



**Mason County PUD No. 1
Regular Board Meeting
December 13, 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. Public Rate Hearing – 2023-2025 Water Rates

1:00 p.m. Regular Board Meeting

- 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:

Regular Board Meeting November 8, 2022
Special Board Meeting November 28, 2022

Disbursements:

Accounts Payable Wire	\$ 173,853.08
Check Nos. 122480-122521	\$ 153,376.44
122524-122553	\$ 249,928.64
122556-122612	\$ 167,800.92
Payroll Wire	\$ 182,830.43
Payroll Check No. 122522-122523	\$ 3,542.18
122554-122555	\$ 5,854.70
Grand Total	\$ 937,186.39

3) Business Agenda

- Approve Resolution No. 2066 – Water Rate Schedule
- Approve 2023 Strategic Work Plan
- Authorize Proposed Application of BPA's RDC Settlement
- Resolution No. 2063- Approve NIMS for Incident Management
- Resolution No. 2064- 2023 Salary Adjustment for Non-Represented Staff
- Resolution No. 2065- 2023 Salary Adjustment for General Manager
- Approve Purchase & Sale Agreement for Bay East Property
- October 2022 Financials
- Conduct Commissioner Sheetz's Oath of Office for 2023-2027 Term

4) Staff Reports

- General Manager
- District Treasurer
- Water Resource Manager
- Legal Counsel

5) Correspondence

6) Board Comments

7) Other Business/Public Comment

8) Executive Session

9) Adjournment

2023 Calendar

January 11-13	WPUDA	Olympia (Marriott)
February 15-17	WPUDA	Olympia
Feb 27-March 1	WPUDA/APPA Leg Rally	Washington DC
March 15-17	WPUDA	Zoom Meeting
March 30	WPUDA	Location TBA
April 12-14	WPUDA	Olympia
April-May (TBA)	WPUDA	Location TBA
May 3-5	PNW-AWWA Conference	Kennewick
May 11-12	Manager's Committee	Spokane (Davenport Historic)
May 10-11	Telecom Workshop	Spokane (Davenport Historic)
May 14-17	NWPPA Annual Conf.	Anchorage Alaska
June 11-14	AWWA National Conf.	Toronto, Canada
June 16-21	APPA National Conf.	Seattle
June TBA	Strategic Plan Comm.	WPUDA, Olympia
June 29	Water Committee	Olympia
July 12-14	WPUDA	Location TBA
Sept. 13-15	WPUDA	Location TBA
Sept. 27-29	Water Workshop	Leavenworth (Enzian Inn)
October TBA	Admin/Finance/HR	Location TBA
October TBA	Energy NW PP Forum	Tri-Cities area
November 15-17	WPUDA	Location TBA
November	PPC Annual Mtg.	Portland, OR
Nov. 29-Dec 1	WPUDA Annual Conf.	Location TBA



Mason County Public Utility District No. 1

Board of Commissioners Regular Board Meeting and Public Hearing
November 8, 2022, Potlatch, Washington

Present:

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

Visitors:

Paul Strapac (via zoom)
John Dickinson (via zoom)

Public Hearing – Shadowood Water System Plan Part B

CALL TO ORDER: Mike Sheetz called the Public Hearing for the Shadowood Water System Plan Part B to order at 1:00 p.m. There was no public comment. Mike closed the Public Hearing at 1:05 p.m. and called to order the Regular Board Meeting.

PUBLIC COMMENT: None.

APPROVAL OF CONSENT AGENDA:

Minutes: October 25, 2022 Regular Board Meeting

Disbursements:	<u>Accounts Payable Check Register</u>	
	Accounts Payable Wire	\$ 73,336.73
	Check Nos. 122402 - 122438	\$ 100,991.12
	Check Nos. 122440-122479	\$ 136,611.53
	A/P Sub Total	\$ 310,939.38
	<u>Payroll Expense</u>	
	Payroll Wire	\$ 73,414.33
	Payroll Check No. 122439	\$ 1,191.87
	Grand Total	\$ 385,545.58

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

BUSINESS AGENDA:

Approve Shadowood Water System Plan Part B – Jack made a motion to approve Shadowood Water System Plan Part B, Ron seconded the motion. Motion carried.



Mason County Public Utility District No. 1

Board of Commissioners Regular Board Meeting and Public Hearing
November 8, 2022, Potlatch, Washington

Claim for Damages - Mattheis – This claim was for an outage in Union that was caused by a tree that came down in a windstorm. The power surge caused damage to this customer's appliances. It was determined to be an act of nature and not caused by negligence by the PUD. Jack made a motion to deny the Claim for Damages, Ron seconded the motion. Motion carried.

Approve 2023 Budget – Jack made a motion to approve the 2023 budget as presented, Ron seconded the motion. Motion carried.

Resolution No. 2062 – Resolution 2062 Designating Applicant Agent (BRIC Grant for Water Earthquake Resiliency) – Jack made a motion to approve Resolution No. 2062- Designating Application Agent (BRIC Grant for Water Earthquake Resiliency), Ron seconded the motion. Motion carried.

Staff Reports -

General Manager – Kristin reported that the electric crew has been working with Jefferson PUD to help with clean up from the November 4th windstorm. They are working on the south end of Jefferson County so they are close to home if we have problems with our system. She reported that they will be pulling cable for the new Manzanita sub and then finish up with the trimming on Bee Mill Rd. before the end of the year. She also reported that Jefferson Co. fire chief, Tim Manly, called regarding a direct line phone number to the crew so he didn't have to go thru CRC. It was decided that a letter would be written to the fire commissioners explaining that the employees' personal cell numbers are not given out to the public and they need to communicate with JEFFCOM to follow our communications protocol with CRC dispatch.

Director of Business Services – Katie reported that she, Kristin, Jack and Mike Wittenberg attended the entrance conference with the State Auditor's office via zoom on November 3rd. During the entrance conference, the auditors went over what they would be testing during the Accountability Audit, as well as the Financial Audit. She said that the audit should be completed by the end of November or first week of December and then we should be able to schedule the exit conference by the end of December. She reported that the virtual audit process is working great and that she checks in weekly with the auditor about the status, questions, and any outstanding data that is needed. The auditors mentioned how quickly the PUD gets the requested information to them and appreciates working with us. She reported that the BRIC Grant for Water Earthquake Resiliency Application is due on Monday, November 14th, but the actual grant award probably won't happen until the summer of 2023.

Water Resource Manager – Brandy reported that the water crew is working on new installs at Lakewood Water system. There are 8 or 9 customers on that system that needed to have meters installed. She also reported that the crew was working on finding and fixing water leaks.

Correspondence – Letter from the Squaxin Tribe was shared.

Board Reports –

Mike – None.

Jack – Asked the GM questions about the upcoming WPAG meeting and the BPA settlement options.



Mason County Public Utility District No. 1

Board of Commissioners Regular Board Meeting and Public Hearing

November 8, 2022, Potlatch, Washington

Ron – Stated he took a phone call from a disgruntled water customer and invited him to the board meeting, but the customer declined to attend. Kristin stated that she also had spoken with him last week and invited him to the meeting.

PUBLIC COMMENT – None.

EXECUTIVE SESSION – None.

Adjournment: 1:55 p.m.

Mike Sheetz, President

Jack Janda, Vice President

Ron Gold, Secretary



Mason County Public Utility District No. 1
Board of Commissioners Special Board Meeting
November 28, 2022, Potlatch, Washington

Present:

Mike Sheetz, President
Jack Janda, Vice President
Ron Gold, Board Secretary
Kristin Masteller, General Manager

Visitors:

None.

9:30 a.m. Special Board Meeting

CALL TO ORDER: Mike Sheetz called the Special Board Meeting to order at 9:34 a.m.

PUBLIC COMMENT: None.

BUSINESS AGENDA:

Approval for DWSRF Grant Application – Jack made a motion to approve the DWSRF Grant Application for the Iron and Manganese Treatment at the Bay East Water system in the amount of \$813,594.00. Ron seconded the motion. Motion carried.

Approve the GM to sign the HUD Community Project Fund Grant Contract – Jack made a motion to approve the General Manager to sign the HUD Community Project Fund Grant Contract in the amount of \$1 million. Ron seconded the motion. Motion carried.

Approve GM to sign ARPA Contract for Vuecrest Phase 3 - Jack made a motion to approve the General Manager to sign the ARPA Contract for Vuecrest Phase 3 in the amount of \$750,000. Ron seconded the motion. Motion carried.

Reject all Bids for Agate Beach Phase 2 Water System Project – Jack made a motion to Reject all Bids for the Agate Beach Phase 2 Water System Project and for staff to resubmit the call for bids in two separate phases. Ron seconded the motion. Motion carried.

PUBLIC COMMENT – None.

EXECUTIVE SESSION – At 9:43 a.m. Mike called an executive session for the purpose of evaluating the performance of a public employee. RCW 42.30.11(g). He stated that it would last until 12:00 p.m. At 12:00 p.m. Mike closed the executive session and having no other business for the regular session it was also adjourned.

Adjournment: 12:00 p.m.

Mike Sheetz, President

Jack Janda, Vice President

Ron Gold, Secretary

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Accounts Payable Check Register

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Bank Account: 4 - COLUMBIA BANK - DISTRICT

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
751 11/16/2022	WIRE	IRS	WEST COAST BANK	FEDERAL TAX LIABILITY	37,465.89
752 11/16/2022	WIRE	WASH 1	WA DEPT OF RETIREMENT SYS	STATE RETIREMENT - PLAN 2	26,717.48
753 11/16/2022	WIRE	WASH 7	WA STATE TREAS-MS: PO-11	DEFERRED COMPENSATION	8,033.75
754 11/16/2022	WIRE	HRA	HRA VEBA TRUST CONTRIBUTI	VEBA MEDICAL SAVINGS	2,715.04
756 11/21/2022	WIRE	WASH 3	WA DEPT OF REVENUE	MONTHLY EXCISE TAX	33,001.92
758 12/01/2022	WIRE	IRS	WEST COAST BANK	FEDERAL TAX LIABILITY	30,740.13
759 12/01/2022	WIRE	WASH 1	WA DEPT OF RETIREMENT SYS	STATE RETIREMENT - PLAN 2	23,029.72
760 12/01/2022	WIRE	WASH 7	WA STATE TREAS-MS: PO-11	DEFERRED COMPENSATION	9,093.75
761 12/01/2022	WIRE	HRA	HRA VEBA TRUST CONTRIBUTI	VEBA MEDICAL SAVINGS	3,055.40
122480 11/08/2022	CHK	COLONI	COLONIAL LIFE INSURANCE	SUPPLEMENTAL INSURANCE	712.71
122481 11/08/2022	CHK	2	Dale Cotton	2021 Community Solar 2	4.62
122482 11/08/2022	CHK	2	Michael Sneddon	2021 Community Solar 2	231.00
122483 11/08/2022	CHK	2	DON BAUER	INACTIVE REFUND	78.68
122484 11/08/2022	CHK	BUILDERS	BUILDERS FIRSTSOURCE, INC	RAINBOW LAKE WATER-PARTS DOOR LOCK PROJE	17.93
122485 11/08/2022	CHK	GENPAC	GENERAL PACIFIC INC	(10)25KVA PDMT TRANSFORMERS	33,385.45
122486 11/08/2022	CHK	MARSH	MARSH MUNDORF PRATT & SUL	MONTHLY WPAG SERVICES	266.66
122487 11/08/2022	CHK	MASTELLER	KRISTIN MASTELLER	TRAVEL EXPENSE REIMBURSEMENT	769.14
122488 11/08/2022	CHK	PARSON	PARSONS DIESEL & STEAM	SERVICE VARIOUS VEHICLES	1,372.53
122489 11/08/2022	CHK	GCR*	POMP'S TIRE SERVICE	VEHICLE #65-(2)FRONT TIRES	1,578.08
122490 11/08/2022	CHK	JOHN 3	ROBERT W. JOHNSON	OCTOBER RETAINER FEE	3,599.54
122491 11/08/2022	CHK	STANDARD PES	STANDARD PEST CONTROL	QUARTERLY PEST CONTROL-PUD OFFICES & SHO	211.58
122492 11/08/2022	CHK	TOZIER	TOZIER BROS, INC	PROPANE	62.20
122493 11/08/2022	CHK	TRIPLE C FAB	TRIPLE C FABRICATORS	VEHICLE #61-BUILD BRACKETS FOR LIGHT	244.13
122494 11/08/2022	CHK	VERIZO	VERIZON WIRELESS	MONTHLY TABLETS & (3)CELLULAR CHARGES	836.90
122495 11/08/2022	CHK	WEST	WEST COAST MOBILE EQUIPMENT REP	VEHICLE #62-PERFORMED REGEN & LIGHT WENT	309.23
122496 11/08/2022	CHK	2	MATT ROLOW	REIMBURSE-INTERVIEW TRIP EXPENSES	566.40

