



**Mason County PUD No. 1
Regular Board Meeting
May 28, 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 Special Business Meeting to Order

3) Public Comment

4) Consent Agenda

Minutes: Special Board Meeting May 7, 2024

Disbursements:	Accounts Payable Wire	\$ 78,926.17
	Check Nos 124934- 125024	\$ 608,694.40
	Payroll Wire	\$ 93,544.52

Grand Total **\$781,165.09**

5) Business Agenda

- a. Authorize the GM to sign the Washington Families Clean Energy Program Agreement
- b. Authorize the GM to sign ARPA Contract for Lake Arrowhead Mainline Project
- c. Authorize the GM to sign the BPA Construction Agreement for Substation Metering
- d. April 2024 Financial Report
- e. Approve Ripplewood Change Order No. 2

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

2024 Calendar

June 5	PPC Embassy Suites Portland Airport
June 6	PPC Embassy Suites Portland Airport
Jun 27	WPUDA Water Committee meeting quarterly, Olympia/Zoom
Jun 27	WPAG Hybrid Meeting
JULY 12	Employee Appreciation Potlatch State Park
July 17-19	WPUDA Association meetings, location TBD
July 25	WPAG Hybrid Meeting
August 7	PPC Embassy Suites Portland Airport
August 8	PPC Embassy Suites Portland Airport
August 22	WPAG Virtual Meeting
September 4	PPC Embassy Suites Portland Airport
September 5	PPC Embassy Suites Portland Airport
Sep 18-20	WPUDA Association meetings, location TBD
Sept 25-27	WPUDA Water Workshop, location TBD
Sept 25	WPAG Hybrid Meeting
October 2	PPC Embassy Suites Portland Airport
October 3	PPC Embassy Suites Portland Airport
October 4	PUD 1 Customer Appreciation Event
October 23-24	Energy Northwest Members Forum, Richland
October 31	WPAG Meeting, Virtual
November 6	PPC Town Hall Embassy Suites Portland Airport
November 7	PPC Annual Meeting Embassy Suites Portland Airport
Nov 13-15	WPUDA Association meetings, Olympia



Mason County Public Utility District No. 1
Board of Commissioners Special Board Meeting
May 7, 2024, Potlatch, Washington

Present:

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

Visitors: None.

Excused: Ron Gold, Vice President

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 April 23, 2024	
Disbursements:	Accounts Payable Wire	\$ 85,163.59
	Check Nos 124879- 124933	\$311,018.59
	Payroll Wire	\$100,244.25
	Grand Total	\$496,426.43

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

Business Agenda:

Discussion on WPUDA Policy Statement for BPA Day Ahead Market– Kristin presented WPUDA’s policy statement on the Day Ahead Markets that they intend to send to Bonneville Power Administration and asked the commission if they had any concerns with WPUDA’s approach. The commission said they had no concerns with Kristin indicating to WPUDA that Mason PUD 1 joins in the support.

Discussion on Line of Credit financing for infrastructure projects- Kristin reported that since 2020, when the Manzanita Substation project started, the pandemic caused severe price escalations and inflation on materials and labor, which as priced the project out of the original budget. The cash flow projections show the PUD’s substation fund being depleted early next year before all the necessary construction activities are completed. She stated that while the PUD has successfully funded about 60% of the substation out of operating reserves, the District will need to borrow the remaining 40% to stay on schedule. The substation fund will then repay the line of credit over the next five years. Katie also stated that with all the grant funds that the PUD has secured, the local match requirements are coming out of operating cash, as well as the majority of the project activities, which the PUD then waits for reimbursements from the funding agencies. This is tying up operating cash in reimbursements and is stressing our financial position to cash flow our annual budget projects. Kristin and Katie are meeting with financial lenders to solicit rates and terms on a \$5 million line of credit to help augment the cash flow for these infrastructure projects. Katie said the PUD’s banking institution, Umpqua Bank, told her this has become very common with public agencies who are utilizing grant funds. Kristin asked if the



Mason County Public Utility District No. 1
Board of Commissioners Special Board Meeting
May 7, 2024, Potlatch, Washington

commission had any issues with this approach. The commissioners stated they supported the proposed action and asked staff to bring the final recommendation for a line of credit proposal with terms and rates to the board for approval.

1st Quarter Write Offs– Katie presented the 1st quarter write offs for collections. Mike made a motion to authorize the 1st quarter write offs in the amount of \$4,464.23; Jack seconded the motion. Motion carried.

Resolution No. 2081- Waive Competitive Bidding for Seal Rock– Mike made a motion to approve Resolution No. 2081 as presented; Jack seconded the motion. Motion carried.

Award Seal Rock Sole Source Contract– Mike made a motion to award the Seal Rock project as a sole source to North Sky, LLC in the amount of \$71,106.00; Jack seconded the motion. Motion carried.

Award Agate Beach Phase 3 Contract– Brandy presented the bid tabulation for the Agate Beach Phase 3 project and recommend awarding the contract to Rognlin’s Inc. Mike made a motion to award the Agate Beach Phase 3 Contract to Rognlin’s Inc. in the amount of \$442,951.25; Jack seconded the motion. Motion carried.

Approve Ripplewood Change Order No. 1– Mike made a motion to approve Ripplewood Change Order No. 1 in the amount of \$46,690.00; Jack seconded the motion. Motion carried.

Approve Vuecrest Change Order No. 2– Mike made a motion to approve Vuecrest Change Order No. 2 in the amount of \$10,066.70; Jack seconded the motion. Motion carried.

