



**Mason County PUD No. 1
Special Board Meeting
March 25, 2024
1:00 p.m.**

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

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

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) Call Regular Business Meeting to Order

3) Public Comment

4) Consent Agenda

Minutes: Regular Board Meeting March 12, 2024

Disbursements:	Accounts Payable Wire	\$ 81,104.87
	Check Nos. 124664-124699	\$108,113.47
	Check Nos. 124702-124729	\$398,369.89
	Payroll Wire	\$103,032.87
	Check Nos. 124700-124701	\$ 12,843.71
	Total	\$703,464.81

5) Business Agenda

- a. Discussion on Public Works Trust Fund Application for Manzanita Water Storage
- b. 2023 Year End Financial Report
- c. January & February 2024 Financial Reports
- d. Hill Way Project- Change Order No. 3
- e. WPUA Leadership Nominations

6) Staff Reports

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

7) Correspondence

8) Board Comments

9) Other Business/Public Comment

10) Executive Session may be held as authorized by the Open Public Meetings Act (RCW 42.30.110)

11) Adjournment

2024 Calendar

March 30	WPAG	Virtual
March 30	WPUDA	Location TBA
April 12-14	WPUDA	Olympia
April 27	WPAG	Virtual
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
May 25	WPAG	Beijing Rm, SeaTac Airport
June 11-14	AWWA National Conf.	Toronto, Canada
June 16-21	APPA National Conf.	Seattle
June TBA	Strategic Plan Comm.	WPUDA, Olympia
JULY 12	Employee Appreciation	Potlatch State Park
June 29	Water Committee	Olympia
June 29	WPAG	Virtual
July 12-14	WPUDA	Location TBA
July 20	WPAG	Virtual
August 31	WPAG	Beijing Rm, SeaTac Airport
Sept. 13-15	WPUDA	Location TBA
Sept. 27-29	Water Workshop	Leavenworth (Enzian Inn)
Sept. 28	WPAG	Virtual
October 4	Customer Appreciation Day	PUD 1 Campus
October TBA	Admin/Finance/HR	Location TBA
October TBA	Energy NW PP Forum	Tri-Cities area
October 26	WPAG	London Rm, SeaTac Airport
November 15-17	WPUDA	Location TBA
November	PPC Annual Mtg.	Portland, OR
Nov/Dec (TBA)	WAPAG	Virtual
Nov. 29-Dec 1	WPUDA Annual Conf.	Location TBA



Mason County Public Utility District No. 1
Board of Commissioners Regular Board Meeting
March 12, 2024, Potlatch, Washington

Present:

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

Visitors: None

CALL TO ORDER: Jack called the meeting to order at 1:00 p.m.

PUBLIC COMMENT: None.

APPROVAL OF CONSENT AGENDA:

Minutes: Regular Board Meeting February 27, 2024

Disbursements:	Accounts Payable Wire	\$280,226.44
	Check Nos. 124587-124599	\$175,537.29
	Check Nos. 124602-124663	\$621,049.91
	Payroll Wire	\$104,326.79
	Check Nos. 124600-124601	\$ 12,136.98
	Grand Total	\$1,193,277.41

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

Business Agenda:

Award Manzanita Substation Site Construction Contract – Ron made a motion to award the Manzanita Substation site construction contract to DJ’s Electrical in the amount of \$960,333.64; Mike seconded the motion. It passed unanimously.

Award Vuecrest Water Storage Project Contract - Ron made a motion to award the Vuecrest Water Storage Project contract to Larry Brown Construction in the amount of \$1,377,937.52; Mike seconded the motion. It passed unanimously.

Authorize GM to Sign Dept. of Commerce Funding Contracts for Agate Beach, Ripplewood and Vuecrest Projects– Kristin reported that there are three funding contracts coming from the Department of Commerce for two appropriations awards, totaling \$1,569,460 but that Commerce has not sent the contracts over. Since they are time sensitive, Kristin asked for permission to execute the three contracts, pending legal review by Rob Johnson.



Mason County Public Utility District No. 1
Board of Commissioners Regular Board Meeting
March 12, 2024, Potlatch, Washington

Ron made a motion to authorize the General Manager to sign the funding contract with the Department of Commerce for the Agate Beach water system improvements; Mike seconded the motion. It passed unanimously.

Ron made a second motion to authorize the General Manager to sign the funding contract with the Department of Commerce for the Ripplewood water system improvements; Mike seconded the motion. It passed unanimously.

Ron made a third motion to authorize the General Manager to sign the funding contract with the Department of Commerce for the Vuecrest water system improvements; Mike seconded the motion. It passed unanimously.

Authorize Consignment of Climate Commitment Act Allowances – Following the consultant’s presentation in late 2023 regarding the Climate Commitment Act, and a pending ballot initiative that may repeal the Act, staff made a recommendation to consign the District’s allowances under the CCA for sale at the next auction on June 5, 2024. Kristin stated that following the sale, staff will make a recommendation to the board on how to allocate the proceeds with part of them going to the CETA Low Income fund, part into a rate stabilization fund, and the rest to the Manzanita Substation. This will be brought back to the commission in June for approval.

Ron made a motion to authorize the consignment of up to 6,570 of the District’s Climate Commitment Act allowances to auction; Mike seconded the motion. It passed unanimously.

Set Special Meeting Date for Monday, March 25, 2024, at 1:00 p.m.- Ron made a motion to move the next regular meeting to a special meeting date of March, 25, 2024 at 1:00 p.m. due to scheduling conflicts; Mike seconded the motion. It passed unanimously.

Staff Reports –

General Manager – Kristin reported that PUD 1 received \$1.8 million in funding from the legislature for the Lilliwaup Corner utility relocation project and additional proviso funding from Senator MacEwen’s office, but she had not yet heard how that \$1 million would be split up amongst the 35th District. She reported that she is working on submitting applications for federal appropriations this week with the Manzanita Water Storage project being submitted to Rep. Kilmer’s office since it was part of Mason County’s ReCompete application. The Manzanita site work will have a preconstruction meeting this Friday and the contractors will start work on Monday. The Duckabush relation project is out to bid and Jeremiah held a pre-bid walkthrough with several contractors last week. Kristin also had a meeting with the Department of Commerce representative regarding the overall impacts of the fish culvert decision on special purpose districts.

District Treasurer – Katie was excused for a training. Kristin reported that Katie will have yearend financials at the next meeting.