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
122497 11/08/2022	CHK	MAS 10	MASON COUNTY PUBLIC WORKS	ROAD APPROCH/ENCROACHMENT PERMIT APP	200.00
122498 11/10/2022	CHK	BRUCE TITUS F	BRUCE TITUS FORD	PAID TWICE-VEHICLE #10	4.01
122499 11/10/2022	CHK	HOOD CANAL	HOOD CANAL MARKET FRESH		122.64
122500 11/10/2022	CHK	JEFF 2	JEFFERSON COUNTY AUDITOR	(13)EASEMENT-ELECTRIC UTILITIES	2,658.50
122501 11/10/2022	CHK	LILLIWAUP FAL	LILLIWAUP FALLS GENERATING COMP	OCTOBER POWER USAGE	724.29
122502 11/10/2022	CHK	2	PAMELA J MARTIN	DUCTLESS HEATPUMP REBATE	800.00
122503 11/16/2022	CHK	ALTEC	ALTEC INDUSTRIES INC	VEHICLE #79-BEACON LIGHT	263.91
122504 11/16/2022	CHK	ATWORK!	ATWORK! COMMERCIAL ENTERPRISES	LANDSCAPE MAINTENANCE	11,332.22
122505 11/16/2022	CHK	BRUCE TITUS F	BRUCE TITUS FORD	VEHICLE #68-PARTS	502.79
122506 11/16/2022	CHK	BUILDERS	BUILDERS FIRSTSOURCE, INC	LAKEWOOD HEIGHTS-TAPPING MACHINE PARTS	44.56
122507 11/16/2022	CHK	GENPAC	GENERAL PACIFIC INC	ELECTRIC INVENTORY PARTS	13,186.72
122508 11/16/2022	CHK	GOLDSTREET	GOLDSTREET DESIGN AGENCY, INC.	FALL 2022 NEWSLETTER	3,179.15
122509 11/16/2022	CHK	GRAY	GRAY & OSBORNE, INC	SHADOWOOD WATER SYSTEM IMPROVEMENT	41,631.90
122510 11/16/2022	CHK	HDFOWL	HD FOWLER COMPANY	WATER NON IVENTORY PARTS	301.09
122511 11/16/2022	CHK	LES SCHWAB	LES SCHWAB WAREHOUSE CENTER	VEHICLE #65-(2)WHEEL SPIN BALANCE	82.67
122512 11/16/2022	CHK	MASTELLER	KRISTIN MASTELLER	TRAVEL EXPENSE REIMBURSEMENT	1,900.63
122513 11/16/2022	CHK	NISC	NISC	OCTOBER 2022 RECURRING INVOICE	12,778.19
122514 11/16/2022	CHK	PARSON	PARSONS DIESEL & STEAM	SERVICE VARIOUS TRUCKS	1,394.23
122515 11/16/2022	CHK	PLATT ELECTRI	PLATT	LIGHT BULBS,TIE WRAPS,VEHICLE #71-DEWALT	658.81
122516 11/16/2022	CHK	ROHLIN	ROHLINGER ENTERPRISES INC	CLEAN HOTSTICK	33.91
122517 11/16/2022	CHK	RWC GROUP	RWC GROUP	VEHICLE #60-AIR BREAK SOLENOID	224.26
122518 11/16/2022	CHK	STATE	STATE AUDITOR'S OFFICE	ACCOUNTABILITY & FINANCIAL AUDIT	15,306.20
122519 11/16/2022	CHK	42	CASSANDRA S STEIGER	REIMBURSE-NOTARY PUBLIC FEE	35.00
122520 11/16/2022	CHK	WPUDA	WASHINGTON PUD ASSOC.	LEGISLATIVE RALLY-WASHINGTON, DC	50.00
122521 11/16/2022	CHK	NAPA AUTO PA	WESTBAY NAPA AUTO PARTS	WIPER BLADES	1,713.98
122524 11/16/2022	CHK	IBEW	IBEW LOCAL UNION #77	UNION DUES	1,033.89

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
122525 11/16/2022	CHK	PUDEMP	PUD #1 EMPLOYEE FUND	EMPLOYEE FUND	240.00
122526 11/16/2022	CHK	JEFF 1	JEFFERSON COUNTY	2023 ANNUAL UTILITY PERMIT DUES	450.00
122527 11/21/2022	CHK	CENTURYLINK	CENTURYLINK	LONG DISTANCE & OUTBOARD CHARGES(21)LINE	191.68
122528 11/21/2022	CHK	DON SMALL & S	DON SMALL & SONS OIL DIST	DIESEL	4,429.42
122529 11/21/2022	CHK	KEMP	KEMP WEST	POWER LINE CLEARANCE TRIMMING	137,370.00
122530 11/21/2022	CHK	MEGUIRE WHIT	MEGUIRE WHITNEY	GRANTWRITING	1,087.50
122531 11/21/2022	CHK	PINNACLE	PINNACLE INVESTIGATIONS CORP	BACKGROUND CHECK-NEW EMPLOYEE MATT ROLO	44.50
122532 11/21/2022	CHK	2	JANELLE TWISS	HEAT PUMP WATER HEATER REBATE	700.00
122533 11/22/2022	CHK	ASPECT CONSU	ASPECT CONSULTING LLC	UNION GROUND WATER MODELING WORK PLAN	2,539.00
122534 11/22/2022	CHK	CENTUR	CENTURYLINK	TELEPHONE CHARGES ACCT#206-Z05-0016 020	1,438.60
122535 11/22/2022	CHK	DAY	DAY WIRELESS SYSTEMS	RECURRING CHARGES-TWO WAY RADIO 26 UNITS	525.18
122536 11/22/2022	CHK	FERRIER	JANIECE FERRIER	MONTHLY REIMBURSEMENT-#0911011922	1,351.21
122537 11/22/2022	CHK	GC SYS	G C SYSTEMS	REBUILD CLA-VAL CONTROL-(3)WATER SYSTEMS	8,958.59
122538 11/22/2022	CHK	GDS ASSOCIATE	GDS ASSOCIATES, INC	MONTHLY WPAG EXPENSES	437.84
122539 11/22/2022	CHK	GENPAC	GENERAL PACIFIC INC	(10)25KVA PDMT TRANSFORMERS	33,385.45
122540 11/22/2022	CHK	HOOD CANAL	HOOD CANAL MARKET FRESH	UNION WATER-PARTS TO REPAIR LEAK	63.96
122541 11/22/2022	CHK	MILLI	MILLIMAN, INC.	PROJECT PLANNING/LABOR MARKET CONF	4,200.00
122542 11/22/2022	CHK	MUNCHR	MUNCH, ROY	MONTHLY REIMBURSEMENT	740.77
122543 11/22/2022	CHK	PARSON	PARSONS DIESEL & STEAM	SERVICE VARIOUS VEHICLES	2,495.50
122544 11/22/2022	CHK	RWC GROUP	RWC GROUP	VEHICLE #60-AIR HORN SOLENOID KIT	27.02
122545 11/22/2022	CHK	VERIZO	VERIZON WIRELESS	MONTHLY TABLETS & (3)CELLULAR CHARGES	183.99
122546 11/22/2022	CHK	NAPA AUTO PA	WESTBAY NAPA AUTO PARTS	VEHICLE #79-PARTS	32.42
122547 12/01/2022	CHK	2	NISQUALLY AUTOMOTIVE & TOWING	VEHICLE #60-TOW TRUCK BACK TO OFFICE	648.60
122548 12/01/2022	CHK	AFLAC	AFLAC	SUPPLEMENTAL INSURANCE	145.04
122549 12/01/2022	CHK	KESTER	KESTER, GREGORY C.	MONTHLY REIMBURSEMENT	1,388.69
122550 12/01/2022	CHK	PACIF1	PACIFIC UNDERWRITERS CORP	SUPPLEMENTAL INSURANCE-JULIE	15.92

