



Mason County Public Utility District No. 1
Board of Commissioners Regular Board Meeting
December 8, 2020 Potlatch, Washington

Present:

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

Visitors:

Michelle Barnett – Lilliwaup Customer

APPROVAL OF CONSENT AGENDA:

Minutes: November 10, 2020 Regular Board Meeting
December 1, 2020 Special Meeting

Disbursements:

Accounts Payable Check Register

Accounts Payable Wire	\$110,846.97
Check Nos. 119374 - 119508	\$634,494.57

A/P Total **\$745,341.54**

Payroll Expense

Payroll Wire 11-16-20	\$ 52,105.23
Payroll Wire 12-01-16	\$ 62,452.79

Grand Total **\$859,899.56**

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

PUBLIC COMMENT: Ms. Barnett was welcomed to the meeting. She had no public comment.

BUSINESS AGENDA:

Approval of the 2021 Strategic Work Plan – Mike made a motion to approve the 2021 Strategic Work Plan as presented. Jack seconded the motion. Motion carried.

Reject All Bidders for the Manzanita Clearing Project due to administrative error - Mike made a motion to Reject all Bidders for the Manzanita Clearing Project due to administrative error and instruct the general manager to select a qualified contractor from the Small Works Roster to complete the work. Jack seconded the motion. Motion carried.

October Financials – Katie reported Gross Revenue at \$812,054.71 for the month of October 2020 with Gross expenditures at \$792,704.21 for the same month. The COVID Metrics show Cash on Hand as being down \$98,063.00 due to delayed account payments, late fees etc. In May the PUD transferred



\$55,000.00 to the General Fund when we applied customer deposits against account balances, which helped offset the decrease of cash. As of October 31st, there were 103 electric accounts and 66 water accounts that were 90 days or more past due for a total of \$41,590.00. Katie reported that the A-19 was submitted to Mason County in November for \$49,451.41 and would be applied to Mason County residents that submitted a COVID Financial Hardship Attestation Form. Jefferson County will provide funding directly to OlyCAP, for the District’s Jefferson County residents to apply.

Financial Metrics as Compared with Prior Year:	October 2020	October 2019
Total General Cash and Investments	\$888,545	\$921,849
Current Ratio (Current Assets/Current Liabilities)	3.20 to 1	2.86 to 1
Debt Service Coverage (O&M/ Debt Service)	2.47	2.46
Long-Term Debt to Net Plant	41%	44%
Total Debt to Equity Ratio (Total Liabilities/Total Equity)	57%	62%
Long Term Debt to Equity Ratio (Long Term Debt / Total Equity)	52%	57%
Times Interest Earned Ratio (Earnings before Interest & Taxes/Total Interest)	3.81	2.51
Cash on Hand (Total Available Cash/Average Daily Costs)	39 Days (General) 199 Days (All Funds)	41 Days (General) 178 Days (All Funds)

Approval of Resolution No. 2041- Administrative Staff Compensation adjustment – Mike made a motion to approve Resolution No. 2041- Administrative Staff Compensation adjustment as presented. Jack seconded the motion. Motion carried.

Approval of Resolution No. 2042- General Manager Compensation adjustment – Mike made a motion to approve resolution No. 2042- General Manager Compensation adjustment as presented. Jack seconded the motion. Motion carried.

Approval of Change Order No. 1 Manzanita Double Circuit Project – Mike made a motion to approve Change Order No. 1 for the Manzanita Double Circuit Project. Jack seconded the motion. Motion carried.

BPA Projections for Rate Impact Model for BP22 – Kristin offered to bring in Marcus Perry from BPA in January to discuss the projected BPA rates for the BP 22 rate case. The commission asked her to set that up and invite him and the transmission account executive to join future meetings.



Authorize the Manager to Sign Compromise of Misdemeanor - Mike made a motion to authorize the General Manager to sign the Compromise of Misdemeanor after the errors in the document were corrected by the presenting attorney. Jack seconded the motion. Motion carried.

Election of 2021 – 2022 Board Officers – Mike made a motion to approve the following slate of officers for 2021-2022: President Mike Sheetz, Vice President Jack Janda, and Secretary Ron Gold. Jack seconded the motion. Motion carried.

