW@epa.gov

RE: Build America, Buy America Act (BABA) Waiver

To Whom it May Concern,

Mason County Public Utility District No. 1 has been a water purveyor in Mason County since 1945 and owns 74 water systems located throughout the county. The District is approached several times a year by privately owned water systems about acquisition because of the increased regulation and expertise required to manage the health and environmental regulations associated with delivering safe, reliable drinking water. Private water system owners and HOAs are finding that they are no longer equipped to handle these requirements. The cost to maintain and upgrade the systems is also too much for these private owners to handle.

Mason PUD 1 relies heavily on the SRF funding through Washington State Department of Health to be able to address public health risks, system resiliency, and upgrade deteriorating facilities. While the District recognizes the intent of the Build America, Buy America Act (BABA), it does not agree with the timing of implementation.

According to the waiver memorandum, projects that have gone out to bid or have engineering specs and designs submitted prior to May 14, 2022, may submit a waiver for manufactured products and construction materials under BABA. The District has two projects that were awarded funding with contract execution dates of April 28, 2022. In the waiver memorandum it does not reference the contract execution date of the funding as a priority for this waiver. While the District is currently in the process of finalizing the designs for these projects to submit to Department of Health for review and approval, the cost of these two projects were based on engineer's estimates at the time the application was submitted in November 2021.

If these two projects are subject to BABA it would significantly increase the cost to not only redesign the project based on BABA specifications, but to actually implement and construct the project. These BABA costs would exceed the funding currently awarded through DWSRF. The District cannot afford to pay the costs from operating revenues. It potentially collapses the project if additional grant funding isn't available or requires the PUD to acquire additional debt to cover it, depending on added unbudgeted expense.

The SRF funding timeline states once contracts are executed, the grantee has 18 months to issue a Notice to Proceed. If the BABA requirements are folded into our current contracts, Mason PUD 1 would not be able to meet that timeline and would then have to forfeit the funding. It's also important to note that both of these projects are for rural water systems that are considered low income and received a 50% subsidy of the total project cost.



**PUBLIC UTILITY DISTRICT NO. 1
OF MASON COUNTY**

N. 21971 Hwy. 101
Shelton, Washington 98584

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The District feels strongly that projects that have secured SRF funding prior to May 14, 2022 should also be eligible to request a waiver. The timing of implementing BABA should be postponed until the next loan funding cycle, so that water purveyors have enough time to prepare for the increase in costs when preparing their applications and state agencies have all the relevant information in hand in order to effectively communicate and implement the requirements into their funding programs. To implement these requirements for projects that had estimates and applications submitted prior to the BABA effective date causes an undue hardship not only on the purveyors, but also on the state agencies managing the SRF funding.

We ask you to please allow contracts executed prior to May 14, 2022 to be eligible for the waiver.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Mike Sheetz'.

Mike Sheetz, Board President

A handwritten signature in blue ink, appearing to read 'Jack Janda'.

Jack Janda, Board Vice President

A handwritten signature in blue ink, appearing to read 'Ron Gold'.

Ron Gold, Board Secretary

Cc: Corina Hayes, DWSRF Program Manager, Washington State Dept. of Health
corina.hayes@doh.wa.gov
George Caan, Executive Director, Washington Public Utility Districts Association
gcaan@wpuda.org