Mason County Public Utility District No. 1
Board of Commissioners Regular Board Meeting
March 12, 2024, Potlatch, Washington

Water Resource Manager – Brandy gave an update on the crew’s work at Dogwood Lane & Dogwood Court and Vine Maple Ct. in Alderbrook. They’re taking samples this week and then should be able to attach individual service connections the following week once samples come back good. SCI will start on the Lake Arrowhead mainline project in May. The water crew will work on installing the mainline on the Satsop-Cloquallum Road before they start. A job offer was accepted for a new GIS Tech for the water department and he will start on April 15th.

Legal Counsel – No report. Will discuss topics in executive session.

Correspondence – Two thank you letters to our state representatives were shared for the culvert funding. Kristin will put the commissioners’ signatures on them and send them out.

Board Reports –

Mike – Attended the WPUA Nominating Committee meeting and the PPC member forum virtually.

Jack – Attended the Residential Exchange Program meeting and supports WPAG’s approach.

Ron – Ron reported that he attended Hood Canal Coordinating Council site visit for the middle Vance Creek Bridge.

PUBLIC COMMENT – None.

EXECUTIVE SESSION – at 1:45 p.m., Jack called an executive session to discuss threatened or pending litigation under RCW 42.30.110(i). He stated the session would last 15 minutes.

At 2:00 p.m., Jack closed the executive session and reconvened the regular session. With no further business, he adjourned the meeting.

Adjournment: 2:00 p.m.

Jack Janda, President

Ron Gold, Vice President

Mike Sheetz, Secretary

03/21/2024 9:48:51 AM

Accounts Payable Check Register

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03/11/2024 To 03/21/2024

Bank Account: 4 - UMPQUA BANK - DISTRICT

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
997 03/18/2024	WIRE	IRS	WEST COAST BANK	FEDERAL TAX LIABILITY	45,081.62
998 03/18/2024	WIRE	WASH 1	WA DEPT OF RETIREMENT SYS	STATE RETIREMENT - PLAN 2	21,046.10
999 03/18/2024	WIRE	WASH 7	WA STATE TREAS-MS: PO-11	DEFERRED COMPENSATION	11,209.00
1000 03/18/2024	WIRE	HRA	HRA VEBA TRUST CONTRIBUTI	VEBA MEDICAL SAVINGS	3,768.15
124664 03/13/2024	CHK	AWWA	AMERICAN WATER WORKS ASSO	ANNUAL MEMBERSHIP	412.00
124665 03/13/2024	CHK	ASPECT CONSU	ASPECT CONSULTING LLC	POLE YARD	3,536.44
124666 03/13/2024	CHK	BRUCE TITUS F	BRUCE TITUS FORD	VEHICLE- LIGHT BULBS	308.83
124667 03/13/2024	CHK	BUILDERS	BUILDERS FIRSTSOURCE, INC	ALDERBROOK WATER-PARTS	31.44
124668 03/13/2024	CHK	CORIROSSI, COL	COLE CORIROSSI	CLOTHING ALLOWANCE	349.39
124669 03/13/2024	CHK	DON SMALL & S	DON SMALL & SONS OIL DIST	DIESEL	4,326.77
124670 03/13/2024	CHK	57	FJORDIN CROSSIN	2024 FJORDIN CROSSING ADVERTISING	500.00
124671 03/13/2024	CHK	GORDON TRUC	FREIGHTLINER NORTHWEST OLYMPIA	VEHICLE #65-RELAY VALVE	117.22
124672 03/13/2024	CHK	G&W	G&W ELECTRIC	ELECTRIC INVENTORY PARTS-RECLOSER	29,693.20
124673 03/13/2024	CHK	HARB 1	HARBOR SAW & SUPPLY INC.	WATER-STIHL TS 420 14" CUTQUICK	1,122.81
124674 03/13/2024	CHK	HDFOWL	HD FOWLER COMPANY	WATER INVENTORY PARTS	295.74
124675 03/13/2024	CHK	JENNING	JENNINGS EQUIPMENT INC.	EQUIPMENT #104-VALVE	1,155.38
124676 03/13/2024	CHK	MASON9	MASON COUNTY	MANZANITA PROJECT-LANDFILL CHARGES	699.57
124677 03/13/2024	CHK	MT VIEW LOCA	MT. VIEW LOCATING SERVICES, LLC	MONTHLY UNDERGROUND LOCATES	5,397.50
124678 03/13/2024	CHK	NISC	NISC	FEBRUARY 2024-PRINT SERVICES	14,655.32
124679 03/13/2024	CHK	NORTH SKY	NORTH SKY COMMUNICATIONS, LLC	FOUR WHEEL DR CONDUIT INSTALL-RETAINAGE	2,425.55
124680 03/13/2024	CHK	PARSON	PARSONS DIESEL & STEAM	SERVICE NEW VEHICLE #84	4,523.37
124681 03/13/2024	CHK	PASCOR	PASCOR AIR SWITCH CORPORATION	ELECTRIC INVENTORY PARTS-SWITCH	14,308.98
124682 03/13/2024	CHK	SPEER	SPEER TAPS, INC.	WET TAPPING SERVICE	13,752.38
124683 03/13/2024	CHK	SPIKES	SPIKES HYDRAULICS & EQUIP	EQUIPMENT #104-PARTS	184.59
124684 03/13/2024	CHK	STATE	STATE AUDITOR'S OFFICE	ENERGY COMPLIANCE ATTESTATION	1,980.00
124685 03/13/2024	CHK	WPUDA	WASHINGTON PUD ASSOC.	WPUDA MEETING-KRISTIN, MIKE, & RON	1,650.00

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Accounts Payable Check Register

