



**Mason County PUD No. 1  
Regular Board Meeting  
February 11, 2025  
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. 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 January 28, 2025

**Disbursements:**

Accounts Payable Wire	\$131,505.13
Check Nos. 126140-126190	\$496,603.53
Check Nos. 126190-126195	\$ 7,170.45

Payroll Wire	\$102,895.47
Payroll Checks 126191 & 126192	\$ 7,159.03

**Grand Total** **\$745,333.61**

**3) Business Agenda**

- a. December 2024 Financial Report

**4) Staff Reports**

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

**5) Correspondence**

**6) Board Comments**

**7) Other Business/Public Comment**

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

**9) Adjournment**

## **2025 Calendar**

Feb 12-14	WPUDA Association Meetings	Olympia
Mar 5 & 6	Public Power Council	Portland
Mar 19-21	WPUDA Association Meetings	Olympia
Mar 27	WPUDA Water Committee	Zoom
April 2 & 3	Public Power Council	Virtual
April 23-25	WPUDA Annual Conference	Vancouver
May 7 & 8	Public Power Council	Sheraton Portland Airport
May 19-22	NWPPA Annual Conference	Santa Rosa, CA
June 5-6	Public Power Council	Portland
June 6-11	APPA National Conference	New Orleans, LA
June 26	WPUDA Water Committee	Zoom
July 16-18	WPUDA Association Meetings	Skagit PUD
Aug 6 & 7	Public Power Council	Portland
Sept 3 & 4	Public Power Council	Portland
Sept 17-19	WPUDA Association Meetings	Grant PUD
Sept 24-26	WPUDA Water Workshop	TBD
Oct 1 & 2	Public Power Council	Portland
Oct TBD	WPUDA/Energy Northwest Forum	Kennewick
Nov 12-14	WPUDA Association Meetings	TBD
Nov 5 & 6	Public Power Council Annual Meeting	Portland



**Mason County Public Utility District No. 1**  
Board of Commissioners Regular Board Meeting  
January 28, 2025, Potlatch, Washington

**Present:**

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

**Visitors:** Dale Tahja, Customer  
Marcus Perry, BPA Account Executive

**CALL TO ORDER:** Ron called the regular meeting to order at 1:00 p.m.

**PUBLIC COMMENT:** Mr. Tahja is a customer at the Star White development and had questions about the Board's decision regarding use of the PUD-owned roads in his development. He asked the commission to reconsider leaving the roads open for through traffic.

**APPROVAL OF CONSENT AGENDA:**

<b>Minutes:</b>	Regular Board Meeting January 14, 2025	
<b>Disbursements:</b>	Accounts Payable Wire	\$126,449.92
	Check Nos. 126096-126139	\$123,797.81
	Payroll Wire	\$100,073.60
	<b>Grand Total</b>	<b>\$350,321.33</b>

Jack made a motion to approve the consent agenda as presented, Mike seconded the motion. It passed unanimously.

**Business Agenda:**

**Marcus Perry- Bonneville Power Administration-** Marcus Perry, PUD 1's account executive with Bonneville Power Administration, gave a report to the commission on snowpack levels, which are at 70% of average, which impacts BPA's water year on the hydro system. He also discussed upcoming 20 year power sales contracts which BPA would like to complete in October 2025. He stated there would be an EDAM (day ahead market) workshop this week. He also talked about proposed power rate increases of 9%, which equates to about a 5% increase to Mason PUD 1.

**Reapproval of Resolution No. 2089- Sole Source for Underground Cable-** Kristin stated that she made an error at the last meeting when the board previously approved Resolution No. 2089, and this resolution needed to be reapproved now that the PUD has the supporting documentation that the auditors require for sole source. Jack made a motion to reauthorize Resolution No. 2089 as presented; Ron seconded the motion. It passed unanimously.