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
122551 12/01/2022	CHK	SMS CLEANING	SMS CLEANING, INC	CLEANING SERVICE	1,425.60
122552 12/01/2022	CHK	34	WASHINGTON ALARM, INC	MONTHLY BILLING - SECURITY SYSTEM SHOP	162.75
122553 12/01/2022	CHK	WASH 8	WASHINGTON STATE	NOVEMBER 2022- HEALTH & LTD INS	44,215.52
122556 12/01/2022	CHK	2	ARLINA L ALLEN	INACTIVE REFUND	233.85
122557 12/01/2022	CHK	2	KATHLEEN DOHERTY	INACTIVE REFUND	50.00
122558 12/01/2022	CHK	2	JUDY K HOCKENBERRY	INACTIVE REFUND	197.64
122559 12/01/2022	CHK	2	THO NGUYEN	INACTIVE REFUND	147.53
122560 12/01/2022	CHK	2	PATRICK RUTH	INACTIVE REFUND	64.21
122561 12/01/2022	CHK	IBEW	IBEW LOCAL UNION #77	UNION DUES	962.13
122562 12/01/2022	CHK	PUDEMP	PUD #1 EMPLOYEE FUND	EMPLOYEE FUND	240.00
122563 12/02/2022	CHK	2M COMPANY	2M COMPANY INC	WATER NON INVENTORY PARTS	262.14
122564 12/02/2022	CHK	NORTHWEST RO	NORTHWEST ROCK, INC	ROCK	2,043.40
122565 12/02/2022	CHK	SLATE ROCK SA	SLATE ROCK SAFETY, LLC	ARC FLASH CLOTHING-MATT ROLOW	2,500.00
122566 12/02/2022	CHK	2	TRAVELERS CL REMITTANCE CENTER	NOTARY BOND-CASSANDRA STEIGER	40.00
122567 12/02/2022	CHK	US BANK-CCC	US BANK	CREDIT CARD CHARGES 4484 7345 5001 2554	11,779.04
122568 12/06/2022	CHK	ANIXTER	ANIXTER INC	ELECTRIC NON INVENTORY PARTS-INSULATORS	23,558.46
122569 12/06/2022	CHK	COLONI	COLONIAL LIFE INSURANCE	SUPPLEMENTAL INSURANCE	712.71
122570 12/06/2022	CHK	DON SMALL & S	DON SMALL & SONS OIL DIST	GAS & DIESEL	6,517.81
122571 12/06/2022	CHK	FARWEST	FARWEST LINE SPECIALTIES	LINEMAN TOOLS-CABLE CUTTER & UTILITY SOC	480.00
122572 12/06/2022	CHK	GENPAC	GENERAL PACIFIC INC	ELECTRIC NON INVENTORY PARTS	2,766.75
122573 12/06/2022	CHK	HDFOWL	HD FOWLER COMPANY	WATER NON INVENTORY PART	15,266.86
122574 12/06/2022	CHK	HOOD CANAL	HOOD CANAL MARKET FRESH	VEHICLE #77-TROWEL & KNEELING PADS	159.12
122575 12/06/2022	CHK	J&I	J & I POWER EQUIPMENT INC	VEHICLE-#78-INSTALLED TRIGGER INTERLOCK	139.83
122576 12/06/2022	CHK	NWSS	NORTHWEST SAFETY SERVICE LLC	SAFETY SERVICES ON NOV.10 & NOV.30	1,136.25
122577 12/06/2022	CHK	PARSON	PARSONS DIESEL & STEAM	SERVICE VARIOUS VEHICLES	2,745.05
122578 12/06/2022	CHK	GCR*	POMP'S TIRE SERVICE	VEHICLE #65, #76, & #78- TIRE CHAINS	1,018.35

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
122579 12/06/2022	CHK	SPIKES	SPIKES HYDRAULICS & EQUIP	VEHICLE #45-HOSE & FITTINGS	61.78
122580 12/06/2022	CHK	TOZIER	TOZIER BROS, INC	CERMANIC HEATERS - (3)	117.80
122581 12/06/2022	CHK	VERIZO	VERIZON WIRELESS	MONTHLY TABLETS & (3)CELLULAR CHARGES	917.96
122582 12/06/2022	CHK	WPUDA	WASHINGTON PUD ASSOC.	2022 ANNUAL CONFERENCE-JACK	1,425.00
122583 12/06/2022	CHK	NAPA AUTO PA	WESTBAY NAPA AUTO PARTS	VEHICLE #60-FUEL FILTER	911.74
122584 12/06/2022	CHK	CITI CARDS	CITI CARDS	MO.CITI CHARGES ACCOUNT ENING IN #4326	18,601.01
122585 12/06/2022	CHK	JEFF 2	JEFFERSON COUNTY AUDITOR	RECORD EASEMENT-502164039	204.50
122586 12/06/2022	CHK	SHEETZ, MIKE	MIKE SHEETZ	TRAVEL EXPENSE FOR OCTOBER02022	712.76
122587 12/07/2022	CHK	ALTEC	ALTEC INDUSTRIES INC	VEHICLE #65-HOSE ASSEMBLY	182.17
122588 12/07/2022	CHK	ASPECT CONSU	ASPECT CONSULTING LLC	POLE YARD CLEAN-UP	2,769.04
122589 12/07/2022	CHK	CITY 1	CITY TREASURER	USE OF INGRESS AND EGRESS TO BPA'S SUBST	338.52
122590 12/07/2022	CHK	CRC	COOPERATIVE RESPONSE CENTER, INC	AFTER HOURS ANSWERING SERVICE	1,647.76
122591 12/07/2022	CHK	GORDON TRUC	FREIGHTLINER NORTHWEST OLYMPIA	SUPPLIES FOR GENERATORS	100.79
122592 12/07/2022	CHK	GENPAC	GENERAL PACIFIC INC	ITRON MC4CORE TABLES W/ RADIO	38,426.36
122593 12/07/2022	CHK	GILLIARDI LOG	GILLIARDI LOGGING AND CONSTRUCT	LAKE ARROWHEAD WATER-ROCK	174.13
122594 12/07/2022	CHK	GOLDSTREET	GOLDSTREET DESIGN AGENCY, INC.	WEBSITE HOSTING	50.00
122595 12/07/2022	CHK	HDFOWL	HD FOWLER COMPANY	WATER NON INVENTORY PARTS	1,147.45
122596 12/07/2022	CHK	HOODCA	HOOD CANAL COMMUNICATIONS	INTERNET, IT, ALARM DIALER, & TELEPHONE	430.39
122597 12/07/2022	CHK	HOOD CANAL	HOOD CANAL MARKET FRESH	PALLET-BOTTLED WATER	327.18
122598 12/07/2022	CHK	L.G.	L. G. ISAACSON CO. INC.	BLUE RUBBER PALMED GLOVES	270.91
122599 12/07/2022	CHK	MARSH	MARSH MUNDORF PRATT & SUL	MONTHLY WPAG SERVICES	230.76
122600 12/07/2022	CHK	MASON CO GAR	MASON COUNTY GARBAGE	MONTHLY GARBAGE CHARGES	864.10
122601 12/07/2022	CHK	MEGUIRE WHIT	MEGUIRE WHITNEY	GRANTWRITING	7,875.00
122602 12/07/2022	CHK	MILLI	MILLIMAN, INC.	COMPETITIVE ASSESSMENT	3,457.50
122603 12/07/2022	CHK	MTN2COAST	MTN2COAST, LLC	CANAL MUTUAL BOUNDARY SURVEY	3,525.00
122604 12/07/2022	CHK	POWER ENGINE	POWER ENGINEERS	MANZANITA SUBSTATION ENGINEERING & TEST	1,053.43

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Accounts Payable Check Register

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11/07/2022 To 12/07/2022

Bank Account: 4 - COLUMBIA BANK - DISTRICT

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
122605 12/07/2022	CHK	RICOH USA	RICOH USA, INC.	RENT ON TWO MACHINES & ADDITIONAL IMAGES	1,100.45
122606 12/07/2022	CHK	JOHN 3	ROBERT W. JOHNSON	OCTOBER RETAINER FEE	3,599.54
122607 12/07/2022	CHK	SCOTT MCLEND	SCOTT MCLENDON'S HARDWARE #2	LAKEWOOD HEIGHTS WATER-PARTS	91.68
122608 12/07/2022	CHK	SPECTRA LAB	SPECTRA LABORATORIES-KITSAP, LLC	VARIOUS WATER SAMPLES	2,477.50
122609 12/07/2022	CHK	UTILI1	UTILITIES UNDERGROUND LOCATION	MONTHLY UNDERGROUND LOCATES	84.70
122610 12/07/2022	CHK	NAPA AUTO PA	WESTBAY NAPA AUTO PARTS	(2)ANITFREEZE	742.88
122611 12/07/2022	CHK	WITTENBERG C	WITTENBERG CPA, PS	CONSULT-MANAGEMENT	450.00
122612 12/07/2022	CHK	2	WASHINGTON ASSOCIATION OF SEWER ANNUAL NON-DISTRICT GOVERNMENT DUES		410.00
Total Payments for Bank Account - 4 :					(138) 744,959.08
Total Voids for Bank Account - 4 :					(0) 0.00
Total for Bank Account - 4 :					(138) 744,959.08
Grand Total for Payments :					(138) 744,959.08
Grand Total for Voids :					(0) 0.00
Grand Total :					(138) 744,959.08

12/07/2022

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Accounts Payable Check Register

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PARAMETERS ENTERED:**Check Date:** 11/07/2022 To 12/07/2022**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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Page 1

Payroll/Labor

Check Register

Pay Date: 11/16/2022 To 12/01/2022

Empl Name	Pay Date	Dir Dep/Check	Net Pay	Type
135 TIMOTHY BROWN	11/16/2022	122522	2,350.31	CHK
150 GARET A OGG	11/16/2022	122523	1,191.87	CHK
122 MATTHEW E ROLOW	12/01/2022	122554	1,234.17	Chk
135 TIMOTHY BROWN	12/01/2022	122555	4,620.53	CHK
			\$ 9,396.88	

PARAMETERS ENTERED:

Pay Date: 11/16/2022 To 12/01/2022
Check/Direct Deposit: All
Employee: 122, 135, 150
Journal: 0

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

12/07/2022 12:23:25 PM

GENERAL LEDGER
TRANSACTION DETAIL

Page: 1

NOV 2022 To DEC 2022

Account: 0 131.2 CASH-GENERAL FUND (DISTRICT)		Department: 0		
11/16/22	70722 Check Print	0	PL 2 PAYROLL	95,904.54
12/01/22	70993 Check Print	0	PL 2 PAYROLL	86,925.89
				182,830.43

PARAMETERS ENTERED:

Division: All

Accounts: 0 131.2

Department: All

Activity: All

Sort By: Div/Acct

Date Selection: Period

Period: NOV 2022 To DEC 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



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

RESOLUTION NO. 2066

A RESOLUTION ESTABLISHING NEW WATER RATE SCHEDULES FOR THE DISTRICT

WHEREAS, in 2022, the District initiated a recalibration of its 2019 Cost of Service Analysis to determine if the current and near-term projected costs to provide water service to its customers was still applicable compared to the original Cost of Service Analysis projections and to ensure that the costs are fair and equitable between customer classes; and

WHEREAS, the District determined that with recent grant funding awarded for capital projects, the projected average increase over years 2023-2025 may be reduced by 2% for Residential and Large Commercial accounts; and

WHEREAS, a public rate hearing was held on December 13, 2022, where the projected rate schedules were proposed for the next 3 years to capture appropriate revenues to maintain cost of water service by customer class; and

WHEREAS, following the public hearing, the commission approved staff to budget for a multi-year rate increase for the Residential/Small Commercial Customer Class of 4.91% for the Meter Charge and Usage Charge effective January 1, 2023, with a subsequent 4.83% rate increase for 2024 and 4.79% for 2025, effective the first of each year. Since Large Commercial is already at cost of service, Large Commercial will not see a rate increase in the next 3 years. Irrigation will increase 11% for 2023, and 12% for years 2024 and 2025; and

NOW, THEREFORE, BE IT RESOLVED THAT the new rate schedules as outlined below shall take effect on the January 2023 billing statements:

Residential / Small Commercial	Previous	2023	2024	2025
Meter Charge	\$56.95	\$59.75	\$62.63	\$65.63
Usage Charge (\$ per ccf)				
0 to 400 CF	\$0.00	\$0.00	\$0.00	\$0.00
401 to 1,000 CF	\$2.29	\$2.40	\$2.52	\$2.64
1,001+ CF	\$2.85	\$2.99	\$3.13	\$3.29
Large Commercial	Previous	2023	2024	2025
Meter Charge				
5/8"	\$70.04	\$70.04	\$70.04	\$70.04
3/4"	\$105.05	\$105.05	\$105.05	\$105.05
1"	\$175.09	\$175.09	\$175.09	\$175.09
1 1/2"	\$350.18	\$350.18	\$350.18	\$350.18
2"	\$560.29	\$560.29	\$560.29	\$560.29
3"	\$1,050.55	\$1,050.55	\$1,050.55	\$1,050.55
4"	\$1,750.91	\$1,750.91	\$1,750.91	\$1,750.91
6"	\$3,501.83	\$3,501.83	\$3,501.83	\$3,501.83
8"	\$5,602.93	\$5,602.93	\$5,602.93	\$5,602.93

Regular Meeting – District Office/Potlatch

A Resolution Establishing New Water Rate Schedules for the District

Date: December 13, 2022

No. 2066



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

Large Commercial (Cont)	Previous	2023	2024	2025
Usage Charge (\$ per ccf)				
0 to 400 CF	\$2.07	\$2.07	\$2.07	\$2.07
401 to 1,000 CF	\$2.07	\$2.07	\$2.07	\$2.07
1,001+ CF	\$2.07	\$2.07	\$2.07	\$2.07
Irrigation	Previous	2023	2024	2025
Meter Charge	\$5,466.25	\$6,067.54	\$6,795.64	\$7,611.12
Usage Charge (\$ per ccf)	\$1.54	\$1.71	\$1.91	\$2.14
Fill Charge	Previous	2023	2024	2025
	\$6.13	\$6.46	\$6.80	\$7.16
System Development Fee	Previous	2023	2024	2025
	\$4,733	\$4,733	\$4,733	\$4,733

ADOPTED by the Board of Commissioners of Public Utility District No. 1 of Mason County, Washington at a regular meeting on December 13, 2022, the following commissioners being present and voting:

Mike Sheetz, President

Ron Gold, Secretary

Jack Janda, Vice President

Mason PUD 1

2023 Strategic Work Plan

*** NOTICE:** This work plan is a live, flexible document. The tasks assigned are budget and workforce contingent. Items will be added, and some will be removed or changed throughout the year. This work plan is approved by the board of commissioners. Senior staff reports the progress quarterly to the board to ensure that the PUD is on track and has a clear plan and direction.

1.0	Finance	Status: Progress, On Track, Off Track, Completed, Removed	Assigned To:	Due Date:
1.1	Loans & Grants			
1.1.2	Brownsfield Funding		James/Katie	When ready
1.1.3	VICP – if we get an NFA		James/Katie	When ready
1.1.4	FEMA Mitigation Funding		Katie	Ongoing
1.1.5	BRIC Funding		Katie	
1.1.6	DWSRF Funding		Katie/Brandy	Q3
1.1.7	State & Federal Appropriations		Kristin	Q2
1.1.8	Federal Infrastructure Grants		Katie/Kristin/Meguire Whitney	Ongoing
1.1.9	Add any others		Staff	Ongoing
1.2	Continue Debt Strategy and Milestones			
1.2.1	Continue days cash on hand		Katie	Ongoing
1.2.3	Finance Committee Review and Recommend reserve funding levels		Katie	Q3
1.2.3.1	Refresh reserves funding levels due to trends in vehicle replacements and substation expenses		Katie	Q3
1.2.3.2	Show how the reserve funding impacts rates- give 3-4 options for board to choose from		Katie/Kristin	Q3

1.2.4	Consider Leasing equipment versus purchasing – do cost-benefit-analysis on reduction in maintenance/repairs costs with leasing compared to purchasing outright.		Katie/Rich	Q1
1.2.5	Low Income Assistance Program – what does the utility funded portion look like and how will we accomplish?		Katie/Kristin	
1.2.6	CETA Requirements/Reporting		Katie	
1.3	Update COSA & Rates			
1.3.1	Hold electric rate hearing		Katie	Q4
1.3.1.1	Set next 3 years of rates		Katie/Kristin	Q4
1.3.2	BPA Settlement or Rate Case – Pass through for negative increase		Kristin	When ready
1.3.3	Hold fiber rate hearing		Kristin	When ready
1.3.3.1	Set dark fiber lease policy		Kristin	When ready
1.3.3.2	Board to decide 5- or 7-year payback period for the \$355,000 balance due on the fiber project.		Kristin/Commissioners	When ready
1.3.3.3	Staff to work with HCC on this to make sure it’s affordable for customers to connect to internet and present options to board for approval at rate hearing		Kristin	When ready
1.4	Misc.			
1.4.1	Community Solar II – Low income program	Place holder to remember to do new round of prequalifying low-income customers in 2023 to start participating in 2024.	Kristin	Q2
1.4.2	Single Audit		Katie	Q4
1.4.3	CETA Audit		Katie	
1.4.4	Fund the Pole Yard		Katie/Kristin	Q3- budget process
1.4.5	Cost Savings Opportunities		Staff	Ongoing

1.4.6	Community Solar III	<p>Q1- Nothing to report this quarter.</p> <p>Q2- Had conversation with other utilities in Eastern Washington to see if they’re able to host our solar project at their site where they get more sun/production and have an interlocal agreement for solar where our customers could buy into a project located offsite. In beginning discussions- conceptual only. Not aware of any projects like this happening elsewhere. Determining partner interest/feasibly at this point.</p> <p>Q3- Have had conversations with Energy Northwest about siting this project on their operations building in Tri-Cities and working with other small utilities to subscribe it. Hopefully will get enough participation to move it forward in 2023</p>	Kristin	Q2
1.5	Fund Infrastructure Projects			
1.5.1	Duckabush Relocation		Kristin	Ongoing
1.5.2	Jorstad		Kristin	Ongoing
1.5.3	Union Regional Projects		Kristin	Ongoing
1.5.4	Manzanita		Kristin	Ongoing
1.6	CEDS		Kristin	Q2
2.0	Facilities			
2.1	Implement Manzanita Campus Plan			
2.1.1	Complete design of reservoirs & retention pond		Kristin/James/G&O	
2.1.2	Complete design of substation		Kristin/James/POWER	
2.1.2.1	Get project construction out to bid in 2023 & choose contractor		Kristin/James/POWER	
2.1.2.2	Construct exit feeders		Kristin/James/POWER	
2.1.2.3	Construct riser pole for double circuit		Kristin/James/POWER	
2.1.3	Get quote to do design of small warehouse- determine if it will fit in 2023 or 2024’s budget		Kristin/James/G&O	Q2
2.2	Continue facility maintenance			
2.2.1	Mow all vaults on highway each year		Matt	Q2

2.2.2	Continue landscaping schedule – add any new sites or attention to list		Matt/Brandy	Q2
2.2.3	Complete retrofit of Woman’s Club for Meter shop		Kristin/Rich	Q2
2.2.4	Clean solar panels		Kristin/Matt	Q2
2.2.5	Work with G&O on dusting off new facility plan so we know how much money we need to go after to build it. (Will not do any actual work on new buildings though unless we get funded eventually.)		Kristin	Q4
2.2.6	Dust control		Kristin/Rich	Q2
2.2.7	“No Parking” at front of buildings		Kristin/Rich	Q3
2.2.8	Determine if we need to expand our lay down yard for grant project materials		TJ/Rich	Q1
2.3	Continue Cleanup Work at Pole Yard			
2.3.1	Complete monitoring		James/Kristin	All Qs
2.3.2	Negotiate new monitoring contract with Aspect		James/Kristin	Q1
2.3.2.1	Evaluate if we can take our own samples		James/Kristin	Q1
2.3.2.2	Get costs for dioxin sampling for historical survey		James/Kristin	
2.3.3	Negotiate steps forward with TPU	Completed. Aspect has completed their plan, TPU has agreed. Work will start in Q1 2022. Will be ongoing through 2023 and then reevaluated.	James/Kristin	
2.3.3.1	Cost-benefit analysis for 3 to 5 year monitoring plus remedial excavation		James/Kristin	
2.3.4	Work with Aspect on monitoring to seek the “NFA-No Further Action” requirement	Completed. Aspect has completed their plan, TPU has agreed. Work will start in Q1 2022. Will be ongoing through 2023 and then reevaluated.	James/Kristin	Ongoing
2.3.5	Apply for reimbursement funding through Ecology as it comes available		James/Kristin	When ready
2.4	Property Acquisitions			
2.4.1	Brinnon Substation		Kristin/James/Rob	When ready
2.4.2	Bay East		Kristin/Brandy/Rob	Q1
2.4.3	Viewcrest Beach		Brandy/Rob	When ready
3.0	Org Development			
3.1	Continue to Implement training plan			
3.1.1	Succession Planning		Staff	Ongoing

3.1.2	Training Program for all employees- include in annual budget		Kristin/Julie	Q3
3.1.3	NWPPA- Rigging & Operations Class in-house		Matt	Q3
3.1.4	Budget for tuition reimbursement and trainings		Kristin/Katie/Brandy	Q3
3.1.5	Apprentices		Kristin/Matt	As necessary
3.1.6	Add Brady Hansen grounding class		Matt	Q2
3.1.7	Start GIS Academy with local partners		Kristin	When ready
3.1.8	Cross Training for Essential Functions		Staff	All Qs
3.1.9	Update trainings process manuals		Staff	All Qs
3.2	Continue Partnerships to Accomplish Work Goals & Highlight Achievements			
3.2.1	Other utilities, private sector, county/governmental agencies, nonprofits & tribes		Kristin	All Qs
3.3	Safety			
3.3.1	Practice the Emergency Response Plan		Staff/John Spain	Q3
3.3.1.1	Great Washington Shakeout		Staff	Q3
3.3.2	Redesign & Practice the Mayday Response with new crew & office staff		Matt/Kristin/Katie/John Spain	Q1
3.3.3	Conduct an office-specific training/meeting		Katie	Q3
3.3.3.1	Panic-alarm testing		Katie	Q2
3.3.3.2	Fire extinguisher testing		Matt/Katie/John Spain	Q2
3.3.3.3	Active Shooter training		Katie	Q4
3.3.3.4	De-escalation Training		Katie	Q4
3.3.4	Offer recerts on CPR/1 st Aid		Matt/John Spain	Q4
3.4	Continue IT module roll--outs			
3.4.1	Meter Reading		Katie	Q1
3.4.2	Bill Print Redesign – go live in January 2023		Katie	Q1
3.4.2.1	Create schedule of monthly/quarterly messaging/promotions to customer and artwork		Kristin	Q1
3.4.3	Other process improvements		Staff	Ongoing