Staff Reports –

General Manager – Kristin reported that the PUD received another \$75,000 ARPA grant from Mason County for the unbudgeted mainline work at Lake Arrowhead water system. The transformer was set last week at Manzanita and they are finishing the fencing and grading and should be done next week. It looks like we were not selected for Rep. Kilmer’s CPF for Manzanita Water Storage. Staff continues to work on the PWB loan/grant application for this project. Kristin is working with Rob on a deposit agreement for Pleasant Harbor and Ryan Neale has agreed to take on the large load contract work. Kristin has a meeting tomorrow with Mason County to discuss participating in a Water SMART grant application. Kristin will be at NWPPA’s annual meeting next week and back on Thursday.

District Treasurer – Katie reported she will be at the WPUA finance officers meeting in Olympia this week. She is setting up meetings with the contractor and subs at Lake Arrowhead to satisfy the DWSRF loan requirements. She is also finishing up the annual financial report to submit to the state auditor.

Water Resource Manager – Brandy reported that the PUD crew is almost done with their portion of the Lake Arrowhead mainline replacement. Should wrap up next month and that SCI Infrastructure is starting next week. She has received good feedback from Lake Arrowhead customers on the clarity of their water now that the iron and manganese treatment has been installed.



Mason County Public Utility District No. 1
Board of Commissioners Special Board Meeting
May 7, 2024, Potlatch, Washington

Legal Counsel – Rob is working on the deposit agreement with Kristin. Nothing else to report.

Correspondence – None.

Board Reports –

Mike – Is on vacation still and attending remotely.

Jack – Gave an update on Energy Northwest’s small modular reactor project and cost escalations for EN that they are communicating to their membership.

Ron – No report.

PUBLIC COMMENT – None.

EXECUTIVE SESSION – None.

Adjournment: 1:47 p.m.

Jack Janda, President

Ron Gold, Vice President

Mike Sheetz, Secretary

05/23/2024 9:52:37 AM

Accounts Payable Check Register

Page 1

05/06/2024 To 05/23/2024

Bank Account: 4 - UMPQUA BANK - DISTRICT

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
1028 05/16/2024	WIRE	IRS	WEST COAST BANK	FEDERAL TAX LIABILITY	42,054.68
1029 05/16/2024	WIRE	WASH 1	WA DEPT OF RETIREMENT SYS	STATE RETIREMENT - PLAN 2	21,272.00
1030 05/16/2024	WIRE	WASH 7	WA STATE TREAS-MS: PO-11	DEFERRED COMPENSATION	11,592.53
1031 05/16/2024	WIRE	HRA	HRA VEBA TRUST CONTRIBUTI	VEBA MEDICAL SAVINGS	4,006.96
124934 05/06/2024	CHK	AFLAC	AFLAC	SUPPLEMENTAL INSURANCE	145.04
124935 05/06/2024	CHK	ALTEC	ALTEC INDUSTRIES INC	VEHICLE #82-JIB EXTENSION	1,760.64
124936 05/06/2024	CHK	ANIXTER	ANIXTER INC	ELECTRIC INVENTORY-TERMINATION ELBOW	24,175.54
124937 05/06/2024	CHK	CRC	COOPERATIVE RESPONSE CENTER, INC	AFTER HOURS ANSWERING SERVICE	1,584.06
124938 05/06/2024	CHK	DAY	DAY WIRELESS SYSTEMS	RECURRING CHARGES-TWO WAY RADIO 28 UNITS	562.06
124939 05/06/2024	CHK	EXCELSIOR CLE	EXCELSIOR CLEANING	MONTHLY JANITORIAL SERVICES	1,282.50
124940 05/06/2024	CHK	GDS ASSOCIATE	GDS ASSOCIATES, INC	MONTHLY WPAG EXPENSES	429.59
124941 05/06/2024	CHK	GE SOFTWARE	GE SOFTWARE INC DBA EKOS	EKOS FUEL SITE MODULE	80.00
124942 05/06/2024	CHK	GENERAL MECH	GENERAL MECHANICAL, INC	LAKE ARROWHEAD WATER	5,870.86
124943 05/06/2024	CHK	GENPAC	GENERAL PACIFIC INC	ELECTRIC INVENTORY-ARM BRACKET	3,049.94
124944 05/06/2024	CHK	GOLDSTREET	GOLDSTREET DESIGN AGENCY, INC.	MONTHLY WEBSITE HOSTING	50.00
124945 05/06/2024	CHK	GRAY	GRAY & OSBORNE, INC	AGATE BEACH RESERVOIR & BOOSTER STATION	38,136.02
124946 05/06/2024	CHK	HDFOWL	HD FOWLER COMPANY	WATER INVENTORY SUPPLIES	5,436.57
124947 05/06/2024	CHK	HOODCA	HOOD CANAL COMMUNICATIONS	INTERNET, IT, ALARM DIALER, & TELEPHONE	5,174.72
124948 05/06/2024	CHK	JIMINI	JIMINI CONSTRUCTION LLC	HAUL 3 LOAD OF ROCK LAKE ARROWHEAD WATER	1,050.00
124949 05/06/2024	CHK	L.G.	L. G. ISAACSON CO. INC.	SHOP SUPPLIES	142.24
124950 05/06/2024	CHK	MASTELLER	KRISTIN MASTELLER	TRAVEL EXPENSE REIMBURSEMENT-WPUDA MEET	362.10
124951 05/06/2024	CHK	NWSS	NORTHWEST SAFETY SERVICE LLC	SAFETY SERVICE-APRIL 18, 2024	1,136.25
124952 05/06/2024	CHK	PLATT ELECTRI	PLATT	REFUND	9.26
124953 05/06/2024	CHK	POMP'S	POMP'S TIRE SERVICE INC	VEHICLE #66-(4)TIRES & SPIN BALANCE	859.66
124954 05/06/2024	CHK	RICOH USA	RICOH USA, INC.	RENT ON TWO MACHINES & ADDITIONAL IMAGES	514.29
124955 05/06/2024	CHK	SHEETZ, MIKE	MIKE SHEETZ	APRIL TRAVEL EXPENSE	467.42