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03/11/2024 To 03/21/2024

Bank Account: 4 - UMPQUA BANK - DISTRICT

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
124686 03/13/2024	CHK	NAPA AUTO PA	WESTBAY NAPA AUTO PARTS	SHOP SUPPLIES & VEHICLE #72-WITCH	250.34
124687 03/13/2024	CHK	2	GAY COREY	DUCTLESS HEATPUMP REBATE	800.00
124688 03/13/2024	CHK	2	KEVIN ENGELHARDT	DUCTLESS HEATPUMP REBATE	800.00
124689 03/13/2024	CHK	2	LEE GEIST	DUCTLESS HEATPUMP REBATE	800.00
124690 03/13/2024	CHK	2	BARBARA GRAY	DUCTLESS HEATPUMP REBATE	800.00
124691 03/13/2024	CHK	2	INDUSTRIAL HYDRAULICS INC	EQUIPMENT #104-PARTS	169.08
124692 03/13/2024	CHK	2	CHRISTEL MORITZ	REFUND- PUD#3 UTILITY CUSTOMER	75.00
124693 03/13/2024	CHK	2	TROUTLODGE INC	DUCTLESS HEATPUMP REBATE	800.00
124694 03/18/2024	CHK	ARNOLD,KATIE	KATIE ARNOLD	TRAVEL EXPENSE	87.00
124695 03/18/2024	CHK	CENTURYLINK	CENTURYLINK	LONG DISTANCE & OUTBOUND CHARGES(21)LINE	78.96
124696 03/18/2024	CHK	GENPAC	GENERAL PACIFIC INC	(2)SMART THERMOSTATS	303.80
124697 03/18/2024	CHK	HARB 1	HARBOR SAW & SUPPLY INC.	CHAINSAW BAR 13IN	190.00
124698 03/18/2024	CHK	NAPA AUTO PA	WESTBAY NAPA AUTO PARTS	TENSION PULLER	42.81
124699 03/18/2024	CHK	WHITEWOLF EN	WHITEWOLF ENGINEERING SERVICES	ENGINEERING SUPPORT	1,490.00
124702 03/18/2024	CHK	IBEW	IBEW LOCAL UNION #77	UNION DUES	1,119.05
124703 03/18/2024	CHK	PUDEMP	PUD #1 EMPLOYEE FUND	EMPLOYEE FUND	220.00
124704 03/19/2024	CHK	ALTEC	ALTEC INDUSTRIES INC	VEHICLE #82-JIB ADAPTER	1,716.30
124705 03/19/2024	CHK	BROWNT	BROWN, TIM	CLOTHING ALLOWANCE	350.00
124706 03/19/2024	CHK	41	LISA CATES	TRAVEL REIMBURSEMENT	87.00
124707 03/19/2024	CHK	DON SMALL & S	DON SMALL & SONS OIL DIST	DIESEL	2,281.86
124708 03/19/2024	CHK	HDFOWL	HD FOWLER COMPANY	WATER NON INVENTORY PARTS	10,478.99
124709 03/19/2024	CHK	J&I	J & I POWER EQUIPMENT INC	REPLACED TRIGGER LEVER	65.05
124710 03/19/2024	CHK	MASON7	MASON COUNTY AUDITOR	(8)ELECTRIC EASEMENTS	1,636.00VOID
124711 03/19/2024	CHK	PINNACLE	PINNACLE INVESTIGATIONS CORP	BACKGROUND CHECK	63.99
124712 03/19/2024	CHK	POMP'S	POMP'S TIRE SERVICE INC	VEHICLE #57-(1)NEW TIRE	208.47
124713 03/19/2024	CHK	SIEMENS	SIEMENS ENERGY, INC	ELECTRIC INVENTORY PARTS	53,002.25

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Accounts Payable Check Register

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03/11/2024 To 03/21/2024

Bank Account: 4 - UMPQUA BANK - DISTRICT

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
124714 03/19/2024	CHK	2	SHANNON GELLER	REFUND APPLICATION FEE	100.00
124715 03/19/2024	CHK	2	CHRISTEL MORITZ	REFUND-NOT A PUD#1 CUSTOMER	150.00
124716 03/20/2024	CHK	BZR POWER	BZR POWER DIVISION LLC	HILL WAY OH TO URD PROJECT	307,142.46
124717 03/20/2024	CHK	BUILDERS	BUILDERS FIRSTSOURCE, INC	SAFETY TAPE & WOOD STAKES	146.25
124718 03/20/2024	CHK	CENTUR	CENTURYLINK	TELEPHONE CHARGES ACCT#206-Z05-0016 020	1,737.31
124719 03/20/2024	CHK	GORDON TRUC	FREIGHTLINER NORTHWEST OLYMPIA	FUEL FILTERS	871.53
124720 03/20/2024	CHK	GENPAC	GENERAL PACIFIC INC	ELECTRIC NON INVNETORY PARTS-CRIMPITS	271.25
124721 03/20/2024	CHK	HARB 1	HARBOR SAW & SUPPLY INC.	VEHICLE #84-NO PANEL RACK & BEACON PLATE	768.49
124722 03/20/2024	CHK	HDFOWL	HD FOWLER COMPANY	WATER INVENTORY PARTS	11,603.18
124723 03/20/2024	CHK	PLATT ELECTRI	PLATT	VEHICLE #81-BATTERY & CIRCUIT BREAKER	315.19
124724 03/20/2024	CHK	ROCKY	ROCKY BROOK	FEBRUARY POWER USAGE	3,512.00
124725 03/20/2024	CHK	ROHLIN	ROHLINGER ENTERPRISES INC	SAFETY GLOVES	254.98
124726 03/20/2024	CHK	ROSE	ROSE, MIKE	CLOTHING ALLOWANCE	350.00
124727 03/20/2024	CHK	WILSON BOHAN	THE WILSON BOHANNAN PADLOCK CO(48)BRASS PADLOCK MODEL 652		693.34
124728 03/20/2024	CHK	VERIZO	VERIZON WIRELESS	MONTHLY TABLETS & (4) CELLULAR CHARGES	610.95
124729 03/20/2024	CHK	2	TUPPER/MACK/WELLS PLLC	SQUAXIN ISLAND TRIBE	250.00
Total Payments for Bank Account - 4 :					(67) 587,588.23
Total Voids for Bank Account - 4 :					(1) 1,636.00
Total for Bank Account - 4 :					(68) 589,224.23
Grand Total for Payments :					(67) 587,588.23
Grand Total for Voids :					(1) 1,636.00
Grand Total :					(68) 589,224.23

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Accounts Payable Check Register

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PARAMETERS ENTERED:**Check Date:** 03/11/2024 To 03/21/2024**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

Manzanita Reservoir Project Funding Evaluation- PWTF

We know that the Manzanita Water Storage Project needs to happen to accommodate the work plan for the Union area. The design is almost complete. Staff is developing a Plan B for constructing the Manzanita Water Storage project in case we do not get grants to complete the project. The Public Works Trust Fund program is a backstop option for funding the project. Their director presented at WPUDA and we got notice that their next funding cycle will open in April. This would keep it moving forward while staff continued to work on grants and appropriations. Below is a summary of what the impact would be to the budget and rates if we were successful in getting a PWTF loan, both with and without grant subsidy.