**Mason County Public Utility District No. 1**  
Board of Commissioners Regular Board Meeting  
January 28, 2025, Potlatch, Washington

**Resolution No. 2090 – Sole Source for Meters**– Jack made a motion to approve Resolution No. 2090 as presented; Ron seconded the motion. Motion carried.

**Resolution No. 2091- Waive Competitive Bidding for Road Restoration Materials**– Kristin stated that the PUD shared responsibility for restoring the road at Dark Road laydown yard, but that Hood Canal Communications and their contractor were responsible for the bulk of the maintenance and restoration work. The PUD agreed to cost share in the gravel material since HCC and North Sky paid for all the other labor and materials. This sole source resolution cites the special market conditions that necessitate waiving the competitive bidding process for the procurement of the rock material. Jack made a motion to authorize Resolution No. 2091 as presented; Mike seconded the motion. It passed unanimously.

**Agate Beach Phase 3 Change Order No. 1** – Jack made a motion to approve Agate Beach Phase 3 Change Order No. 1 in the amount of \$56,100, plus tax. Mike seconded the motion. It passed unanimously.

**Lake Arrowhead Phase 3 Change Order No. 1** – Jack made a motion to approve Lake Arrowhead Phase 3 Change Order No. 1 in the amount of \$5,478.92. Mike seconded the motion. It passed unanimously.

**Staff Reports –**

**General Manager** – Kristin gave an update on the Manzanita Substation construction. She stated that new U.S. Congresswoman Emily Randall stopped by her office last week to introduce herself and talk about Mason PUD 1. Kristin covered the alarming news from the White House regarding the freeze on grant funding and that it impacted PUD1’s FEMA kick off meeting this week.

**District Treasurer** – Katie gave an update on the PUD’s FEMA BRIC grant for the Jorstad Substation. She is also working on the 2024 Annual Report and 2024 year end financials.

**Water Resource Manager** – Brandy reported she had her interview with Ruckleshaus regarding Water Use Efficiency program. Agate Beach water system improvements will be completed next month. The Vuecrest mainline is complete. The water department has an opening for a GIS tech position. Luke Ulrich was commuting a long distance to work and found a new position close to home. He did a great job at the PUD, and we will miss him and thank him for all his good work.

**Legal Counsel** – Saved for executive session.

**Correspondence** – None.

**Board Reports –**

**Mike** – Mike attended WPUA and the water committee meeting.

**Jack** – Gave an update on the new Energy Northwest board and new nuclear project

**Ron** – No report.



**Mason County Public Utility District No. 1**  
Board of Commissioners Regular Board Meeting  
January 28, 2025, Potlatch, Washington

**PUBLIC COMMENT** – Dale Tahja again reiterated his request to secure the PUD-owned road to just him and other property owners on Arnold’s Way.

**EXECUTIVE SESSION** – Ron called an executive session at 2:05 p.m. under RCW 42.30.110(i) for the purpose of threatened or pending litigation. He stated the session would last 15 minutes. At 2:20 p.m., Ron closed the executive session and reconvened the regular session. With no further business he adjourned the regular meeting.

**Adjournment: 2:20 p.m.**

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**Ron Gold, President**

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**Mike Sheetz, Vice President**

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**Jack Janda, Secretary**

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# Accounts Payable Check Register