05/23/2024 9:52:37 AM

Accounts Payable Check Register

Page 2

05/06/2024 To 05/23/2024

Bank Account: 4 - UMPQUA BANK - DISTRICT

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
124956 05/06/2024	CHK	GORE	SOUTHERN STATES,LLC	ELECTRIC INVENTORY-CIRCUIT SWITCHES	97,134.63
124957 05/06/2024	CHK	SPECTRA LAB	SPECTRA LABORATORIES-KITSAP, LLC	VARIOUS WATER SAMPLES	2,646.90
124958 05/06/2024	CHK	VALLEY, LANCE	LANCE VALLEY	3RD YEAR NWJATC CAMP-TRAVEL PER DIEM	266.56
124959 05/06/2024	CHK	34	WASHINGTON ALARM, INC	MONTHLY BILLING - SECURITY SYSTEM SHOP	200.49
124960 05/06/2024	CHK	NAPA AUTO PA	WESTBAY NAPA AUTO PARTS	VEHICLE #67-AIR FILTER	33.34
124961 05/07/2024	CHK	ALTEC	ALTEC INDUSTRIES INC	VEHICLE #60-LIGHT STROBE	417.96
124962 05/07/2024	CHK	COLONI	COLONIAL LIFE INSURANCE	SUPPLEMENTAL INSURANCE	601.89
124963 05/07/2024	CHK	DON SMALL & S	DON SMALL & SONS OIL DIST	GAS & DIESEL	1,682.06
124964 05/07/2024	CHK	GE SOFTWARE	GE SOFTWARE INC DBA EKOS	EKOS FUEL SITE MODULE	80.00
124965 05/07/2024	CHK	GILLIARDI LOG	GILLIARDI LOGGING AND CONSTRUCT	SHOP-ROCK	7,131.04
124966 05/07/2024	CHK	L.G.	L. G. ISAACSON CO. INC.	SAFETY VESTS	571.14
124967 05/07/2024	CHK	LEMAY MOBILE	LEMAY MOBILE SHREDDING	(2) 65GAL SHRED	136.00
124968 05/07/2024	CHK	LES SCHWAB	LES SCHWAB WAREHOUSE CENTER	VEHICLE #62-(1)NEW TIRE	916.88
124969 05/07/2024	CHK	MASON CO GAR	MASON COUNTY GARBAGE	MONTHLY GARBAGE CHARGES	429.19
124970 05/07/2024	CHK	NCCI	NCCI	VUECREST ROAD ASSESSMENT	155.00
124971 05/07/2024	CHK	TOZIER	TOZIER BROS, INC	EQUIPMENT #104-SNAP RINGS	182.23
124972 05/07/2024	CHK	WHITEWOLF EN	WHITEWOLF ENGINEERING SERVICES	CANAL VIEW,LAKE ARROWHEAD,& ENGINEERING	21,574.50
124973 05/07/2024	CHK	2	GOOD TO GO!	TACOMA PUBLIC UTILITIES-KOBE & TYLER	6.50
124974 05/07/2024	CHK	2	TYLER RENTAL	MANZANITA SUBSTATION-FORKLIFT RENTAL	1,179.10
124975 05/09/2024	CHK	BUILDERS	BUILDERS FIRSTSOURCE, INC	WATER NON INVENTORY-SUPPLIES	41.71
124976 05/09/2024	CHK	MARSH	MARSH MUNDORF PRATT & SUL	WPAG MONTHLY FEES	310.51
124977 05/09/2024	CHK	MILROY	BRANDY MILROY	TUITION REIMBURSEMENT	3,960.00
124978 05/09/2024	CHK	STUSSER ELECT	STUSSER ELECTRIC COMPANY	ELECTRIC NON INVENTORY-1/0 BARE WIRE	2,470.38
124979 05/09/2024	CHK	SHOP	THE SHOPPER'S WEEKLY	(20)ANNUAL REPORTS & GRAPHIC DESIGN	967.05
124980 05/16/2024	CHK	IBEW	IBEW LOCAL UNION #77	UNION DUES	1,117.54
124981 05/16/2024	CHK	PUDEMP	PUD #1 EMPLOYEE FUND	EMPLOYEE FUND	210.00