Terms: 20 year loan at 1.38%. Both scenarios are listed below. If we qualify for subsidy, we'd get 15% off of the total price of the project in the form of a grant.

		NO GRANT	15% GRANT
	2025 Budget Projection- No additional debt service.	Proposed PWB Loan \$4,361,000	Proposed PWB w/15% Subsidy- \$3,706,850
Net Operating Margin	\$ 249,398.64	\$ 249,398.64	\$ 249,398.64
Debt Service Coverage ❶	2.35	1.5	1.6
TIER ❷	3.19	2.56	2.66
Annual Debt Service Payment	\$ 341,881.78	\$ 591,529.78	\$ 554,077.78

Water has paid off quite a bit of debt in anticipation that big projects will be coming up, like this one. Below are some considerations for staff and the board:

❶ DSC 1.25 Minimum required by bond covenant. Board goal is 2.0. This would put us at 1.6 and we'd have to work over the next few years to build that back up.

❷ TIER 1.25 Minimum- FYI only. Not really applicable for water. This is only a requirement for power.

*We evaluated if taking on debt for this project would impact rates. Increasing rates an additional 1% to our current 1% set-aside to pay off long term debt would only increase the TIER and DSC by .05 (1.55 / 1.65). Does not make enough of a difference to either TIER or DSC to warrant the additional 1%. Staff does not recommend increasing rates for this project.

*The current debt-to-equity ratio for just WATER is 19%. This loan would increase it to 51% for the full loan amount, and 46% if we got the 15% subsidy.

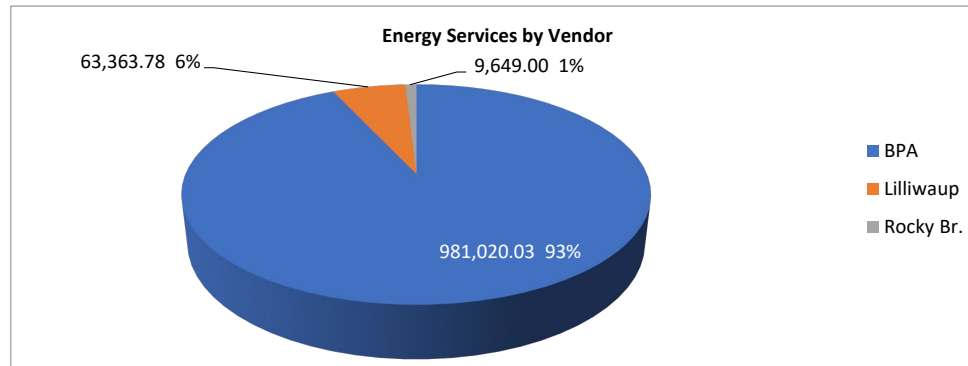
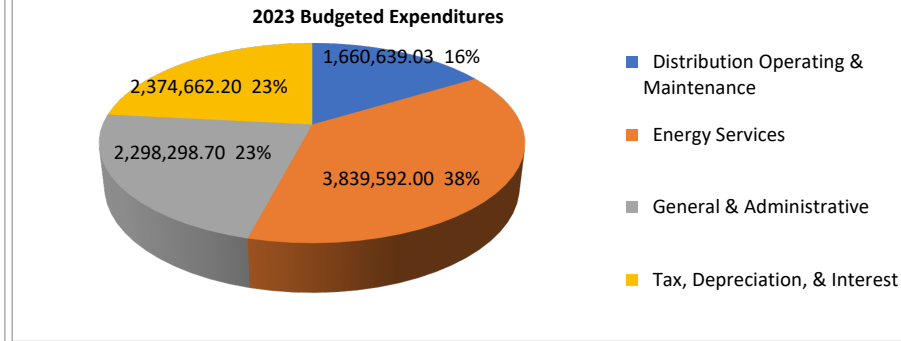
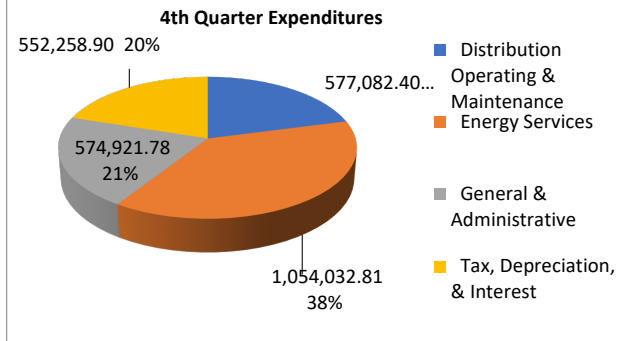
Staff's recommendation is to go ahead and apply to the PWTF for this project to see if we are even selected. Then, if we are selected, see if we get any subsidy (we should, based on their criteria). Then we have funding at least secured to construct the project. In the interim, staff will continue to pursue grants and appropriations to offset the total cost and reduce the amount of money we need to borrow overall. If we are unsuccessful on all other fronts, at least we have a path forward to construct the project.

Mason County PUD No. 1

Status of Budget
As of December 31, 2023

ELECTRIC DIVISION

	4th Quarter 2023	4th Quarter Budget	% of 4th Qtr Budget	2023 Actuals	2023 Budget	% of Annual Budget
Revenue	2,795,690.58	2,743,015.00	102%	11,294,365.97	10,712,903.00	105%
Expenditures						
Distribution Operating & Maintenance	577,082.40	621,399.98	93%	1,715,909.35	1,660,639.03	103%
Energy Services	1,054,032.81	1,011,598.00	104%	3,860,220.65	3,839,592.00	101%
General & Administrative	574,921.78	594,943.22	97%	2,310,232.40	2,298,298.70	101%
Tax, Depreciation, & Interest	552,258.90	599,440.05	92%	2,283,722.08	2,374,662.20	96%
TOTAL EXPENDITURES	\$ 2,758,295.89	\$ 2,827,381.25	98%	10,170,084.48	\$ 10,173,191.93	100%
NET OPERATING MARGINS	\$ 37,394.69	\$ (84,366.25)	-44%	1,124,281.49	\$ 539,711.07	208%