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## 01/23/2025 To 02/06/2025

**Bank Account: 4 - UMPQUA BANK - DISTRICT**

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
1175 01/24/2025	WIRE	WASH 3	WA DEPT OF REVENUE	EXCISE TAX	44,684.85
1180 02/03/2025	WIRE	IRS	WEST COAST BANK	FEDERAL TAX LIABILITY	45,145.32
1181 02/03/2025	WIRE	WASH 1	WA DEPT OF RETIREMENT SYS	STATE RETIREMENT - PLAN 2	22,949.32
1182 02/03/2025	WIRE	WASH 7	WA STATE TREAS-MS: PO-11	DEFERRED COMPENSATION	13,029.76
1183 02/03/2025	WIRE	HRA	HRA VEBA TRUST CONTRIBUTI	VEBA MEDICAL SAVINGS	5,454.43
1184 02/03/2025	WIRE	DSHS	DSHS	DEPARTMENT OF SOCIAL HEALTH SERVICES	241.45
126140 01/24/2025	CHK	BLINK NETWOR	BLINK NETWORK, LLC	ANNUAL NETWORK FEES-11/2024 TO 11/2025	240.00
126141 01/24/2025	CHK	DON SMALL & S	DON SMALL & SONS OIL DIST	GAS & DIESEL	2,367.48
126142 01/24/2025	CHK	HENDEN ELECT	HENDEN ELECTRIC, INC	CANAL MUTUAL & LAKEWOOD HEIGHTS	4,140.00
126143 01/24/2025	CHK	MILROY	BRANDY MILROY	TUITION REIMBURSEMENT	1,980.00
126144 01/24/2025	CHK	60	RIVERLINE POWER, LLC	DUCKABUSH RELOCATION PROJECT	96,200.68
126145 01/24/2025	CHK	ROCKY	ROCKY BROOK	DECEMBER POWER USAGE	2,425.00
126146 01/24/2025	CHK	WEST	WEST COAST MOBILE EQUIPMENT REP	VEHICLE #77-REPLACED FRONT BRAKE ROTORS	689.61
126147 01/24/2025	CHK	2	ISABEL J AGUSTIN	INACTIVE REFUND	33.10
126148 01/24/2025	CHK	2	FADI KARAM	INACTIVE REFUND	39.11
126149 01/24/2025	CHK	2	PATRICK J MCDONALD	INACTIVE REFUND	805.35
126150 01/28/2025	CHK	CAROW	CAROW, CINDI	MONTHLY REIMBURSEMENT	468.23
126151 01/28/2025	CHK	KESTER	KESTER, GREGORY C.	MONTHLY REIMBURSEMENT	1,655.02
126152 01/28/2025	CHK	MUNCHR	MUNCH, ROY	MONTHLY REIMBURSEMENT	892.22
126153 01/28/2025	CHK	ASW	ARCHBRIGHT	Q1 2025 L&I CLAIM ONLY SERVICE FEE	677.99
126154 01/28/2025	CHK	GRAYJU	GRAY, JULIE	MONTHLY REIMBRUSEMENT	930.75
126155 01/28/2025	CHK	MASON2	MASON COUNTY TREASURER	MANZANITA PROJECT-PERMIT	18,628.08
126156 01/28/2025	CHK	ALTEC	ALTEC INDUSTRIES INC	VEHICLE #65A & #81A-PARTS FOR BUCKET	1,102.11
126157 01/28/2025	CHK	PLATT ELECTRI	PLATT	METER SHOP SUPPLIES	1,337.90
126158 01/28/2025	CHK	ROHLIN	ROHLINGER ENTERPRISES INC	(8) LINMEAN PROTECTIVE SECONDARY BLANKET	1,785.69
126159 01/28/2025	CHK	TOZIER	TOZIER BROS, INC	BLOOMFIELD RD WATER-SUPPLIES	181.46

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# Accounts Payable Check Register