05/23/2024 9:52:37 AM

Accounts Payable Check Register

Page 3

05/06/2024 To 05/23/2024

Bank Account: 4 - UMPQUA BANK - DISTRICT

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
124982 05/17/2024	CHK	ASPECT CONSU	ASPECT CONSULTING LLC	POLE YARD	11,280.25
124983 05/17/2024	CHK	CENTUR	CENTURYLINK	TELEPHONE CHARGES ACCT#206-Z05-0016 020	1,094.31
124984 05/17/2024	CHK	D&L AUTOMOTI	D&L AUTOMOTIVE	VEHICLE #70-TRANSMISSION TUNE UP	486.74
124985 05/17/2024	CHK	DON SMALL & S	DON SMALL & SONS OIL DIST	GAS & DIESEL	2,931.18
124986 05/17/2024	CHK	GOLDSTREET	GOLDSTREET DESIGN AGENCY, INC.	SPRIN 2024 NEWSLETTER	3,324.78
124987 05/17/2024	CHK	GRAIN	GRAINGER	ELECTRIC NON INVENTORY PARTS-FUSE	45.72
124988 05/17/2024	CHK	MTC	MATERIALS TESTING & CONSULTING, IVUECREST RESERVOIR & BOOSTER STATION		1,171.00
124989 05/17/2024	CHK	MT VIEW LOCA	MT. VIEW LOCATING SERVICES, LLC	MONTHLY UNDERGROUND LOCATES	9,010.00
124990 05/17/2024	CHK	NISC	NISC	POSTAGE & ACH E-CHECKS,&CUST.ACCT CREDIT	16,395.66
124991 05/17/2024	CHK	PARSON	PARSONS DIESEL & STEAM	SERVICE VARIOUS VEHICLES	3,008.16
124992 05/17/2024	CHK	STATE	STATE AUDITOR'S OFFICE	ENERGY COMPLIANCE ATTESTATION	82.50
124993 05/17/2024	CHK	TOZIER	TOZIER BROS, INC	WATER NON INVENTORY PARTS	39.12
124994 05/17/2024	CHK	UTILI1	UTILITIES UNDERGROUND LOCATION	MONTHLY ELECTRIC LOCATES	238.29
124995 05/17/2024	CHK	VERIZO	VERIZON WIRELESS	MONTHLY TABLETS & (4) CELLULAR CHARGES	515.56
124996 05/17/2024	CHK	NAPA AUTO PA	WESTBAY NAPA AUTO PARTS	VEHICLE #67-BRAKE PADS	177.04
124997 05/17/2024	CHK	MASTELLER	KRISTIN MASTELLER	NWPPA ANNUAL-TRAVEL EXP. REIMBURSEMENT	1,846.74
124998 05/22/2024	CHK	ANIXTER	ANIXTER INC	ELECTRIC NON INVENTORY PARTS-XFMR STUD	985.35
124999 05/22/2024	CHK	CENTURYLINK	CENTURYLINK	LONG DISTANCE & OUTBOUND CHARGES(21)LINE	78.53
125000 05/22/2024	CHK	CINTAS CORP	CINTAS CORPORATION	POISON IVY CLEANSER TOWELS	35.15
125001 05/22/2024	CHK	GDS ASSOCIATE	GDS ASSOCIATES, INC	MONTHLY WPAG EXPENSES	340.03
125002 05/22/2024	CHK	GENPAC	GENERAL PACIFIC INC	ELECTRIC NON INVENTORY-GUY WIRE	2,780.32
125003 05/22/2024	CHK	GMES LLC	GMES LLC	ELECTRIC TOOLS-LINEMAN WRENCH	499.06
125004 05/22/2024	CHK	HDFOWL	HD FOWLER COMPANY	CREDIT-NON INVENTORY WATER PART	3,001.69
125005 05/22/2024	CHK	HOODCA	HOOD CANAL COMMUNICATIONS	OPERATIONS BUILDING-INSTALL (2)CAMERAS	2,159.15
125006 05/22/2024	CHK	INSIGHT	INSIGHT GEOLOGIC INC	CANAL VIEW WATER-GEOTECHNICAL EVALUATION	8,500.00
125007 05/22/2024	CHK	L.G.	L. G. ISAACSON CO. INC.	EAR PLUGS & WATER NON INVENTORY PARTS	317.47

05/23/2024 9:52:37 AM

Accounts Payable Check Register

Page 4

05/06/2024 To 05/23/2024

Bank Account: 4 - UMPQUA BANK - DISTRICT

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
125008 05/22/2024	CHK	LARRY BROWN	LARRY BROWN CONSTRUCTION, INC	VUECREST WATER-RESERVOIR	283,792.00
125009 05/22/2024	CHK	NATIONAL MET	NATIONAL METERING & TECHNICAL S	METERING TESTING-APRIL 30 - MAY 2	2,886.00
125010 05/22/2024	CHK	PITBOW	PITNEY BOWES INC	INK CARTRIDGE	144.08
125011 05/22/2024	CHK	POMP'S	POMP'S TIRE SERVICE INC	EQUIPMENT #110-(1)NEW TIRE	354.24
125012 05/22/2024	CHK	RICOH USA	RICOH USA, INC.	MAIL MACHINE-PRINT CARTRIDGE	48.83
125013 05/22/2024	CHK	ROCKY	ROCKY BROOK	APRIL POWER USAGE	1,086.00
125014 05/22/2024	CHK	STANDARD PES	STANDARD PEST CONTROL	PEST CONTROL-1681 E MCREAVY RD	119.35
125015 05/22/2024	CHK	TOZIER	TOZIER BROS, INC	LAKE ARROWHEAD WATER-CONCRETE BLADES	217.58
125016 05/22/2024	CHK	HOOD CANAL	HOOD CANAL MARKET FRESH	SHOP TOOL	777.35
125017 05/22/2024	CHK	2M COMPANY	2M COMPANY INC	WATER NON INVENTORY-CHECK VALVE	94.89
125018 05/22/2024	CHK	D&L AUTOMOTI	D&L AUTOMOTIVE	PAST DUE INV.7/13/23-TAHOE A/C NOT WORKI	1,247.84
125019 05/22/2024	CHK	DITCH WITCH	DITCH WITCH WEST	EQUIPMENT #114 & #119-PARTS	2,719.18
125020 05/22/2024	CHK	DON SMALL & S	DON SMALL & SONS OIL DIST	GAS & DIESEL	2,898.56
125021 05/22/2024	CHK	GENPAC	GENERAL PACIFIC INC	ELECTRIC NON INVENTORY PARTS	1,948.38
125022 05/22/2024	CHK	HDFOWL	HD FOWLER COMPANY	ELECTRIC NON INVENTORY PARTS-SEAL ROCK	590.32
125023 05/22/2024	CHK	MAS 10	MASON COUNTY PUBLIC WORKS	VUECREST WATER-CONCRET RESERVOIR PERMIT	2,603.21
125024 05/22/2024	CHK	PLATT ELECTRI	PLATT	SHOP SUPPLIES	121.43
Total Payments for Bank Account - 4 :					(95) 687,620.57
Total Voids for Bank Account - 4 :					(0) 0.00
Total for Bank Account - 4 :					(95) 687,620.57
Grand Total for Payments :					(95) 687,620.57
Grand Total for Voids :					(0) 0.00
Grand Total :					(95) 687,620.57