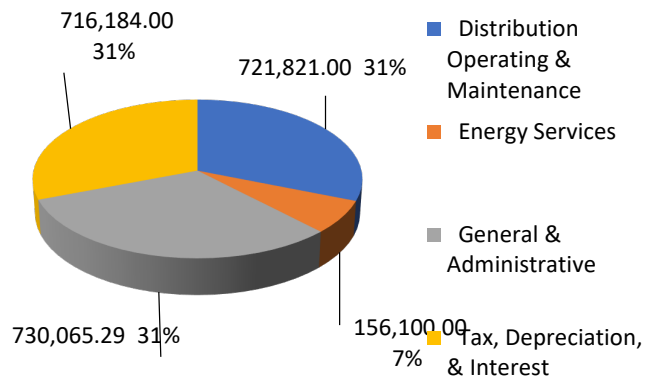
Mason County PUD No. 1

Status of Budget
As of December 31, 2023

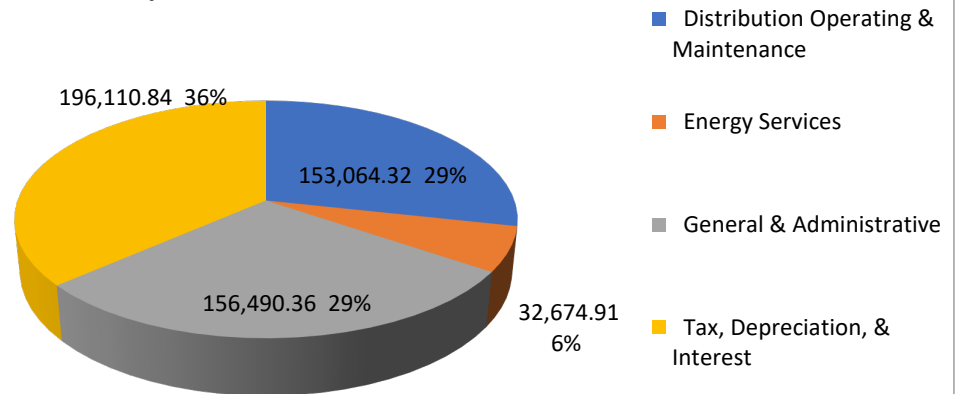
WATER DIVISION

	4th Quarter 2023	4th Quarter Budget	% of 4th Qtr Budget	2023 Actuals	2023 Budget	% of Annual Budget
Revenue	723,694.20	622,197.93	116%	2,976,586.95	2,559,920.00	116%
Expenditures						
Distribution Operating & Maintenance	153,064.32	210,579.35	73%	685,586.09	721,821.00	95%
Energy Services	32,674.91	41,250.00	79%	152,023.50	156,100.00	97%
General & Administrative	156,490.36	177,753.48	88%	714,893.17	730,065.29	98%
Tax, Depreciation, & Interest	196,110.84	187,533.06	105%	785,000.45	716,184.00	110%
TOTAL EXPENDITURES	\$ 538,340.43	\$ 617,115.89	87%	2,337,503.21	\$ 2,324,170.29	101%
NET OPERATING MARGINS	\$ 185,353.77	\$ 5,082.04	3647%	639,083.74	\$ 235,749.71	271%

2023 Budgeted Expenditures



3rd Quarter Expenditures



Mason County PUD No. 1

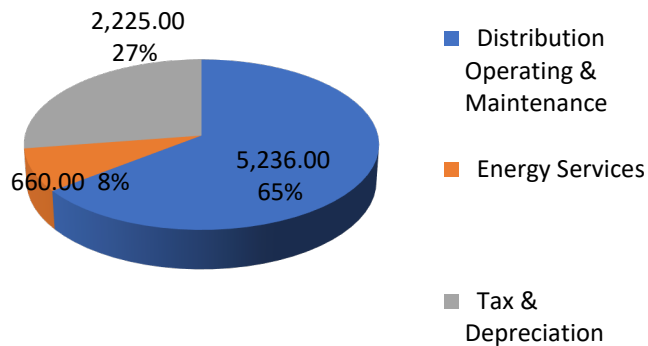
Status of Budget

As of December 31, 2023

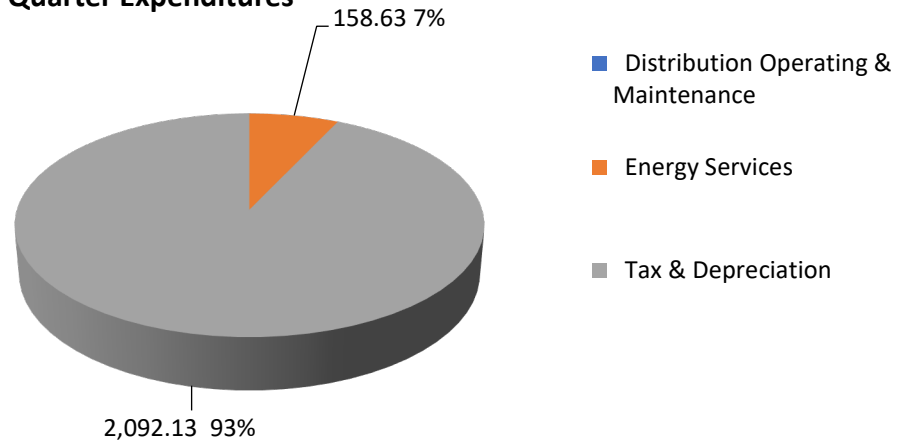
SEWER DIVISION

	4th Quarter 2023	4th Quarter Budget	% of 4th Qtr Budget	2023 Actuals	2023 Budget	% of Annual Budget
Revenue	3,224.09	2,969.79	109%	12,732.87	11,124.00	114%
Expenditures						
Distribution Operating & Maintenance		2,367.82	0%	5,129.58	5,236.00	98%
Energy Services	158.63	180.00	88%	575.99	660.00	87%
Tax & Depreciation	2,092.13	111.00	1885%	2,413.52	2,225.00	108%
TOTAL EXPENDITURES	\$ 2,250.76	\$ 2,658.82	85%	\$ 8,119.09	\$ 8,121.00	100%
NET OPERATING MARGINS	\$ 973.33	\$ 310.97	313%	\$ 4,613.78	\$ 3,003.00	154%

2023 Budgeted Expenditures



4th Quarter Expenditures



Mason County PUD No. 1
Treasurer's Report to Commission
 December 31, 2023

12/31/2023

General Electric Cash	60,518.67
General Water Cash	88,805.73
General Sewer Cash	4,195.20
Investments	691,219.66
Petty and Register	600.00
General Funds Total	845,339.26