3.5	Technology Plan			
3.5.1	Continue to Implement the AMI Plan		Kristin/Summer	Q4
3.5.1.1	Seek Funding		Kristin/Summer	When available
3.5.1.2	Setup AMI committee		Kristin/Summer	When ready
3.5.1.3	List of utilities to talk to		Kristin/Summer	When ready
3.5.1.4	Setup meetings with vendors		Kristin/Summer	When ready
3.5.1.5	Estimate timeframe and budget		Kristin/Summer	When ready
3.5.1.6	Vendor contractor install or in-house install		Kristin/Summer	When ready
3.5.1.7	Rollout implementation plan		Kristin/Summer	When ready
3.5.2	SCADA		Kristin/James/Matt	When ready. Funding dependent.
3.5.2.1	Include SCADA at all new subs		Kristin/James/Matt	When ready. Funding dependent.
3.5.3	BPA Conservation Funding		James	
3.5.3.1	Distribution Transformer Rebates		James	
3.5.3.2	Protection Equipment		James/Matt	
3.5.3.3	Have David do the BPA chart to track for efficiencies		James	
3.5.3.4	End of line monitoring		James/Matt	
3.6	Records Management			
3.6.1	Annual Scanning		Kristin	Q4
3.6.2	Add recorded training to new hire onboarding		Katie	Q1
3.7	Go Paperless! Campaign		Kristin	Q3
3.8	Grow Conservation Program		Kristin	
3.8.1	Continue toward 200 streetlights replaced each year		Matt	Q4
3.8.2	School Partnerships – lighting, EV’s		Kristin/Trish	Q4
3.8.3	Items for Customer Appreciation Event/Public Power Week		Kristin	Q3
3.8.4	Roll out comprehensive Weatherization Program w/CAC and BPA		Trish/Katie/Kristin	Q2
3.8.5	Utilize BPA staff for project management, implementation and materials		Trish/Katie/Kristin	Q2
3.8.6	Update page on website to make more user friendly with information on current rebate offerings etc.		Kristin/Trish	Q2

3.8.7	Low Income Conservation Program information to customers and on website		Kristin/Trish	Q2
3.8.8	Social Media push on rebates/newsletter information		Kristin/Trish	Q2
3.9	Continue Canal Comfort Fund Drive		Kristin/Lisa	Q4
3.10	Cyber Security / Fraud Awareness			
3.10.1	Check in Quarterly on phishing scams tips / tricks		Kristin/Katie	Q1
3.10.2	Schedule penetration testing with ENW or HCC?		Kristin/Katie	Q3
3.14	Continue HR & Employee Relations Functions			
3.14.1	Hold benefits meeting/workshops with employees as needed; i.e. open enrollment		Katie	Q3
3.14.2	Employee Picnic		Kristin	Q2
3.14.3	Service Awards		Kristin	Q2
3.14.4	Two potluck events in-house		Kristin/Katie	As needed
3.14.5	Customer Appreciation Event		Kristin	Q3
3.14.6	Hire Temporary Crew for Summer		Kristin/Katie	Q2
3.15	Public Involvement			
3.15.1	Career Day		Kristin	Q4
3.15.2	Parades		Kristin	Q2 & Q4
3.16.3	Public Power Week		Kristin	Q4
3.16.4	EDC		Kristin	All Qs
3.16.5	Kiwanis		Kristin/Katie	All Qs
3.16	Easements			
3.16.1	Purchase road property from Brook Lawless for future easements		Kristin/Rob/Brandy	Q1
3.16.2	Union Ridge		Brandy/Rob	
3.16.3	Highland Park to Manzanita		Brandy/Rob	

3.16.4	Colony Surf (Larry Codiga)		James/Rob	
4.0	Water			
4.1	Engage on issues that impact our water business			
4.1.1	Foster Task Force/WWUC Water Rights Committee		Kristin/Brandy	Qs 1 & 2
4.1.2	WWUC		Brandy/Kristin	All Qs
4.1.3	Mason County Comp Plan		Kristin	All Qs
4.1.4	WPUDA culvert removal funding workgroup		Kristin/Brandy	All Qs
4.4.5	WPUDA water committee & leg committee		Kristin/Mike Sheetz/Brandy	All Qs
4.2	Consolidation			
4.2.1	Complete Twanoh Water system Project List & seek funding		James/Brandy	Q2
4.2.1.1	Work with local internet providers to help advance fiber into the community		Staff	Ongoing
4.2.2.1	Bay East & Totten		James/Brandy	Q4
4.2.2.2	Bellwood A & B		James/Brandy	Q3
4.3	Acquisitions			
4.3.1	Bo Ginn Water System		Brandy/Kristin/Rob	Q1
4.3.2	Tillicum Beach		Brandy/Kristin/Rob	Ongoing
4.3.3	Hipma		Brandy/Kristin/Rob	Ongoing
4.3.4	Star Lake		Brandy/Kristin/Rob	Ongoing
4.4	General Maintenance/CIP			
4.4.1	Well Houses		TJ/Brandy	All Q's
4.4.1.1	Holiday Beach upgrade electrical panel		TJ/Brandy	Q1
4.4.1.2	Tiger Lake – finish well house improvements		TJ/Brandy	Q2
4.4.1.3	Two Jackies rebuild well house		TJ/Brandy	Q3
4.4.1.4	Woodland Manor, replace captive air tanks with bladder tanks, reinsulate, and cover walls with plywood		TJ/Brandy	Q4
4.4.1.2	Replace Booster Pumps		TJ/Brandy	Q1-Q2
4.4.1.2.1	Harstene Retreat		TJ/Brandy	Q1
4.4.1.2.2	Island Lake Manor		TJ/Brandy	Q2

4.4.1.3	Distribution Improvements		TJ/Brandy	All Q's
4.4.1.3.1	Alderbrook AC on E Westwood Ln W		TJ/Brandy	Q1-Q2
4.4.1.3.2	Union AC on Alderney St and 5 th St		TJ/Brandy	Q2
4.4.1.3.3	BayEast – install blowoff at the end of Low Rd		TJ/Brandy	Q3
4.4.1.3.4	Cherry Park – Install isolation valve		TJ/Brandy	Q4
4.4.1.3.5	Highland Estates install isolation valve		TJ/Brandy	Q4
4.4.1.3.6	Bay East Manganese	<p>Q1 – 2022 The estimate to purchase property and install the treatment far exceeded the funding awarded. Not able to more project forward. District declined the funding and will continue to pursue grants. Working with attorney on negotiating the purchase of property or an easement to accommodate the treatment system.</p> <p>Q2 – 2022 Continuing negotiations on property. Looking at a Plan B option if we can't get additional space. Will reapply for grants in fall.</p> <p>Q3 – 2022 Got a quote to start the design for Plan B for Bay East. Will apply for grant in October/November. The engineer's estimate for the cost of the project is large- \$600,000+. Will find a way to phase it if we don't get 50% grant funding and start working on it in 2023. Will also include in federal grant ask. DWSRF Grant has been started.</p>	Brandy/TJ/James	All Q's
4.4.1.3.7	Generators/Water Trees	<p>Q1 – 2022 Submitted to FEMA. Did not get picked for this round. Will apply again in the Fall of 2022</p> <p>Q2 – 2022 Nothing new to report. Will apply again in fall</p> <p>Q3- 2022 Applied through BRIC Grant – received email that we were selected to submit a full application that's due November 11, 2022.</p>	Katie/Brandy	All Q's
4.4.1.3.8	Highland Park – Gray and Osborne design reservoirs, booster station, and retention pond at Manzanita Campus		James/Kristin/Brandy	
4.4.1.3.9	Seismic Valves	<p>Q1 – 2022 Submitted to FEMA. Did not get picked for this round. Will apply again in the fall of 2022.</p> <p>Q2 – 2022 Nothing new to report. Will apply in the Fall.</p> <p>Q3 – 2022 Applied through BRIC Grant – received email that we were selected to submit a full application that's due November 11, 2022.</p>	Katie/Brandy	All Q's
4.4.1.3.10	Twanoh Heights – decommission well		James/TJ/Brandy	Q2
4.4.1.3.11	Totten Estates I & II – install new well pumps and a cover over controls		TJ/Brandy	Q1
4.4.2	Identify any needed tools and resources we need to get the work done		Staff	As necessary
4.4.2.1	Locator	Q1 – Purchased at the end of 2022	TJ/Brandy	Q1
4.4.2.2	Fusion Welder		TJ/Brandy	Q2
4.4.3	Well House Painting			
4.4.3.1	Bo-Ginn		TJ/Brandy	Q3

4.4.3.2	Lakewood		TJ/Brandy	Q3
4.4.3.3	Tiger Lake		TJ/Brandy	Q3
4.4.3.4	Two Jackies		TJ/Brandy	Q3
4.4.4	Generators – Canyonwood Beach and Lakewood Heights		TJ/Brandy/James	Q2
4.4.5	Reservoir Cleaning & Inspection- BelAire Cove, Bellwood A, Highland Park and Madrona Park		Brandy	Q3
4.4.6	Blackflow Device & CCC Campaign – Hood Canal		Mary/Brandy	Q1
4.4.7	Water System Planning & Reports – Bellwood A		James/Brandy	Q3
4.5	Water Rights			
4.5.1	Ripplewood		Brandy/Aspect	Q3
4.5.2	Madrona Beach – Have Aspect do a review and make recommendations in a summary		Brandy/Aspect	Q3
4.6	Water Loss			
4.6.1	Lake Arrowhead		TJ/Brandy	Q4
4.6.2	Union- A/C line rerouted		TJ/Brandy	Q4
5.0	ELECTRIC			
5.1	Rebuilds- Capital Work Plan			
5.1.1.1	T3 TX Line (2023)		Matt/James for engineering	Q1
5.1.1.2	Love Rd (2023)		Matt/James for engineering	Q3
5.1.1.3	Four Wheel Drive Rd (2023)		Matt/James for engineering	Q3
5.1.1.4	Bill Mill – Eight Additional spans (2023)		Matt/James for engineering	Q4
5.1.1.5	Seal Rock Rd. Brush & Design (2023)		Matt/James for engineering	Q4
5.1.1.6	Dips – Mason County (2023)		Matt/James for engineering	Q2
5.1.1.7	N95L Tap (single OH) to Virginia St. & N. Mardell Ln- upgrade wire (2023)		Matt/James for engineering	Q2
5.1.1.8	Upper end of Finch Creek single phase (2023)		Matt/James for engineering	Q4
5.1.1.9	101 & 106 Intersection on Hillside to Sunnyside Rd (TRIM in 2023)		Matt/James for engineering	Q4
5.1.1.10	Robinson Rd to Post Office 3PH URD (2024)			
5.1.1.11	Webster Lane single phase (2024)			
5.1.1.12	Triton Head Dr. single phase (2024)			