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01/23/2025 To 02/06/2025

**Bank Account: 4 - UMPQUA BANK - DISTRICT**

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
126160 01/28/2025	CHK	ULINE	ULINE	FIRE EXTINGUISHER & FIRST AID SIGNS	181.88
126161 01/28/2025	CHK	VERIZO	VERIZON WIRELESS	MONTHLY TABLETS & (4) CELLULAR CHARGES	1,147.70
126162 01/28/2025	CHK	NAPA AUTO PA	WESTBAY NAPA AUTO PARTS	VEHICLE #71-BRAKE PARTS	1,706.32
126163 01/28/2025	CHK	2	KAREN LANDERS	INACTIVE REFUND	6.98
126164 01/28/2025	CHK	2	KAREN LANDERS	INACTIVE REFUND	200.00
126165 01/29/2025	CHK	2M COMPANY	2M COMPANY INC	WATER INVENTORY PART	2,268.45
126166 01/29/2025	CHK	APPA	AMERICAN PUBLIC POWER ASSOCIATI	ANNUAL DUES	6,490.01
126167 01/29/2025	CHK	BRUCE TITUS F	BRUCE TITUS FORD	VEHICLE #64-ENGINE COOLING SYSTEM REPAIR	664.22
126168 01/29/2025	CHK	DJ'S ELECTRICA	DJ'S ELECTRICAL INC	MANZANITA SUBSTATION SITE WORK-RETAINAGE	38,150.01
126169 01/29/2025	CHK	DON SMALL & S	DON SMALL & SONS OIL DIST	DIESEL & GAS	2,247.85
126170 01/29/2025	CHK	EVER	EVERGREEN RURAL	WATER GIS ENGINEER WEBSITE AD	25.00
126171 01/29/2025	CHK	HDFOWL	HD FOWLER COMPANY	WATER NON INVENTORY PARTS	8,563.42
126172 01/29/2025	CHK	MT VIEW LOCA	MT. VIEW LOCATING SERVICES, LLC	MONTHLY UNDERGROUND LOCATES	1,997.50
126173 01/29/2025	CHK	NORTH SKY	NORTH SKY COMMUNICATIONS, LLC	Gravel for Road Restoration	4,068.94
126174 01/29/2025	CHK	NW RIVER PART	NORTHWEST RIVER PARTNERS	2025 DUES ASSESSMENT"OUR POWER IS WATER"	5,500.00
126175 01/29/2025	CHK	PLATT ELECTRI	PLATT	METER SHOP-WIRE	549.90
126176 01/29/2025	CHK	ROCKY	ROCKY BROOK	REVISED NOVEMBER POWER USAGE	1,377.00
126177 01/29/2025	CHK	SCOTT MCLEND	SCOTT MCLENDON'S HARDWARE #2	TWANOH HEIGHTS WATER-FUSES FOR WELL PUMP	65.14
126178 01/29/2025	CHK	STANDARD PES	STANDARD PEST CONTROL	QUARTERLY PEST CONTROL-PUD OFFICES & SHO	363.48
126179 01/29/2025	CHK	WEST	WEST COAST MOBILE EQUIPMENT REP	VEHICLE #71-REPLACE PARKFING BRAKE SHOES	2,400.06
126180 01/29/2025	CHK	NAPA AUTO PA	WESTBAY NAPA AUTO PARTS	BE POWER EQUIP. 4000 PSI-PRESSURE WASHER	3,490.24
126181 01/29/2025	CHK	CITI CARDS	CITI CARDS	COSTCO/CITI CARD - ACCT# ENDING IN 4326	18,705.68
126182 01/31/2025	CHK	WPUDA	WASHINGTON PUD ASSOC.	MONTHLY DUES	2,070.00
126183 01/31/2025	CHK	WASH 8	WASHINGTON STATE	JANUARY 2025-HEALTH, DENTAL, & LTD	57,096.31
126184 02/03/2025	CHK	AFLAC	AFLAC	SUPPLEMENTAL INSURANCE	145.04
126185 02/03/2025	CHK	DAY	DAY WIRELESS SYSTEMS	RECURRING CHARGES-TWO WAY RADIO 21 UNITS	562.58

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# Accounts Payable Check Register