Designated Reserves

Commerical Liability Fund	148,997.31
Computer Replacement Fund	119,018.97
Pole Yard	110,215.15
Privilege Tax Fund	171,473.06
Replacement Equipment Fund	256,608.40
Substation Fund	2,285,565.96
Water Regulatory Fund	75,416.57
System Development Fee	113,522.04
Designated Reserves Total	\$ 3,280,817.46

Restricted Funds

Customer Deposits	105,335.98
Electric Revenue Bond '18	151,939.47
Electric Revenue Bond Reserve '18	533,984.68
Electric System Revenue Bond 2014	161,817.20
Electric System Bond Reserve '14	325,031.70
Public Works Trust Fund	102,500.07
RUS Treasury Bond	357,642.37
US Treasury Reserves	235,946.79
Water System Revenue Bond '18	29,734.07
Restricted Funds Total	2,003,932.33
TOTAL ALL FUNDS	6,130,089.05

Long-Term Debt

	Beginning Balance	Principle Payments	Ending Balance
Electric Revenue Bond 2014	2,345,000.00	(170,000.00)	2,175,000.00
Electric Revenue Bond 2018	5,770,000.00	(265,000.00)	5,505,000.00
PWTF	544,074.16	(78,019.70)	466,054.46
RUS Long Term Debt	2,656,307.85	(119,384.60)	2,536,923.25
Water Bond '18	2,116,000.00	(186,000.00)	1,930,000.00
DWSRF	214,836.25	-	214,836.25
Total Long Term Debt	13,646,218.26	(818,404.30)	12,827,813.96

Mason County Public Utility District #1
Overview of the Status of Budget
2023

<i>Status of Budget</i>			
As of December 31, 2023			
	2023 Actuals	2023 Budget	% of Annual Budget
Revenue	14,283,686.00	13,283,947.00	108%
<u>Expenditures</u>			
Distribution Operating & Maintenance	2,406,625.00	2,387,696.00	101%
Energy Services	4,012,820.00	3,996,352.00	100%
General & Administrative	3,025,126.00	3,028,364.00	100%
Tax, Depreciation, & Interest	3,071,136.00	3,093,071.00	99%
TOTAL EXPENDITURES	12,515,707.00	12,505,483.00	100%
NET OPERATING MARGINS	1,767,979.00	778,464.00	227%

The District’s total revenue was 8% higher, collecting \$999,739 more than what was budgeted for 2023. A few key factors that played into the additional revenue collected include the following components:

1. Because of the BPC credit that the District received from BPA, the District passed through \$533,057 back to its electric ratepayers. So of the 8% the District collected over budget, 53% of that went back to the customers through a credit on their bill.
2. The LGIP investment continued with record growth, with interest rates hovering all of 2023 between 4.5% to 5.45% at yearend. When the District budgets for investment income, it budgets conservatively. The overall budget for 2023 was \$54,420 for interest income, and the District ended the year with just over \$285 thousand earned.

The District’s operating expenses include purchased power, transmission and distribution, customer services, and administrative and general expenses. The Distribution Operating & Maintenance ended the year just over 1% of what was budgeted for 2022. The Energy Services (purchased power costs) was right at budget for 2023, as were the General & Administrative expenses.

How is the Net Operating Margin Allocated?

The Net Operating Margin for 2023 ended at \$1.77 million, which is \$989 thousand more than the 2023 budget. It's important for the District's commission and customers to understand what the Net Operating Margin is used for. The income statement does not include the principal portion of the District's debt service, or any of the designated reserve funding approved through the budget. It also only includes a portion of the capitalized construction work plan, which is depreciated over a period of time. Here are the key components of how the Net Operating Margin is allocated:

1. At the end of 2023, the District invested just over \$4.6 million in capital assets. The investment includes land, distribution, general plant, and equipment. The total increase in the District's investment from 2022 to 2023 was 10%.
2. The District plans to construct the Manzanita Substation in 2025, without adding additional debt to the District's portfolio. Because the District plans to pay for the substation through general cash flow, and not debt, the District has determined that it needs to fund a designated reserve with \$342,000 each year. As of the end of 2023, the balance in the fund is just under \$1.8 million.
3. At the end of 2023, the District had \$13 million in outstanding debt, an overall decrease of \$624,333. With the 2023 budget, the District approved 1% of the overall rate increase to go specifically towards paying down long-term debt. With that 1%, the District was able to fund \$194,846 into the debt reserves fund. With the 1% funding of the reserves each year, in conjunction with the interest earned on the balance of the funds, being invested in the LGIP, the District plans to be able to pay off its debt by 2030, which is five to ten years earlier than the debt tables shows.
4. The District has a policy goal to reach 90 days general cash on hand, not including the designated reserves, by 2025. To reach this goal, the District budgeted to fund five days a year, which equates to approximately \$152,000 annually that is set aside. Cash on Hand is a savings account, of sorts, that ensures that the District can continue to make payroll and cover operating expenses if there is a catastrophic event or severe economic downturn that limits the PUD's ability to collect revenue. In this case, the board-set policy goal is to be able to cash flow operations for up to three months.

Requests for Information

This financial synopsis is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report should be directed Katie Arnold, District Treasurer at N. 21971 Hwy. 101, Shelton, WA 98584 or (360) 877-5249.



PUD1 – Executive Summary – January 2024

This report summarizes information on the current financial status of Mason County PUD No. 1 for the month of January 2024:

- **Work in Progress:**
 - Grant Applications – Ongoing
 - 2019 / 2020 CETA Audit
 - 2023 Annual Report (Due 05/30/24)
 - 2023 Form 7 (Due 3/31/24)
 - 2023 Privilege Tax Return (Due 2/29/24)
 - 2023 EIA Report (Due 4/30/24)
- **Completed Projects:**
 - 2024 Budget
- **Planned Key Milestones, Activities and / or Events:**
 - Long range financial and budgetary planning – ongoing.

Financial Highlights:

- Revenue – Gross Revenue was \$1,385,248 for the month of January 2024.
- Expenditures – Gross expenditures were \$1,315,441 for the month of January 2024.
- As of January 31, the PUD has \$317,179 in grant reimbursements outstanding for ongoing projects.