5.1.1.13	Bow Tree Lane single phase (2024)			
5.1.1.14	Hama Hama Rec Rd single OH (2024)			
5.1.1.15	Bottom of Hama Ridge Rd single OH (2024)			
5.1.1.16	N206L Tap (OH) to Shar Lane single			
5.1.1.17	Eagle Creek Rd. single OH			
5.1.1.18	Indian Beach (single OH) to N133 R Tap			
5.1.1.19	N44L Tap single phase			
5.1.1.20	Lake Surf Dr. Colony Surf			
5.1.2	Contracted Vegetation Management			
5.1.2.1	MP 319-314 Eldon (2023)		James/Contractor	Q4
5.1.2.2	MP 314-308 (2024)			
5.1.2.3	MP 308-302 (2025)			
5.1.2.4	MP 302-300 Bee Mill (2026)			
5.1.2.5	MP 320-327 (2027)			
5.1.2.6	MP 328-337 (2028)			
5.1.2.7	HWY 106 MP 2-11 (2029)			
5.1.3	In-house Vegetation Management			
5.1.3.1	N459		Matt	All Qs
5.1.3.2	N386		Matt	All Qs
5.1.3.3	Webster Lane		Matt	All Qs
5.1.3.4	N206 Shar Lane		Matt	All Qs
5.1.3.5	N55 Finch Creek		Matt	All Qs
5.1.3.6	HWY 101 x HWY 106 Southbound		Matt	All Qs
5.1.3.7	Other areas as necessary		Matt	All Qs
5.1.4	Complete the USFS Operating Permits		Kristin	Q1
5.2.1	Manzanita Substation		Kristin/James/POWER/Matt	
5.2.1.1	Distribution Circuit Breaker/Recloser Spec., Quotation, Evaluation, & PO		Kristin/James/POWER/Matt	
5.2.1.2	Site Plan & Site Work Bid document		Kristin/James/POWER/Matt	

5.2.1.3	Station Material Package Spec, Quotation, Evaluation, & PO		Kristin/James/POWER/Matt	
5.2.1.4	Station Design Completion & Prepare Bid Document Bid Document		Kristin/James/POWER/Matt	
5.2.2	Annual Substation Inspection & Maintenance Plan		James/Matt	All Qs
5.2.3	Pole Replacement Plan		James	
5.2.3.1	106		James	
5.2.3.2	Skok Valley		James	
5.2.3.3	Jefferson County/HCC fiber project		James/Kristin/HCC	Q1
5.2.3.4	Replace EOL poles as identified		James	
5.2.3.5	Pole Inspection /Testing	Q1- Nothing to report this quarter. Q2- Have bid packet ready. Waiting on this though because several of our poles are being replaced as part of the fiber installation in Eldon & Jefferson County. Have contracted engineer working on pole replacement plan for end of 106 and end of Skok Valley. After we get those replaced, we will regroup on what's left in the field still to inspect/test. Do not want to waste money testing or inspecting poles that are slated to be replaced anyway in the next 1-3 years. Will move this item to 2023.	James	
5.2.4	System Inspection for Infrared & Drone Inspections – Tidal Crossing		James/Matt	
5.2.4.1	Plant Fir Trees at Jorstad Sub site		James/Matt	Q2
5.2.5	Install Gang Switches		Matt/James	
5.2.5.1	N220		Matt/James	
5.2.5.2	N316		Matt/James	
5.2.6	Install reclosure banks		Matt/James	
5.2.6.1	N459 (2023)		Matt/James	
5.2.6.2	N377 (2023)		Matt/James	
5.2.6.3	N544 (2024)		Matt/James	
5.2.6.4	N595RI (2024)		Matt/James	
5.3	Duckabush Utility Relocation Project			
5.3.1	Final Design		Kristin/James/Jeremiah	Q1
5.3.2	Environmental Review		Kristin/James/DFW/JeffCo.	Q2
5.3.3	Order Materials		Kristin/James/Rich	Q2- if HUD contract is signed

5.3.4	Bidding & Award Contract		Kristin/James	Q2- if HUD contract is signed
5.3.5	Start Construction		Kristin/James/Matt	Q2- if HUD contract is signed
5.4	Engage in Industry Associations that Support our Power Business			
5.4.1	WPUDA		Staff & Commissioners	All Qs
5.4.2	PPC		Kristin & Commissioners	All Qs
5.4.3	WPAG		Kristin & Commissioners	All Qs
5.4.4	NWPPA		Kristin & Commissioners	All Qs
5.4.5	BPA		Kristin & Commissioners	All Qs
5.5	Telecom-HCC Partnerships			
5.5.1	Complete CERB project		Kristin/James/HCC	Q2
5.5.2	Pole Replacements for Jefferson County – Make Ready, Budget for Engineering		James	Q1
5.5.3	Skokomish URD		James/Kristin/MC Public Works	Q2
5.5.4	Alderbrook URD		Kristin/Brandy/HCC	Ongoing
5.5.5	Canal View Bore - Water		Brandy	
5.6	Pole Attachments			
5.6.1	Recalculate pole attachment rates		Katie	Q3
5.6.2	Improve pole attachment process for permit applications, notice of relocations, and abandonment		Katie & Rick	Q1
5.6.3	Create contact list for partnerships in overhead to underground conversion projects		Kristin/Katie	Q1
5.7	MISC.			
5.7.1	Continue more 3PH/CT Meter Audits		Matt/Summer	Q3
5.7.2	Low wires – audit & notify attachers		Matt/Katie	Q1
5.7.3	Get quote and set up meeting for power locate contractors		James	Q1



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

PUD 1 Proposal to Distribute BPA's Power Dividend Distribution Credit

The PUD is estimated to receive \$594,857.00 from BPA's Power Dividend Distribution Credit (PDDC) over the next 10 months if the tentative settlement proposal is approved.

While BPA's rate structures are heavily nuanced, a general summary is that BPA achieved gross sales that came in almost \$625 million higher than the BP-22 Rate Case target of about \$372 million due to higher megawatt hour sales and higher market pricing. The healthy reserves position triggered BPA's Reserve Distribution Clause (RDC) for power and transmission. For power, the reserves distribution was \$500 million, and BPA proposes to redistribute 70% toward rate reduction, 20% toward BPA's debt reduction or revenue financing, and 10% toward fish and wildlife mitigation. For transmission reserves distribution, BPA proposes to redistribute 50% of \$63.1 million for rate relief and hold the remaining 50% to cover FY 2023 increased costs due to inflation.

When we developed our 2023 budget, we did not include this proposed credit because we considered it an anomaly based on unexpected market conditions and did not want to base our revenue requirement on a credit that is not guaranteed to continue past 2023. We wanted to ensure that the rates we have set, regardless of this PDDC, would accommodate the District's annual budget for the continued safe, reliable operation of the PUD, as well as the District's scheduled Construction Work Plan.

Below is a breakdown of the monthly credit the PUD would receive from BPA:

Preference Customer	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Total
Mason County PUD #1	(\$68,943)	(\$56,944)	(\$49,354)	(\$58,919)	(\$45,743)	(\$63,377)	(\$67,720)	(\$64,297)	(\$62,138)	(\$57,422)	(\$594,857)

Staff proposes to set aside \$25,000 in the Local Government Investment Pool (LGIP) to help fund the PUD's Low Income Energy Assistance Program, as required by Washington State's Clean Energy Transformation Act (CETA). The balance of the credit, \$569,857.00, would be divided evenly amongst the existing electric customers and passed through as a bill credit each month, until the credit has been exhausted. If there is another PDDC the following year, staff will evaluate budget needs and inflation impacts and develop a new proposal for board approval at that time.



**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

**A RESOLUTION for ADOPTION OF THE NATIONAL INCIDENT MANAGEMENT SYSTEM (NIMS) AS
THE BASIS FOR INCIDENT MANAGEMENT IN MASON COUNTY PUD 1 TERRITORY**

RESOLUTION NO. 2063

WHEREAS, response to and recovery from major emergencies and disaster require integrated professional management and coordination; and

WHEREAS, the National Incident Management System (NIMS), has been identified by Homeland Security Presidential Directive – 5 as being the requisite incident management system for all levels of government and all political subdivisions in the United States; and

WHEREAS, NIMS provides a consistent nationwide platform to enable all government, private sector and non-governmental organizations to work together during domestic incidents regardless of cause, size or complexity; and

WHEREAS, Mason County PUD 1 acknowledges that emergency planning and response to incidents can best be accomplished by employing standardized terminology, standardized organizational structures, interoperable communications, consolidated action plans, unified command structures, uniform personnel qualification standards, uniform standards for planning, training and exercising, comprehensive resource management, and pre-determined facilities during emergencies or disasters; and

WHEREAS, implementation of the NIMS standardized procedures for managing personnel, communications, facilities, and resources will enable Mason County PUD 1 to be eligible for state and federal funding to enhance local emergency preparedness, agency readiness, first responder safety, and incident management processes.

NOW, THEREFORE BE IT RESOLVED that the Board of Mason County PUD 1 Commissioners does hereby establish the National Interagency Incident Management System (NIMS) as the PUD's standard for incident management.

DATED this 13th day of December, 2022.

Mike Sheetz, President

Jack Janda, Vice President

ATTEST:

Ron Gold, Secretary



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

RESOLUTION NO. 2064

**A RESOLUTION ADJUSTING COMPENSATION FOR NON-REPRESENTED
ADMINISTRATIVE EMPLOYEES**

WHEREAS, R.C.W. 54.12.090 authorizes the Commission to create positions and set compensation for employees by resolution; and

WHEREAS, R.C.W. 54.16.100 requires the General Manager to recommend to the commission compensation of the employees of his or her office, and a scale of compensation to be paid for the different classes of service required by the district; and

WHEREAS, the Board of Commissioners has previously approved a scale of compensation to be paid for each administrative exempt employee position; and

WHEREAS, the District hired Milliman to conduct a salary survey for non-represented positions to ensure compensation is competitive for recruitment and retention; and

WHEREAS, the Board of Commissioners has granted \$77,000 in total annual compensation adjustments for non-represented staff in recognition of outstanding performance for 2022.

NOW THEREFORE, BE IT RESOLVED that the following listed positions are hereby authorized and classified in the salaries shown. Effective December 16, 2022, the start of the new payroll year:

Title	Min	Mid	Max
Executive Assistant	\$ 72,348.00	\$ 80,782.00	\$ 89,154.00
District Engineer	\$ 103,392.00	\$ 125,524.00	\$ 142,569.00
Water Superintendent	\$ 103,392.00	\$ 125,524.00	\$ 142,569.00
Engineering Manager	\$ 119,287.00	\$ 132,612.00	\$ 147,655.00
Water Resource Manager	\$ 119,287.00	\$ 132,612.00	\$ 147,655.00
Electric Superintendent	\$ 132,612.00	\$ 142,569.00	\$ 160,630.00
Director of Business Services	\$ 151,972.00	\$ 172,413.00	\$ 196,781.00
Director of Operations	\$ 151,972.00	\$ 172,413.00	\$ 196,781.00



**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

APPROVED AND ADOPTED by the Board of Commissioners of Public Utility District No. 1 of Mason County, Washington, this 13th day of December 2022.

ATTEST:

President: Mike Sheetz

Vice President: Jack Janda

Secretary: Ron Gold



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

RESOLUTION NO. 2065

A RESOLUTION TO ADJUST GENERAL MANAGER COMPENSATION FOR 2023

WHEREAS, the Board of Commissioners conducted an annual performance review of the General Manager on November 28, 2022 with an overall performance rating of "Exceptional"; and

WHEREAS, the District hired Milliman to conduct a salary survey for non-represented positions to ensure compensation is competitive for recruitment and retention; and

WHEREAS, General Manager Kristin Masteller has presented the commission a wage increase and compensation proposal, as described below;

NOW, THEREFORE, BE IT RESOLVED THAT the Mason County PUD No. 1 Board of Commissioners hereby approves a new base salary of \$192,500.00 for the General Manager, Kristin Masteller, effective December 16, 2022, the start of the 2023 payroll year; and

BE IT FURTHER RESOLVED THAT the General Manager shall be credited annually 40 hours of Paid Time Off to her leave bank on January 1st.