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01/23/2025 To 02/06/2025

**Bank Account: 4 - UMPQUA BANK - DISTRICT**

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
126186 02/03/2025	CHK	FEDINS	FEDERATED RURAL ELECTRIC INSURA	ANNUAL PREMIUM POLICY# 46 ARB 026-25	192,846.00
126187 02/03/2025	CHK	HOODCA	HOOD CANAL COMMUNICATIONS	INTERNET, IT SERVICES, & ALARM DIALER	5,325.53
126188 02/03/2025	CHK	HOOD CANAL	HOOD CANAL MARKET FRESH	MULTI-BIT TOOL	160.88
126189 02/03/2025	CHK	POWER ENGINE	POWER ENGINEERS	MANZANITA SUBSTATION ENGINEERING & TEST	1,428.90
126190 02/03/2025	CHK	34	WASHINGTON ALARM, INC	MONTHLY BILLING - SECURITY SYSTEM SHOP	218.73
126193 02/03/2025	CHK	IBEW	IBEW LOCAL UNION #77	UNION DUES	1,135.80
126194 02/03/2025	CHK	PUDEMP	PUD #1 EMPLOYEE FUND	EMPLOYEE FUND	220.00
126195 02/04/2025	CHK	US BANK-CCC	US BANK	MO.CREDIT CARD #4484 7345 5001 2554	5,814.65
<b>Total Payments for Bank Account - 4 :</b>					(60) 635,279.11
<b>Total Voids for Bank Account - 4 :</b>					(0) 0.00
<b>Total for Bank Account - 4 :</b>					(60) 635,279.11
<b>Grand Total for Payments :</b>					(60) 635,279.11
<b>Grand Total for Voids :</b>					(0) 0.00
<b>Grand Total :</b>					(60) 635,279.11



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# Accounts Payable Check Register

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**PARAMETERS ENTERED:****Check Date:** 01/23/2025 To 02/06/2025**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



## PUD1 – Executive Summary – December 2024

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

- **Work in Progress:**
  - Grant Applications – Ongoing
  - 2019 / 2020 CETA Audit
  - 2022 / 2023 Accountability Audit
  
- **Completed Projects:**
  - 2025 Budget
  - 2023 Financial Audit & 2023 Federal Audit
  - 2023 Privilege Tax Return (Due 2/29/24)
  - 2023 EIA Report (Due 4/30/24)
  - 2023 Form 7 (Due 3/31/24)
  - 2023 Annual Report (Due 05/30/24)
  
- **Planned Key Milestones, Activities and / or Events:**
  - Long range financial and budgetary planning – ongoing.

### Financial Highlights:

- Revenue – Gross Revenue was \$1,456,327 for the month of December 2024.
- Expenditures – Gross expenditures were \$1,477,846 for the month of December 2024.
- As of December 31, the PUD has \$670,731.47 grant reimbursements outstanding for ongoing projects, which is an equivalent of about 25 days of our cash on hand.

Financial Metrics as Compared with Prior Year:	December 2024	December 2023
Total General Cash and Investments	\$856,273	\$946,316
Current Ratio (Current Assets/Current Liabilities)	1.50 to 1	1.88 to 1
Debt Service Coverage (O&M/ Debt Service)	3.15	2.84
Long-Term Debt to Net Plant	22%	27%
Total Debt to Equity Ratio (Total Liabilities/Total Equity)	34%	37%
Long Term Debt to Equity Ratio (Long Term Debt / Total Equity)	26%	32%
Times Interest Earned Ratio (Earnings before Interest & Taxes/Total Interest)	5.26	3.91
Cash on Hand (Total Available Cash/Average Daily Costs)	32 Days (General) 125 Days (All Funds)	35 Days (General) 127 Days (All Funds)