Financial Metrics as Compared with Prior Year:	January 2024	January 2023
Total General Cash and Investments	\$960,425	\$1,303,661
Current Ratio (Current Assets/Current Liabilities)	1.57 to 1	1.96 to 1
Debt Service Coverage (O&M/ Debt Service)	1.84	3.69
Long-Term Debt to Net Plant	27%	31%
Total Debt to Equity Ratio (Total Liabilities/Total Equity)	37%	44%
Long Term Debt to Equity Ratio (Long Term Debt / Total Equity)	33%	39%
Times Interest Earned Ratio (Earnings before Interest & Taxes/Total Interest)	11.01	7.10
Cash on Hand (Total Available Cash/Average Daily Costs)	35 Days (General) 127 Days (All Funds)	47 Days (General) 136 Days (All Funds)



Mason County PUD No 1

Budget Summary by Division For the Month Ended January 31, 2024

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
Total Revenue	\$ 1,154,967.13	\$ 229,232.61	\$ 1,047.90	\$ 1,385,247.64
Budgeted	\$ 1,298,037.34	\$ 177,394.04	\$ 989.90	\$ 1,476,421.28
Difference (-/+)	\$ (143,070.21)	\$ 51,838.57	\$ 58.00	\$ (91,173.64)
% of Budget	89%	129%	106%	94%
Total Expenditures	\$ 1,111,611.35	\$ 203,112.36	\$ 717.27	\$ 1,315,440.98
Budgeted	\$ 1,045,806.45	\$ 210,695.11	\$ 521.13	\$ 1,257,022.69
Difference (-/+)	\$ 65,804.90	\$ (7,582.75)	\$ 196.14	\$ 58,418.29
% of Budget	106%	96%	138%	105%
Net Operating Margins	\$ 43,355.78	\$ 26,120.25	\$ 330.63	\$ 69,806.66
Budgeted	\$ 252,230.89	\$ (33,301.07)	\$ 468.77	\$ 219,398.59
Difference (-/+)	\$ (208,875.11)	\$ 59,421.32	\$ (138.14)	\$ (149,591.93)
% of Budget	17%	-78%	71%	32%



Mason County PUD No 1

Budget Summary by Division for the One Month Ended January 31, 2024

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
Total Revenue	\$ 1,154,967.13	\$ 229,232.61	\$ 1,047.90	\$ 1,385,247.64
2024 Budget	\$ 11,337,957.00	\$ 2,946,410.00	\$ 12,222.00	\$ 14,296,589.00
Difference (-/+)	\$ (10,182,989.87)	\$ (2,717,177.39)	\$ (11,174.10)	\$ (12,911,341.36)
% of Budget	10%	8%	9%	10%
Total Expenditures	\$ 1,143,625.43	\$ 203,112.36	\$ 717.27	\$ 1,347,455.06
2024 Budget	\$ 10,447,134.00	\$ 2,563,896.00	\$ 9,580.00	\$ 13,020,610.00
Difference (-/+)	\$ (9,303,508.57)	\$ (2,360,783.64)	\$ (8,862.73)	\$ (11,673,154.94)
% of Budget	11%	8%	7%	10%
Net Operating Margins	\$ 11,341.70	\$ 26,120.25	\$ 330.63	\$ 37,792.58
2024 Budget	\$ 890,823.00	\$ 382,514.00	\$ 2,642.00	\$ 1,275,979.00
Difference (-/+)	\$ (879,481.30)	\$ (356,393.75)	\$ (2,311.37)	\$ (1,238,186.42)
% of Budget	1%	7%	13%	3%

Cash Flow

	71,824.92	88,805.73	4,195.20	164,825.85
Beginning Cash (General Fund)				
Net Operating Margin (Excluding Depreciation)	191,486.72	333,125.93	330.63	524,943.28
Cash Transferred to / from Special Funds	476,537.72	(52,901.81)	(120.90)	423,515.01
Change in Accounts Receivable	20,921.83	184,523.50	(3,713.73)	201,731.60
Change in Accounts Payable	133,094.90	(75,732.49)	-	57,362.41
Cash Expended on Utility Plant	(206,631.43)	(250,620.92)	0.00	(457,252.35)
Change in CWIP	(631,673.87)	(138,504.85)	3,504.00	(766,674.72)
Ending Cash (General Fund)	55,560.79	88,695.09	4,195.20	148,451.08



Mason County PUD No. 1

Cash & Investment Balances

As of January 31, 2024

Cash Balances

Cash - General Funds

\$ 148,451.08

Cash - Restricted

\$ 104,830.07

Total Cash

\$ 253,281.15

Investment Balances (LGIP)

Investments - Electric

\$ 494,365.29

Investments - Sewer

\$ 10,222.36

Investments - Water

\$ 202,556.18

Total Investments

\$ 707,143.83

Total Cash & Investments

\$ 960,424.98

***Does Not Include Designated Funds*



PUD1 – Executive Summary – February 2024

This report summarizes information on the current financial status of Mason County PUD No. 1 for the month of February 2024:

- **Work in Progress:**
 - Grant Applications – Ongoing
 - 2019 / 2020 CETA Audit
 - 2023 Annual Report (Due 05/30/24)
 - 2023 Form 7 (Due 3/31/24)

- **Completed Projects:**
 - 2024 Budget
 - 2023 Privilege Tax Return (Due 2/29/24)
 - 2023 EIA Report (Due 4/30/24)

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

Financial Highlights:

- Revenue – Gross Revenue was \$1,481,258 for the month of February 2024.
- Expenditures – Gross expenditures were \$1,073,208 for the month of February 2024.
- As of February 29, the PUD has \$317,179 in grant reimbursements outstanding for ongoing projects.

Financial Metrics as Compared with Prior Year:	February 2024	January 2023
Total General Cash and Investments	\$961,674	\$1,255,504
Current Ratio (Current Assets/Current Liabilities)	1.78 to 1	2.01 to 1
Debt Service Coverage (O&M/ Debt Service)	3.48	3.46
Long-Term Debt to Net Plant	27%	31%
Total Debt to Equity Ratio (Total Liabilities/Total Equity)	36%	43%
Long Term Debt to Equity Ratio (Long Term Debt / Total Equity)	32%	37%
Times Interest Earned Ratio (Earnings before Interest & Taxes/Total Interest)	5.76	7.02
Cash on Hand (Total Available Cash/Average Daily Costs)	35 Days (General) 127 Days (All Funds)	47 Days (General) 141 Days (All Funds)