PASSED AND APPROVED this 13th day of December, 2022.

Mike Sheetz, President

Jack Janda, Vice President

ATTEST:

Ron Gold, Secretary

REAL PROPERTY PURCHASE AND SALES AGREEMENT

THIS REAL PROPERTY PURCHASE AND SALES AGREEMENT (the "**Agreement**") is made on ____ day of _____, 2022, by Public Utility District No. 1 of Mason County, a Washington municipal corporation ("**Purchaser**"), and the Thomas R. Lowe, a married man as his sole and separate estate and Gary Ray Kreider, a married man as his sole an separate estate (""**Seller**").

PURCHASE OF REAL PROPERTY: Purchaser agrees to purchase and Seller agrees to sell by good and sufficient Warrant Deed, at the price and upon the terms and conditions herein set forth, the following real property situated in Mason County, Washington (the "**Property**"):

A portion of Resulting Parcel 3 of Boundary Line Adjustment No. 98-21, recorded March 3,1998, Auditor's File No. 662617 Parcel No. 31912-22-90059 more particularly described as follows:

THAT PORTION OF GOVERNMENT LOT 4, SECTION 1, TOWNSHIP 19 NORTH, RANGE 3 WEST, WILLAMETTE MERIDIAN, ALSO BEING AP ORTION OF PARCEL3 OF MASON COUNTY BOUNDARY LINE ADJUSTMENT9 8-21 AS RECORDEDU NDER AUDITOR'S FILE NUMBER 662616 AND 662617 MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHWEST CORNER OF SAID PARCEL3; THENCE ALONG THE NORTHL Y LINE OF SAID PARCEL3 , NORTH 90°00'00" EAST, 95.00 FEET; THENCE SOUTH 09°30'20" WEST, 103.00 FEET; THENCE SOUTH 36°40'09" WEST; 40.03 FEET; THENCEN NORTH 80°58'30" WEST, 170.00 FEET TO THE EASTERLY RIGHT-OF-WAY MARGIN OF LYNCH ROAD, COUNTY ROAD NO. 15500 AND THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT, FROM WHICH THE RADIUS POINT OF SAID CURVE BEARS NORTH 52°36'15" WEST, 848.51 FEET; THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLEO F 4°03'08", 60.01 FEET TO THE SOUTH LINE OF PARCELC ONVEYED TO PUBLIC UTILITY DISTRIC T# 1 BY STATUTORY WARRANTY DEED RECORDED UNDER AUDITOR'S FILE NUMBER 1694847; THENCE ALONG SAID SOUTH LINE, NORTH 90°00'00" EAST, 79.08 FEET TO THE EAST LINE OF SAID OF PARCELC ONVEYED TO PUBLIC UTILITY DISTRICT # 1; THENCE ALONG SAID EAST LINE, NORTH 00°00'00" EAST, 58.10 FEET TO THE BEGINNING; SITUATED IN MASON COUNTY, WASHINGTON. CONTAINING 0.377 ACRES, MORE OR LESS.

(Seller and Purchaser authorize closing agent to insert the full and correct legal description over their signatures.)

THIS OFFER IS SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

- 1. CONSIDERATION:** The consideration for the Property shall consist of the following:
(a) Sixty-Five Thousand and 00/100 Dollars (\$65,000.00) (the "**Purchase Price**"). The Purchase Price shall be paid by Purchaser in cash at closing.

2. **TITLE:** This sale is contingent upon Purchaser's approval of the title report and segregation of the property. Title to the subject property shall be marketable at closing. Rights, reservations, covenants, conditions and restrictions presently of record or contained herein, and easements and/or encroachments not materially affecting the value or unduly interfering with Purchaser's intended use of the property shall not render title unmarketable. Title insurance shall be provided by Aegis Land Title Group, which shall also be the closing agent. Purchaser shall have ten (10) days after receiving the preliminary commitment for title insurance to determine if any conditions of record unduly interfere with Purchaser's intended use of the property.
3. **SELLER REPRESENTATIONS, WARRANTIES AND COVENANTS:** Seller represents and warrants to, and covenants with, Purchaser the following:
 - 3.1 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 Property, 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 that relate to the Property.
 - 3.2 Other Agreements. There are no other contracts or agreements in force or effect for sale of all or any portion of the Property 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.
 - 3.3 Litigation. There are no actions, suits, investigations or proceedings (administrative or otherwise) pending or, to the best knowledge of the Seller, threatened against or affecting the Property or any portion of it, the transactions contemplated hereby, or which might affect the right of Purchaser to own, develop or possess the Property or which might have material effect on the Property or result in any liability of Purchaser with respect thereto.
 - 3.4 Condemnation. Seller has been advised by Purchaser that Purchaser intends on condemning the property if there was no agreement on the sale price. Other than Purchaser, 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 Property.
 - 3.5 Compliance with Laws. Seller has kept and maintained the Property in

compliance with and has not caused or permitted the Property to be in violation of any health regulation, water right, environmental law, building law, or zoning regulation, and Seller is unaware of any material defect in the Property.

- 3.6 Hazardous Materials. Except as has been disclosed in writing to Purchaser, (1) neither the Property nor, to the best knowledge of Seller, any real estate owned by Seller which is in the vicinity of the Property 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 has used, manufactured, generated, treated, stored, disposed of, or released any Hazardous material on, under or about the Property or real estate owned by Seller which is in the vicinity of the Property or transported any Hazardous Material over the Property, except for any materials that are used by consumers in the normal course of constructing and maintaining a personal residence, (3) neither Seller nor, to the best knowledge of Seller, any third party has installed, used or removed any chemical or petroleum storage tank on, from or in connection with the Property, and, to the best knowledge of Seller, there are no such storage tanks (whether existing or abandoned) located on under or about the Property and (4) the Property 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 of any Hazardous Materials or other condition that exists on the Property, 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 operation of the Water System (including demolition of any improvements), the party discovering such Hazardous Materials shall promptly notify the other of such Hazardous Materials or environmental condition. In such event, Seller shall have the right, in its sole and absolute discretion, to either (a) take any and all appropriate action in response thereto at its cost or (b) terminate this Agreement (“***Seller’s Obligation***”).
- 3.7 Changes in Circumstances. Upon notification of any fact that would materially 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. As used in the

Agreement, Seller's knowledge includes the knowledge of any agent, officer, member, manger or general partner of Seller and any agent thereof.

- 3.8 This Agreement and all documents executed by Seller that are to be delivered to Purchaser at closing are, or at the time of closing will be: (a) duly authorized, executed and delivered by Seller; (b) legal, valid and binding obligations of Seller; (c) sufficient to convey title to the Property (if they purport to do so), and; (iv\\d) in compliance with all provisions of all agreements and judicial orders to which Seller is a party or to which Seller or all or any portion of the Property is subject.
- 3.9 Seller has received no notice of any failure of Seller to comply with any applicable governmental requirements in respect of the use, occupation and construction of the Property, including, but not limited to, environmental, fire, health, safety, zoning, subdivision and other land use requirements that have not been corrected to the satisfaction of the appropriate governmental authority, and Seller has received no notice of, and has no knowledge of, any violations or investigation relating to any such governmental requirement.
- 3.10 Seller has received no notice of any default or breach by Seller under any covenants, conditions, restrictions, rights of way or easements that may affect Seller in respect to the Property or may affect the Property or any portion thereof and, to the best knowledge of Seller, no such default or breach now exists.
- 3.11 There are no leases affecting any part of the Property and there are no written or oral promises, understandings or agreements between Seller and any party affecting the Property that have not been disclosed to Purchaser as part of the materials provided by Seller.
- 3.12 To the best knowledge of Seller, there are no permits, licenses or consents required by any governmental authority in connection with the use and occupancy with the Property except those previously obtained by Seller and delivered to Purchaser and Seller knows of no local improvement districts proposed which will affect the property.
- 3.13 All of the representations, warranties and covenants of Seller contained in this Agreement are true and correct as of the Effective Date and, unless disclosed to Purchaser in writing, as of the Closing Date and will survive the closing of the transaction contemplated by this Agreement.
- 3.14 **INDEMNIFICATION - HAZARDOUS MATERIALS:** Seller shall indemnify, hold harmless and defend Purchaser, its heirs, successors and assigns,

against any and all claims, actions, proceedings, demands, losses, damages, penalties or fines (civil or criminal under CERCLA or other governmental or private right of action), expenses and legal fees and costs incurred in such defense or prosecution of counterclaim, crossclaim or contribution claim including the enforcement of this indemnity (all the forgoing hereinafter referred to as “***Claim(s)***”) which Purchaser may in any way incur or become obligated for defending, prosecuting, settling, payment of judgment, or compliance with a decree regarding such Claim(s) which arise out of or are in any way connected to the actual or alleged contamination of the Property, but only if the actual or alleged deposit, leakage or storage of hazardous, dangerous, or toxic waste or substances (including petroleum products) occurred or began before the Purchaser’s possession of the Property. Notwithstanding the foregoing, Seller shall have no obligation to Purchaser hereunder until such Claim(s) have been adjudicated by a court of competent jurisdiction, evidenced by a final non-appealable order, that Seller is so responsible hereunder. This indemnification shall survive the closing of the transaction and not merge into the final deed and closing documents.

4. **PURCHASER REPRESENTATIONS, WARRANTIES AND COVENANTS:** Purchaser represents and warrants to, and covenants with, Seller as follows:

- 4.1 Purchaser is a public utility district, validly existing under the laws of the state of Washington, is authorized to consummate the transaction set forth herein and fulfill all of its obligations hereunder and under all closing documents to be executed by Purchaser, and has all necessary power to execute and deliver this Agreement and all closing documents to be executed by Purchaser, and to perform all of Purchaser’s obligations hereunder and thereunder. This Agreement and all closing documents to be executed by Purchaser have been or will be (with respect to closing documents) duly authorized by all requisite corporate or other required action on the part of Purchaser and are or will be (with respect to closing documents) the valid and legally binding obligation of Purchaser, enforceable with their respective terms.
5. **TITLE INSURANCE:** Seller will make available and authorizes the closing agent to apply for a preliminary commitment for a standard form Purchaser’s policy of title insurance. The title policy to be issued shall contain no exceptions other than those provided for in said form plus encumbrances and defects noted herein. If title is not so insurable and cannot be made insurable within the time specified in paragraph 16, earnest money shall be refunded to Purchaser and this Agreement shall terminate with no further recourse to Seller; provided that Purchaser may waive defects and elect to purchase the Property. Seller shall pay for aforementioned policy including any

cancellation fees. Purchaser shall have ten (10) days from receipt of the title report from the closing agent to review and provide any comments the Purchaser has to the title report to the closing agent and the Seller. The Seller shall have ten (10) days, or such longer period of time as agreed to by Purchaser and Seller, to respond to any comments from Purchaser.