05/23/2024 9:52:37 AM

Accounts Payable Check Register

Page 5

PARAMETERS ENTERED:**Check Date:** 05/06/2024 To 05/23/2024**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

CONSTRUCTION AGREEMENT
executed by the
UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
acting by and through the
BONNEVILLE POWER ADMINISTRATION
and
PUBLIC UTILITY DISTRICT NO. 1 OF MASON COUNTY

Index to Sections

Section	Page
1. Division of Responsibilities	2
2. Ownership, Operation and Maintenance	X
3. Access	X
4. Related Agreements.....	X
5. Environmental Compliance	X
6. Project Schedule.....	X
7. Termination	X
8. Standard Provisions	X
9. Signatures	X
 Exhibit A Notices	

This CONSTRUCTION AGREEMENT (Agreement) is entered into by the UNITED STATES OF AMERICA, Department of Energy, acting by and through the BONNEVILLE POWER ADMINISTRATION (BPA), and PUBLIC UTILITY DISTRICT NO. 1 OF MASON COUNTY» (Mason 1), hereinafter individually referred to as “Party” and collectively as “Parties.”

RECITALS

BPA received Mason 1’s line/load interconnection request L0540 to interconnect a new 115/12.5 kV, 20 MVA, facility called Manzanita Substation to BPA’s Shelton-Fairmount 115 kV #2 transmission line via Mason 1’s t3ba’das (TA-BA-DAS) Substation. The proposed Manzanita Substation will require installation of 12.5 kV revenue metering.

This Agreement sets forth duties and responsibilities of BPA and Mason 1 related to the design, construction, ownership, operation and maintenance of a revenue metering system to be installed in Mason 1’s [Manzanita Substation](#)

Mason 1’s [Manzanita Substation](#) shall herein be referred to as the Substation.

Unless otherwise specified in this Agreement, the standards listed in the current version of BPA’s Metering Application Requirements, STD-DC-000005 (Metering Application Requirements) in place at the time this Agreement is executed shall apply.

The Parties hereby agree as follows:

1. DIVISION OF RESPONSIBILITIES

- (a) **BPA shall, at BPA’s expense:**
- (1) Provide Mason 1 with a copy of the Metering Application Requirements.
 - (2) Program BPA’s MV-90 software to retrieve meter data from the [SEL-735](#) meter installed under Section 1(b) below.
 - (3) Provide Mason 1 with a copy of the BPA Metering Services Customer Meter Setup Form (Setup Form).
 - (4) Perform testing of metering current transformers (CTs) and metering potential transformers (PTs), that will be provided and installed by Mason 1 under Sections 1(b)(6) and 1(b)(7). Provide and install 4 conductor, 9 AWG, shielded secondary cables for the metering CTs and 4 conductor, 12 AWG, secondary cables for the metering PTs. BPA will make the final connctions between CT/PT junction box and the terminal block in the substation control house.
 - (5) Perform secondary wiring checks from the metering CT/PT junction box to the terminal block in the Manzanita control house.
 - (6) Perform testing of the SEL-735 meter for BPA MV-90 revenue metering as described below under Sections 1(b) (12), (14), and (15).
 - (7) Perform calibration of the [SEL-735](#) revenue meter.

(8) Provide specifications for cell modem to Mason 1.

(b) **Mason 1 shall, at Mason 1's expense:**

- (1) Follow the Metering Application Requirements for the revenue metering system installed as part of this Agreement.
- (2) Design and construct a metering rack, or provide rack space, in the Substation that will house the revenue meter panel segment described below, and provide a designated 120VAC circuit for the revenue meter.
- (3) Design, provide and install a solid state, bi-directional [SEL-735](#) pre-built revenue meter panel segment, to be installed in the metering rack. The [SEL-735](#) meter will meet or exceed ANSI C12.2 standard in effect at the time of design, and shall have the ability to record five minute interval bi-directional kWh and kVARh load profile data.
- (4) Provide [and install](#) communications (cell modem) needed to obtain MV-90 access to the revenue meter.
 - (A) Provide and install equipment external communications equipment (antenna) for MV-90 access.
 - (B) Provide a 120VAC circuit for the communication modem power supply.