Mason County PUD No 1

Budget Summary by Division For the Month Ended February 29, 2024

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
Total Revenue	\$ 1,218,765.92	\$ 261,394.76	\$ 1,096.95	\$ 1,481,257.63
Budgeted	\$ 1,054,230.34	\$ 167,394.04	\$ 989.90	\$ 1,222,614.28
Difference (-/+)	\$ 164,535.58	\$ 94,000.72	\$ 107.05	\$ 258,643.35
% of Budget	116%	156%	111%	121%
Total Expenditures	\$ 920,629.00	\$ 152,483.54	\$ 95.92	\$ 1,073,208.46
Budgeted	\$ 945,242.84	\$ 201,372.20	\$ 499.08	\$ 1,147,114.12
Difference (-/+)	\$ (24,613.84)	\$ (48,888.66)	\$ (403.16)	\$ (73,905.66)
% of Budget	97%	76%	19%	94%
Net Operating Margins	\$ 298,136.92	\$ 108,911.22	\$ 1,001.03	\$ 408,049.17
Budgeted	\$ 108,987.50	\$ (33,978.16)	\$ 490.82	\$ 75,500.16
Difference (-/+)	\$ 189,149.42	\$ 142,889.38	\$ 510.21	\$ 332,549.01
% of Budget	274%	-321%	204%	540%



Mason County PUD No 1

Budget Summary by Division for the Two Months Ended February 29, 2024

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
Total Revenue	\$ 2,373,733.05	\$ 490,627.37	\$ 2,144.85	\$ 2,866,505.27
2024 Budget	\$ 11,337,957.00	\$ 2,946,410.00	\$ 12,222.00	\$ 14,296,589.00
Difference (-/+)	\$ (8,964,223.95)	\$ (2,455,782.63)	\$ (10,077.15)	\$ (11,430,083.73)
% of Budget	21%	17%	18%	20%
Total Expenditures	\$ 2,064,254.43	\$ 355,595.90	\$ 1,097.33	\$ 2,420,947.66
2024 Budget	\$ 10,447,134.00	\$ 2,563,896.00	\$ 9,580.00	\$ 13,020,610.00
Difference (-/+)	\$ (8,382,879.57)	\$ (2,208,300.10)	\$ (8,482.67)	\$ (10,599,662.34)
% of Budget	20%	14%	11%	19%
Net Operating Margins	\$ 309,478.62	\$ 135,031.47	\$ 1,047.52	\$ 445,557.61
2024 Budget	\$ 890,823.00	\$ 382,514.00	\$ 2,642.00	\$ 1,275,979.00
Difference (-/+)	\$ (581,344.38)	\$ (247,482.53)	\$ (1,594.48)	\$ (830,421.39)
% of Budget	35%	35%	40%	35%

Cash Flow

	71,824.92	88,805.73	4,195.20	164,825.85
Beginning Cash (General Fund)				
Net Operating Margin (Excluding Depreciation)	892,440.58	702,895.51	1,331.66	1,596,667.75
Cash Transferred to / from Special Funds	580,639.97	(105,801.79)	(234.33)	474,603.85
Change in Accounts Receivable	99,226.15	182,241.33	(1,097.33)	280,370.15
Change in Accounts Payable	(31,395.68)	11,495.02	-	(19,900.66)
Cash Expended on Utility Plant	(335,021.26)	(220,574.34)	0.00	(555,595.60)
Change in CWIP	(1,247,521.44)	(570,417.73)	0.00	(1,817,939.17)
Ending Cash (General Fund)	30,193.24	88,643.73	4,195.20	123,032.17



Mason County PUD No. 1

Cash & Investment Balances

As of February 29, 2024

Cash Balances

Cash - General Funds

\$ 123,032.17

Cash - Restricted

\$ 115,772.71

Total Cash

\$ 238,804.88

Investment Balances (LGIP)

Investments - Electric

\$ 506,240.40

Investments - Sewer

\$ 10,335.79

Investments - Water

\$ 206,292.73

Total Investments

\$ 722,868.92

Total Cash & Investments

\$ 961,673.80

***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

SMALL WORKS PROJECT
CHANGE ORDER FORM
 No. 03

The following changes are hereby incorporated into this Contract:

A. Description of Change:

As per attached. - *Rock Trench Attachment*

B. Contract Price Adjustment:

As a result of this Change Order, the total Contract shall be increased/decreased by the sum of \$ 37,758.00 plus sales tax, which the amount Contractor acknowledges is full and complete compensation for the Contract Work including changes incorporated by this Change Order.

This Change Order shall not provide any basis for any other payments to or claims by the Contractor as a result of or arising out of the performance of the work described herein. The new total revised Contract Price is \$ _____ including sales tax.

C. Time of Completion:

The time of completion shall be increased / decreased by _____ calendar days. The revised completion date shall be _____.

D. Except as specifically provided herein, all other Contract terms and conditions shall remain unchanged.

CONTRACTOR

Company: BZR Power Division LLC

* Accepted By: _____

Title: Signer

* Date: _____

PUBLIC UTILITY DISTRICT NO. 1
OF MASON COUNTY, WASHINGTON

Accepted By: *[Signature]*

Title: gm

Date: 3/20/04

1/24/24

BZR Power Division LLC

PROJECT: Hill Way Overhead to Underground
DESCRIPTION: Attachment
Invoice #2024-01

Jess Zitlau
(208) 869-7171
bzrpower@outlook.com
CCB# 229425
ID: RCE-51720
4777 S Cree Way
Boise ID 83709

Description	Total
Rock Trench 6 days	
Labor Total Reg Hours	
Ryan = 56X \$100.00 = \$5,600.00	
Jess = 56X \$100.00 = \$5,600.00	
Cole = 56 X \$80.00 = \$4,480.00	
Labor Total OT Hours	
Ryan = 12X \$170.00 = \$2,040.00	
Jess = 13X \$170.00 = \$2,210.00	
Cole = 13X \$130.00 = \$1,690.00	
Equipment Total Hours = 69 Hours	
Material TR: 2X\$25.00 = \$50.00 X 69 hrs = \$3,450.00. Less Discount \$50.00 X 40 hrs = minus \$1,450.00 Total \$2,000.00	
Small Excavator: \$44.00 X 69 hrs = \$3,036.00	
1 Ton Truck: \$43.00 X 69 hrs = \$2,967.00. Less Discount \$43.00 X 40 hrs = minus \$1,247.00 Total \$1,720.00	
Dump Truck: \$100.00 X 69 hrs = \$6,900.00. Less Discount \$100.00 X 40 hrs = minus \$2,900.00 Total \$4,000.00	
Trencher: \$78.00 X 69 hrs = \$5,382.00	