## Mason County PUD No 1

*Budget Summary by Division For the Month Ended December 31, 2024*

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
<b>Total Revenue</b>	\$ 1,214,242.76	\$ 241,054.24	\$ 1,025.66	\$ 1,456,322.66
<b>Budgeted</b>	\$ 1,255,642.00	\$ 227,399.31	\$ 989.91	\$ 1,484,031.22
<b>Difference (-/+)</b>	\$ (41,399.24)	\$ 13,654.93	\$ 35.75	\$ (27,708.56)
<b>% of Budget</b>	97%	106%	104%	98%
<b>Total Expenditures</b>	\$ 1,262,194.58	\$ 215,558.56	\$ 92.79	\$ 1,477,845.93
<b>Budgeted</b>	\$ 956,332.45	\$ 201,908.86	\$ 1,478.67	\$ 1,159,719.98
<b>Difference (-/+)</b>	\$ 305,862.13	\$ 13,649.70	\$ (1,385.88)	\$ 318,125.95
<b>% of Budget</b>	132%	107%	6%	127%
<b>Net Operating Margins</b>	\$ (47,951.82)	\$ 25,495.68	\$ 932.87	\$ (21,523.27)
<b>Budgeted</b>	\$ 299,309.55	\$ 25,490.45	\$ (488.76)	\$ 324,311.24
<b>Difference (-/+)</b>	\$ (347,261.37)	\$ 5.23	\$ 1,421.63	\$ (345,834.51)
<b>% of Budget</b>	-16%	100%	-191%	-7%



## Mason County PUD No 1

Budget Summary by Division for the Year Ended December 31, 2024

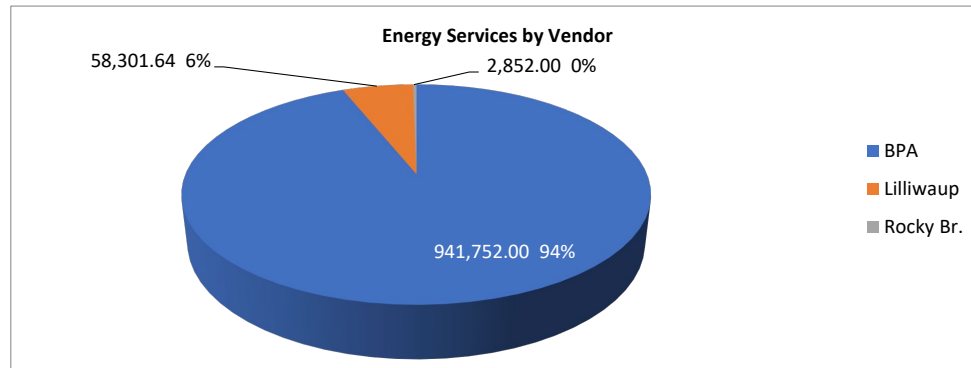
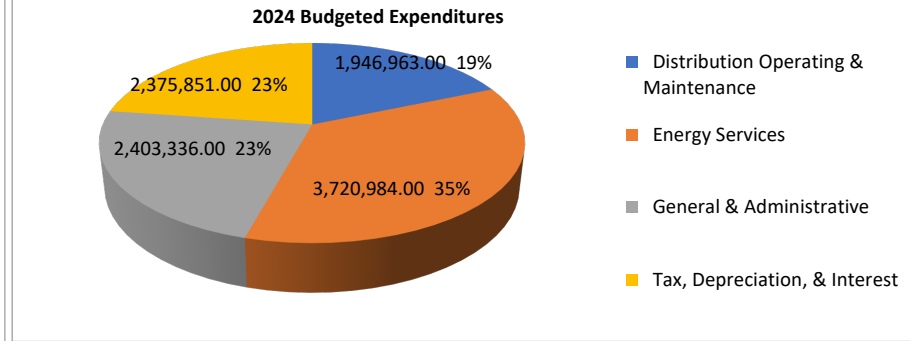
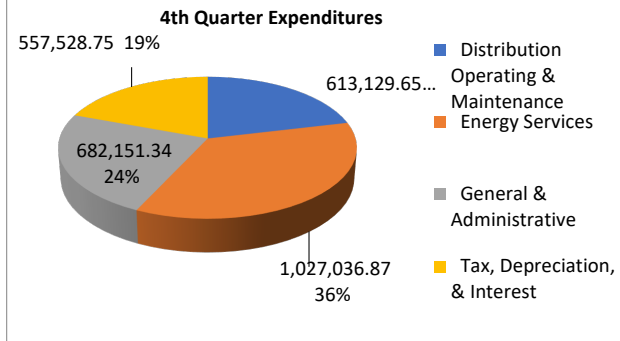
	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
<b>Total Revenue</b>	\$ 11,528,890.92	\$ 3,045,903.43	\$ 12,553.48	\$ 14,587,347.83
<b>2024 Budget</b>	\$ 11,337,957.00	\$ 2,946,410.00	\$ 12,222.00	\$ 14,296,589.00
<b>Difference (-/+)</b>	\$ 190,933.92	\$ 99,493.43	\$ 331.48	\$ 290,758.83
<b>% of Budget</b>	102%	103%	103%	102%
<b>Total Expenditures</b>	\$ 10,380,963.76	\$ 2,305,260.28	\$ 8,453.72	\$ 12,694,677.76
<b>2024 Budget</b>	\$ 10,447,134.00	\$ 2,563,896.00	\$ 9,580.00	\$ 13,020,610.00
<b>Difference (-/+)</b>	\$ (66,170.24)	\$ (258,635.72)	\$ (1,126.28)	\$ (325,932.24)
<b>% of Budget</b>	99%	90%	88%	97%
<b>Net Operating Margins</b>	\$ 1,147,927.16	\$ 740,643.15	\$ 4,099.76	\$ 1,892,670.07
<b>2024 Budget</b>	\$ 890,823.00	\$ 382,514.00	\$ 2,642.00	\$ 1,275,979.00
<b>Difference (-/+)</b>	\$ 257,104.16	\$ 358,129.15	\$ 1,457.76	\$ 616,691.07
<b>% of Budget</b>	129%	194%	155%	148%
<b>Cash Flow</b>				
<b>Beginning Cash (General Fund)</b>	<b>71,824.92</b>	<b>88,805.73</b>	<b>4,195.20</b>	<b>164,825.85</b>
Net Operating Margin (Excluding Depreciation)	4,733,054.69	4,219,703.54	6,399.76	8,959,157.99
Cash Transferred to / from Special Funds	1,498,718.57	(135,344.24)	(719.31)	1,362,655.02
Change in Accounts Receivable	(422,669.07)	548,326.59	(5,449.86)	120,207.66
Change in Accounts Payable	1,291,268.63	(14,574.20)	(37.89)	1,276,656.54
Cash Expended on Utility Plant	(2,387,894.56)	(635,367.67)	0.00	(3,023,262.23)
Change in CWIP	(4,661,586.27)	(3,980,423.57)	(192.70)	(8,642,202.54)
<b>Ending Cash (General Fund)</b>	<b>122,716.91</b>	<b>91,126.18</b>	<b>4,195.20</b>	<b>218,038.29</b>