- (C) Coordinate with BPA's [Kitsap](#) System Protection and Control (SPC) District Engineer (See Exhibit A, Notices, for contact information) on the installation of the cellular antenna outside the Substation control building.
- (5) Design, provide and install three current transformers (CT); one per phase, on the [12.5 kV](#) side of the Substation. The CT ratio is (600:5).
 - (6) Design, provide and install three [12.5 kV](#) bus potential transformers (PT); one per phase, to be used for the BPA revenue metering system at the Substation. The PT ratio is 60:1.
 - (7) The CTs installed under this Agreement will be used solely for the purpose of BPA's revenue metering system, and will not have any other connections made to the secondary circuit without prior written consent from BPA.
 - (8) Provide BPA's SPC District Engineer with CT and PT nameplate data including manufacturer's name, serial number, and type of device, accuracy class, pertinent input and output ratings including impulse level, connection diagrams and polarity designations.
 - (9) Perform acceptance testing of the CTs and PTs, ensure they meet BPA's metering accuracy class standards, and provide [test data](#) to BPA's SPC District Engineer.
 - (10) Coordinate with BPA's SPC District Engineer on the design of the Project, and on the construction schedule, including installation of the CTs and PTs a minimum of 45 calendar days prior to the planned energization of the revenue metering system at the Substation to allow adequate time for SPC to schedule the testing of the meter circuits and perform final in-service checks.
 - (11) Coordinate with BPA's SPC District Engineer while installing the communication equipment (modem, antenna, and cables) to the metering rack.
 - (12) Perform commissioning tests, including continuity and loop resistance checks on the instrument transformer secondary circuits.
 - (13) Perform final in-service meter checks to ensure proper meter operation.
 - (14) Complete the Setup Form, except for the "Procedures" section, and provide to BPA Metering Services at least 45 calendar days prior to energization to allow BPA to calibrate MV-90 communications to the new revenue meter.

- (15) Coordinate with BPA's SPC District Engineer on the design schedule for the Project, and construction, by providing at least 45 calendar days notice prior to meter energization.
- (16) Provide BPA's Design Engineer with final design wiring drawings for the revenue meter panel segment and the layout and wiring diagram of the metering rack and CT and PT wiring diagrams prior to energization. See Exhibit A, Notices, for contact information.
- (17) Complete the "Procedures" section of the Setup Form as part of the meter energization process, and provide a copy to BPA's SPC District Engineer within 14 calendar days after energization of the revenue meter.
- (18) Within one month after energization, provide BPA's SPC District Engineer with as-built drawings of CT and PT circuits, including the instrument transformer secondary wiring/schematics with wire color code or wire label designations. See Exhibit A, Notices, for contact information.

2. OWNERSHIP, OPERATION AND MAINTENANCE

Mason 1 shall, at Mason 1's expense, own, operate and maintain the equipment installed under Section 1(b) above, except the SEL-735 meter that will be used for BPA MV-90 metering. BPA shall, at BPA expense, own, operating, and maintain the MV-90 meter

3. ACCESS

Mason 1 grants BPA access to enter its facilities described under this Agreement at all reasonable times and in accordance with safety and security requirements in order to access the site for witnessing testing of the equipment installed by Mason 1 under Section 1(b) above. Notwithstanding Section 7, this section shall survive termination of the Agreement and will continue in full force and effect until it is either: 1) replaced by a separate long-term agreement that the Parties intend to enter into under Section 4, or 2) such equipment is no longer within Mason 1's facilities.

4. RELATED AGREEMENTS

BPA and Mason 1 intend to enter into a separate long-term agreement relating to the facilities and equipment installed herein to document the respective ownership, operation and maintenance, and access obligations, which will continue beyond the life of this Agreement.

5. ENVIRONMENTAL COMPLIANCE

Upon execution of this Agreement, the Parties may proceed with all preliminary engineering and project management work. The performance of all construction work under this Agreement is contingent on BPA's completion of its environmental review process under the National Environmental Policy Act (NEPA), if applicable,

as BPA shall determine. After completion of this process, BPA will decide whether to proceed with the construction work and, if so, whether modifications to such work should be made based on the NEPA review. BPA reserves the right to choose any alternatives considered in the NEPA process, including the no-action alternative, and nothing in this agreement shall be construed as obligating BPA to proceed with construction work under this Agreement or to allow Mason 1 to proceed with construction work under this Agreement before BPA has completed the NEPA review process and made a decision regarding how to proceed. If BPA decides that modifications to the construction work under this Agreement should be made, the Parties shall modify their respective obligations under this Agreement to be consistent with such modifications.

6. PROJECT SCHEDULE

The estimated completion date for this Project is [April 1, 2025](#). BPA reserves the right to modify the project schedule by providing written notice to Mason 1 of the schedule change.

7. TERMINATION

This Agreement shall become effective upon execution by both Parties and shall terminate upon full performance by both Parties of their respective obligations set forth herein, but in no event shall the term of this Agreement exceed five years from its effective date.

8. STANDARD PROVISIONS

(a) **Amendments**

No amendment of this Agreement shall be of any force or effect unless set forth in a written instrument signed by authorized representatives of each Party.

(b) **Assignment**

This Agreement is binding on any successors and assigns of the Parties. Neither Party may otherwise transfer or assign this Agreement, in whole or in part, without the other Party's written consent. Such consent shall not be unreasonably withheld.

(c) **Entire Agreement**

This Agreement, including documents expressly incorporated by reference, constitutes the entire agreement between the Parties. It supersedes all previous communications, representations, or contracts, either written or oral, which purport to describe or embody the subject matter of this Agreement.

(d) **Limitation of Liability**

Neither Party shall be liable to the other Party for any lost or prospective profits or any special, punitive, exemplary, consequential, incidental or indirect losses or damages under this Agreement.

Mason 1 is solely responsible to BPA for damage to United States (BPA) property caused by Mason 1, and its employees, contractors, and agents. Mason 1 is also solely responsible for any claims arising out of negligent conduct by its employees, contractors, and agents performing the work described in this Agreement on or at United States-owned (BPA-owned) real property, facilities, or equipment. Any claim for personal injury, death, or property damage against BPA (the United States) must be made in accordance with the Federal Tort Claims Act, 28 U.S.C. §§ 1346(b), 1402(b), 2401(b), and ch. 171.

(e) **No Third Party Beneficiaries**

This Agreement is made and entered into for the sole benefit of the Parties, and the Parties intend that no other person or entity shall be a direct or indirect beneficiary of this Agreement.