Staff Reports –

General Manager – Kristin reported that the PUD had won a national award for operational excellence regarding the PUD’s COVID response this year. AT&T and GovTech will award it at the virtual conference next week. She thanked everybody for doing their part. She reported that there had been a bidder walk thru on December 1st for a new security system. Also, Darin, Brandy and Julie are working on the fencing proposal and getting the information ready to put out for bid. The new key system for all the PUD properties is moving forward and Kristin should have a quote by the end of the year. Bond proceeds will be designated to pay for the safety upgrade of the facilities. Kristin reported that the PUD put an RFQ out for Electrical Engineers. Kristin reported that the Skokomish Tribe have signed the EV Charging stations grant subrecipient agreement. This project needs to be fully commissioned by the end of March 2021. She also reported that she and Brandy are participating in the WPUDA WSDOT planning group. The plan is to get WSDOT to coordinate with utilities in advance of projects, so we can plan and budget. State law is that the utility is responsible to pay for the relocate of their own equipment. Kristin sent a letter to Governor Inslee regarding prioritization for essential utility workers when they roll out the Covid-19 vaccine to the public. She also sent a letter to Commerce regarding draft rulemaking for Clean Energy Transformation Act. There are a lot of onerous reporting requirements that the Commerce committee is inserting into the rules that are outside the scope of the initiative.

Director of Operations – Darin reported that our two new employees have started and seem to be a great fit so far. The voluntary cleanup plan for the old pole yard has been approved by Ecology. Darin and Katie will be working on grant funding for this project. Hansen has a small amount of work left to do on the Manzanita Project. Darin reported that they installed an 8” water main and allowed Hood Canal to put conduit in the ditch at this project. The Electric crew did some maintenance work on Potlatch Rd. There was an old installation that was dangerous to the linemen. New installs have slowed some. The Water crew is working to rehab a well house in Union and finishing up the end of year strategic plan work. There is a safety meeting on Thursday, December 10. There have been no accidents or near misses.

Director of Business Services – Katie reported that 2019 state audit is underway. Due to COVID-19, the audit will be done virtually. Ron will be available for the Risk Assessment on December 9th at 1:00 to speak with the State Auditor. She also reported that they had applied for a \$5,000.00 Community Foundation grant in August, to assist customers with paying their utility bills, but was not selected this year.



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Water Resource Manager – Brandy reported that Grey & Osborne are close to being done with the mainline design of Agate Beach Water System for staff to review. She also reported the manganese treatment for Bay East and Lake Arrowhead has been thru the pilot study protocol, and as soon as the staff reviews, they will get back with Grey & Osborne. Grey & Osborne will then schedule with ATEC to do the study, this should take about 2 days per system.

Legal Counsel – Rob reported that Mason General Hospital should be receiving 900 COVID vaccines per week, possibly as soon as next week. 500 of them are earmarked for hospital employees and after that they will be distributed to first responders, i.e. EMS, fire and police. Mason PUD 1 and Mason PUD 3 will be included in the first responder delivery.

Correspondence – Correspondence included a newspaper article about the 'Cares Act', a thank you note from customer appreciation, PUD 1 CETA Draft Comments, newspaper article 'Fallen Tree blocks 101', Letter to Governor regarding COVID Vaccine schedule and Newspaper article 'PUD 1 Recognized National/Regional for Communication'.

Board Reports – Mike reported he had virtually attended the WPUDA annual meeting last week. He also read part of a letter sent out to all fire chiefs in the county letting them know that there had been so many positive COVID tests that MACECOM can't keep up and would not be flagging addresses that have known COVID.

Jack reported he had also attended the WPUDA annual meeting. He was on the awards committee for this event.

Ron reported that he had virtually attended the WPUDA Annual meeting. He also will be attending the WRIA meeting on 12/10 and WPAG on 12/18.

PUBLIC COMMENT -

Adjournment: 2:35 p.m.

Ron Gold, President

Mike Sheetz, Vice President

Jack Janda, Secretary