6. **PURCHASER'S OPTIONAL INSPECTIONS:** Purchaser may, in Purchaser's sole discretion, conduct inspections of the property within 30 days of execution of this agreement. The evaluation may include, but not be limited to septic, well, survey, soils and/or topographical studies. Purchaser, their agents and assigns, shall be permitted full access to the subject property during the inspection process upon reasonable advanced notice to Seller. Purchaser shall be responsible for the costs of any optional inspection. In the event, in Purchaser's reasonable opinion, the report(s) show(s) the Property is not suitable for Purchaser's intended use, Purchaser may give notice of intent to terminate this Agreement and the earnest money shall be refunded to Purchaser.
7. **REAL PROPERTY TRANSFER DISCLOSURE ACT.** Purchaser hereby waives the right to receive a Real Property Transfer Disclosure Notice pursuant to R.C.W. 64.06.
8. **CONVEYANCE:** Title shall be conveyed by Statutory Warranty Deed free of encumbrances or defects except those noted herein and as set forth in the title insurance policy.
9. **CLOSING COSTS:** Seller shall pay the title insurance and their own attorney fees, if any, incurred in the closing of this transaction. Purchaser shall pay all other closing costs including the escrow fees and recording fees for the deed. The purchaser is acquiring the property under threat of condemnation and therefore the transaction is exempt from excise tax pursuant to WAC 458-61A-206. Closing agent shall be Aegis Land Title Group.
10. **ASSIGNMENT:** Purchaser's rights under this agreement shall not be assigned by Purchaser without Seller's prior written consent.
11. **PRORATED ITEMS:** Taxes for the current year, rents, interest, insurance premiums, and other charges which may constitute liens (recorded or unrecorded) and other customary items shall be prorated between Purchaser and Seller. Unless stated otherwise herein, all proration and payments are to be made as of date of closing. Seller and Purchaser waive the services of Closing Agent in disbursing funds necessary to satisfy unpaid utility charges in accordance with RCW 60.80. Seller agrees to provide Purchaser the names and addresses of all utilities providing service

to the Property and having lien rights.

12. **NOTICES:** Unless otherwise specified in this Agreement, any and all notices required or permitted to be given under this Agreement must be given in writing. Notices to Seller must be signed by the Purchaser and shall be deemed to be given when actually received by or at the residence of Seller. Notices to Purchaser must be signed by Seller and shall be deemed to be given when actually received by or at the place of business of Purchaser.
13. **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.
14. **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.
15. **POSSESSION:** Purchaser shall be entitled to possession of the Property on closing.
16. **INCLUDED ITEMS:** All timber, trees, plants and shrubbery on the Property and fences, irrigation fixtures or other fixtures on the Property shall be included in the sale.
17. **CLOSING:** This sale shall be closed within ten (10) days after satisfaction or waiver of all contingencies, but in any event not later than _____ by Aegis Land Title Group. "Closed" means the date the sale proceeds are available to the Seller, Purchaser and Seller, 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 which modify or affect this agreement.
18. **EARNEST MONEY:** Purchaser shall deposit within three (3) days of acceptance by Seller of this agreement, earnest money in the amount of \$1,000.00 with escrow agent as a credit to Purchaser on the closing of this real estate transaction.
19. **DEFAULT AND ATTORNEY'S FEES:** In the event of default by Seller, Purchaser shall have the election to either: (a) Collect actual damages; or (b) Obtain specific performance of this agreement together with any incidental damages. If the Purchaser fails without legal excuse (grounds) to complete the purchase of the Property, the earnest money not exceeding 5% of the purchase price shall be forfeited to Seller as the sole and exclusive remedy available to Seller for such failure. Any additional earnest money shall be refunded to Purchaser. If Purchaser or Seller institutes suit under this

Agreement, the prevailing party is entitled to court costs and a reasonable attorney's fees. In the event of trial, the attorney's fees shall be fixed by the court. Venue shall be Mason County Superior Court.

20. **AGREEMENT TO PURCHASE:** Time is of the essence of this Agreement. Purchaser's offer is made subject to acceptance by Seller by signature(s) hereon and deliver to Purchaser or his agent on or before 5:00 p.m. _____, 2022 unless sooner withdrawn by Purchaser. If Seller does not accept this Agreement within the specified time, this Agreement is null and void.

[Remainder of Page Intentionally Left Blank; Signatures on Next Page]

IN WITNESS WHEREOF, the undersigned have duly executed and delivered this Agreement or caused this Agreement to be duly executed and delivered by their respective authorized representatives as of the date first set forth above.

PURCHASER:

PUBLIC UTILITY DISTRICT NO. 1 OF MASON COUNTY

By: _____

Name: Kristin Masteller

Title: Manager

SELLER:

Thomas R. Lowe, a married man as his separate estate

Gary Ray Kreider, a married man as his separate estate



PUD1 – Executive Summary – October 2022

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

- **Work in Progress:**
 - Grant Applications – Ongoing
 - 2020 / 2021 Audit
- **Completed Projects:**
 - 2023 Budget
 - Resource Plan Update – Due September 3, 2022
 - Hazard Mitigation Grants – Due June 3, 2022
 - Feasibility Study Grants – Due June 30, 2022
 - 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 \$949,823 for the month of October 2022.
- Expenditures – Gross expenditures were \$809,418 for the month of October 2022.
- As of October 31, the PUD has \$685,253.74 in grant reimbursements outstanding for ongoing projects.

Financial Metrics as Compared with Prior Year:	October 2022	October 2021
Total General Cash and Investments	\$1,228,084	\$1,001,482
Current Ratio (Current Assets/Current Liabilities)	2.17 to 1	2.42 to 1
Debt Service Coverage (O&M/ Debt Service)	3.19	2.38
Long-Term Debt to Net Plant	34%	38%
Total Debt to Equity Ratio (Total Liabilities/Total Equity)	45%	52%
Long Term Debt to Equity Ratio (Long Term Debt / Total Equity)	40%	47%
Times Interest Earned Ratio (Earnings before Interest & Taxes/Total Interest)	4.77	4.01
Cash on Hand (Total Available Cash/Average Daily Costs)	50 Days (General) 176 Days (All Funds)	45 Days (General) 180 Days (All Funds)



Mason County PUD No 1

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

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
Total Revenue	\$ 661,077.34	\$ 258,240.08	\$ 998.39	\$ 920,315.81
Budgeted	<u>\$ 633,804.01</u>	<u>\$ 197,585.00</u>	<u>\$ 903.75</u>	<u>\$ 832,292.76</u>
Difference (-/+)	\$ 27,273.33	\$ 60,655.08	\$ 94.64	\$ 88,023.05
% of Budget	104%	131%	110%	111%
 Total Expenditures	 \$ 689,509.54	 \$ 196,710.66	 \$ 757.05	 \$ 886,977.25
Budgeted	<u>\$ 768,047.78</u>	<u>\$ 210,985.45</u>	<u>\$ 763.36</u>	<u>\$ 979,796.59</u>
Difference (-/+)	\$ (78,538.24)	\$ (14,274.79)	\$ (6.31)	\$ (92,819.34)
% of Budget	90%	93%	99%	91%
 Net Operating Margins	 \$ (28,432.20)	 \$ 61,529.42	 \$ 241.34	 \$ 33,338.56
Budgeted	<u>\$ (134,243.77)</u>	<u>\$ (13,400.45)</u>	<u>\$ 140.39</u>	<u>\$ (147,503.83)</u>
Difference (-/+)	\$ 105,811.57	\$ 74,929.87	\$ 100.95	\$ 180,842.39
% of Budget	21%	-459%	172%	-23%



Mason County PUD No 1

Budget Summary by Division for the Ten Months Ended October 31, 2022

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
Total Revenue	\$ 8,812,857.15	\$ 2,321,785.46	\$ 9,548.05	\$ 11,144,190.66
2022 Budget	\$ 9,867,493.00	\$ 2,559,920.00	\$ 11,169.00	\$ 12,438,582.00
Difference (-/+)	\$ (1,054,635.85)	\$ (238,134.54)	\$ (1,620.95)	\$ (1,294,391.34)
% of Budget	89%	91%	85%	90%
 Total Expenditures	 \$ 7,356,638.00	 \$ 1,956,797.20	 \$ 4,885.93	 \$ 9,318,321.13
2022 Budget	\$ 9,511,110.00	\$ 2,324,170.29	\$ 8,121.00	\$ 11,843,401.29
Difference (-/+)	\$ (2,154,472.00)	\$ (367,373.09)	\$ (3,235.07)	\$ (2,525,080.16)
% of Budget	77%	84%	60%	79%
 Net Operating Margins	 \$ 1,456,219.15	 \$ 364,988.26	 \$ 4,662.12	 \$ 1,825,869.53
2022 Budget	\$ 356,383.00	\$ 235,749.71	\$ 3,048.00	\$ 595,180.71
Difference (-/+)	\$ 1,099,836.15	\$ 129,238.55	\$ 1,614.12	\$ 1,230,688.82
% of Budget	409%	155%	153%	307%

Cash Flow

Beginning Cash (General Fund)	49,753.30	96,037.62	4,195.20	149,986.12
Net Operating Margin (Excluding Depreciation)	2,925,990.31	1,432,811.71	4,229.29	4,363,031.31
Cash Transferred to / from Special Funds	(22,667.43)	(417,685.86)	(299.90)	(440,653.19)
Change in Accounts Receivable	(107,732.57)	178,009.98	(62.70)	70,214.71
Change in Accounts Payable	(105,334.69)	24,776.65	277.28	(80,280.76)
Cash Expended on Utility Plant	(1,041,017.84)	(893,994.88)	(4,143.97)	(1,939,156.69)
Change in CWIP	(1,563,373.77)	(330,264.05)	0.00	(1,893,637.82)
Ending Cash (General Fund)	135,617.31	89,691.17	4,195.20	229,503.68



Mason County PUD No. 1

Cash & Investment Balances

As of October 31, 2022

Cash Balances

Cash - General Funds

\$ 154,338.02

Cash - Restricted

\$ 103,669.23

Total Cash

\$ 258,007.25

Investment Balances (LGIP)

Investments - Electric

\$ 636,846.29

Investments - Sewer

\$ 30,849.55

Investments - Water

\$ 302,380.51

Total Investments

\$ 970,076.35

Total Cash & Investments

\$ 1,228,083.60

***Does Not Include Designated Funds*

OATH OF OFFICE

STATE OF WASHINGTON)
)ss.
COUNTY OF MASON)

I, Mike Sheetz, do solemnly swear or affirm that I am a citizen of the United States and the State of Washington; that I am legally qualified to assume the office of Commission of Public Utility District No. 1 of Mason County, District 2,; that I will support the Constitution and the laws of the United States and the State of Washington; and that I will support faithfully and impartially discharge the duties of this office to the best of my ability.

Mike Sheetz

Subscribed and sworn before me this _____ day of December 13, 2022

Robert W. Johnson, Notary Public