(f) **Uncontrollable Forces**

The Parties shall not be in breach of their respective obligations to the extent the failure to fulfill any obligation is due to an Uncontrollable Force.

“Uncontrollable Force” means an event beyond the reasonable control of, and without the fault or negligence of, the Party claiming the Uncontrollable Force, that prevents that Party from performing its contractual obligations under this Agreement and which, by exercise of that Party’s reasonable care, diligence and foresight, such Party was unable to avoid. Uncontrollable Forces include, but are not limited to:

- (1) strikes or work stoppage;
- (2) floods, earthquakes, fire, or other natural disasters; terrorist acts; epidemics, pandemics and
- (3) final orders or injunctions issued by a court or regulatory body having competent subject matter jurisdiction which the Party claiming the Uncontrollable Force, after diligent efforts, was unable to have stayed, suspended, or set aside pending review by a court of competent subject matter jurisdiction.

Neither the unavailability of funds or financing, nor conditions of national or local economies or markets shall be considered an Uncontrollable Force. The economic hardship of either Party shall not constitute an Uncontrollable Force. Nothing contained in this provision shall be construed to require either Party to settle any strike or labor dispute in which it may be involved.

If an Uncontrollable Force prevents a Party from performing any of its obligations under this Agreement, such Party shall: (1) immediately notify the other Party of such Uncontrollable Force by any means practicable and confirm such notice in writing as soon as reasonably practicable; (2) use its best efforts to mitigate the effects of such Uncontrollable Force, remedy its inability to perform, and resume full performance of its obligation hereunder as soon as reasonably practicable; (3) keep the other Party apprised of such

efforts on an ongoing basis; and (4) provide written notice of the resumption of performance. Written notices sent under this section must comply with Exhibit A.

(g) **Waivers**

No waiver of any provision or breach of this Agreement shall be effective unless such waiver is in writing and signed by the waiving Party, and any such waiver shall not be deemed a waiver of any other provision of this Agreement or any other breach of this Agreement.

9. SIGNATURES

This Agreement may be executed in several counterparts, all of which taken together will constitute one single agreement, and may be executed by electronic signature and delivered electronically. The Parties have executed this Agreement as of the last date indicated below.

PUBLIC UTILITY DISTRICT NO. 1
OF MASON COUNTY

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By: _____

By: _____

Title: _____

Title: Transmission Account Executive

If opting out of the electronic signature:

By: _____

Name: _____
(Print/Type)

Title: _____

Date: _____

**EXHIBIT A
NOTICES**

Any notice or other communication related to this Agreement shall be delivered in person, or with proof of receipt by email, First Class mail or overnight delivery service. Notices are effective on the date received. Either Party may change the contact information by providing notice of such change to the following person and address:

1. ADMINISTRATIVE CONTACTS

To Public Utility District No. 1 of Mason County: To Bonneville Power Administration:

21971 N. Highway 101
Shelton, WA 98584-7446
Attention: Kristin Masteller
Title: General Manager
Phone: (360) 877-5249
E-mail: kristinm@mason-pud1.org

Attention: Transmission Account Executive for
Public Utility District No. 1 of Mason County
Phone: (360) 418-8659
E-mail: tdsimpson@bpa.gov

First Class Mail:
Bonneville Power Administration
P.O. Box 61409
Vancouver, WA 98666

Overnight Delivery Service:
Bonneville Power Administration
905 NE 11th Avenue
Portland, OR 97232

2. TECHNICAL CONTACTS

To Public Utility District No. 1 of Mason County:

[North 21971 Hwy. 101](#)
[Shelton, WA 98584](#)
Attention: [Jeremiah Waugh](#)
Title: Engineering Manager
Phone: [\(360\) 877-5249, ext. 215](#)
E-mail : jeremiahw@mason-pud1.org

**To Bonneville Power Administration:
Customer Service Engineer**

Attention: John Brank
Phone: [\(360\) 570-4336](#)
E-mail: jebrank@bpa.gov

SPC Kitsap District Engineer

Attention: Bob Salisbury
Phone: [\(360\) 377-3133](#)
E-mail: rcsalisbury@bpa.gov

Design Engineer

Attention:
Phone: [\(xxx\) xxx-xxxx](#)
E-mail: [xxxx@xxx](#)

3. CHANGES IN NOTICES

If either Party changes its contact information, that Party shall notify the other Party within three business days, and such notice shall be deemed to have been received if delivered as instructed in Section 1 of this Exhibit. BPA shall revise this Exhibit upon such notice.



PUD1 – Executive Summary – April 2024

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

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

- **Completed Projects:**
 - 2024 Budget
 - 2023 Privilege Tax Return (Due 2/29/24)
 - 2023 EIA Report (Due 4/30/24)
 - 2023 Form 7 (Due 3/31/24)

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

Financial Highlights:

- Revenue – Gross Revenue was \$1,240,838 for the month of April 2024.
- Expenditures – Gross expenditures were \$1,024,773 for the month of April 2024.
- As of April 30, the PUD has \$850,737 in grant reimbursements outstanding for ongoing projects, which is an equivalent of about 31 days of our cash on hand.

Financial Metrics as Compared with Prior Year:	April 2024	April 2023
Total General Cash and Investments	\$995,903	\$1,407,439
Current Ratio (Current Assets/Current Liabilities)	2.22 to 1	2.15 to 1
Debt Service Coverage (O&M/ Debt Service)	3.44	3.43
Long-Term Debt to Net Plant	26%	36%
Total Debt to Equity Ratio (Total Liabilities/Total Equity)	35%	42%
Long Term Debt to Equity Ratio (Long Term Debt / Total Equity)	31%	36%
Times Interest Earned Ratio (Earnings before Interest & Taxes/Total Interest)	6.54	7.81
Cash on Hand (Total Available Cash/Average Daily Costs)	37 Days (General) 120 Days (All Funds)	47 Days (General) 135 Days (All Funds)



Mason County PUD No 1

Budget Summary by Division For the Month Ended April 30, 2024

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
Total Revenue	\$ 1,014,287.67	\$ 225,566.54	\$ 983.52	\$ 1,240,837.73
Budgeted	\$ 1,035,420.00	\$ 222,399.31	\$ 989.90	\$ 1,258,809.21
Difference (-/+)	\$ (21,132.33)	\$ 3,167.23	\$ (6.38)	\$ (17,971.48)
% of Budget	98%	101%	99%	99%
Total Expenditures	\$ 868,561.19	\$ 156,117.22	\$ 94.39	\$ 1,024,772.80
Budgeted	\$ 849,152.45	\$ 209,396.50	\$ 521.07	\$ 1,059,070.02
Difference (-/+)	\$ 19,408.74	\$ (53,279.28)	\$ (426.68)	\$ (34,297.22)
% of Budget	102%	75%	18%	97%
Net Operating Margins	\$ 145,726.48	\$ 69,449.32	\$ 889.13	\$ 216,064.93
Budgeted	\$ 186,267.55	\$ 13,002.81	\$ 468.83	\$ 199,739.19
Difference (-/+)	\$ (40,541.07)	\$ 56,446.51	\$ 420.30	\$ 16,325.74
% of Budget	78%	534%	190%	108%



Mason County PUD No 1

Budget Summary by Division for the Four Months Ended April 30, 2024

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
Total Revenue	\$ 4,490,846.45	\$ 942,336.20	\$ 4,221.59	\$ 5,437,404.24
2024 Budget	\$ 11,337,957.00	\$ 2,946,410.00	\$ 12,222.00	\$ 14,296,589.00
Difference (-/+)	\$ (6,847,110.55)	\$ (2,004,073.80)	\$ (8,000.41)	\$ (8,859,184.76)
% of Budget	40%	32%	35%	38%
Total Expenditures	\$ 3,803,367.33	\$ 678,311.60	\$ 1,394.08	\$ 4,483,073.01
2024 Budget	\$ 10,447,134.00	\$ 2,563,896.00	\$ 9,580.00	\$ 13,020,610.00
Difference (-/+)	\$ (6,643,766.67)	\$ (1,885,584.40)	\$ (8,185.92)	\$ (8,537,536.99)
% of Budget	36%	26%	15%	34%
Net Operating Margins	\$ 687,479.12	\$ 264,024.60	\$ 2,827.51	\$ 954,331.23
2024 Budget	\$ 890,823.00	\$ 382,514.00	\$ 2,642.00	\$ 1,275,979.00
Difference (-/+)	\$ (203,343.88)	\$ (118,489.40)	\$ 185.51	\$ (321,647.77)
% of Budget	77%	69%	107%	75%

Cash Flow

	71,824.92	88,805.73	4,195.20	164,825.85
Beginning Cash (General Fund)				
Net Operating Margin (Excluding Depreciation)	1,458,654.73	1,181,827.22	2,827.51	2,643,309.46
Cash Transferred to / from Special Funds	403,572.80	(57,669.75)	(344.03)	345,559.02
Change in Accounts Receivable	221,261.23	240,018.81	(2,461.79)	458,818.25
Change in Accounts Payable	437,767.23	18,555.62	-	456,322.85
Cash Expended on Utility Plant	(1,958,307.30)	(229,377.54)	0.00	(2,187,684.84)
Change in CWIP	(594,619.77)	(1,153,403.35)	(21.69)	(1,748,044.81)
Ending Cash (General Fund)	40,153.84	88,756.74	4,195.20	133,105.78



Mason County PUD No. 1

Cash & Investment Balances

As of April 30, 2024

Cash Balances

Cash - General Funds

\$ 133,105.78

Cash - Restricted

\$ 111,603.06

Total Cash

\$ 244,708.84

Investment Balances (LGIP)

Investments - Electric

\$ 528,260.36

Investments - Sewer

\$ 10,445.49

Investments - Water

\$ 212,488.58

Total Investments

\$ 751,194.43

Total Cash & Investments

\$ 995,903.27

***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:

Change in design added additional restoration time and activities.
 Change in restoration details include planting of privacy barrier at water system and hydroseeding rather than straw/seed.
 District asked contractor to handle all procurement and transportation of materials along with installation of landscaping.
 District asked contractor to sub hydroseeding.

B. Contract Price Adjustment:

As a result of this Change Order, the total Contract shall be **increased**/decreased by the sum of \$32,895.00 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 \$483,170.04 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: Hanson Excavation, LLC

Accepted By: _____

Title: _____

Date: _____

PUBLIC UTILITY DISTRICT NO. 1
OF MASON COUNTY, WASHINGTON

Accepted By: _____

Title: General Manager

Date: _____

Hanson Excavation LLC
86 SE Banjo LN
Shelton, WA 98584
(360)239-6792
jared@hansonex.com

Estimate



ADDRESS
Mason County PUD #1 21971 US-101 Shelton, WA 98584

ESTIMATE #	DATE
1449	05/06/2024

ACTIVITY	QTY	RATE	AMOUNT
Change Order Landscaping, additional site restoration area, planting and hydroseeding, transportation, labor, plant acquisition & planting.	1	32,895.00	32,895.00

SUBTOTAL	32,895.00
TAX	0.00
TOTAL	\$32,895.00

Accepted By

Accepted Date