## Mason County PUD No. 1

*Status of Budget*  
As of December 31, 2024

### ELECTRIC DIVISION

	4th Qtr 2024	4th Quarter Budget	% of 4th Qtr Budget	2024 Actuals	2024 Budget	% of Annual Budget
<b>Revenue</b>	2,892,489.62	2,922,245.22	99%	11,528,890.92	11,337,957.00	102%
<b>Expenditures</b>						
<b>Distribution Operating &amp; Maintenance</b>	613,129.65	617,082.36	99%	1,807,289.29	1,946,963.00	93%
<b>Energy Services</b>	1,027,036.87	990,500.00	104%	3,710,706.83	3,720,984.00	100%
<b>General &amp; Administrative</b>	682,151.34	577,118.39	118%	2,529,369.26	2,403,336.00	105%
<b>Tax, Depreciation, &amp; Interest</b>	557,528.75	609,630.35	91%	2,333,598.38	2,375,851.00	98%
<b>TOTAL EXPENDITURES</b>	\$ 2,879,846.61	\$ 2,794,331.10	103%	10,380,963.76	\$ 10,447,134.00	99%
<b>NET OPERATING MARGINS</b>	\$ 12,643.01	\$ 127,914.12	10%	1,147,927.16	\$ 890,823.00	129%



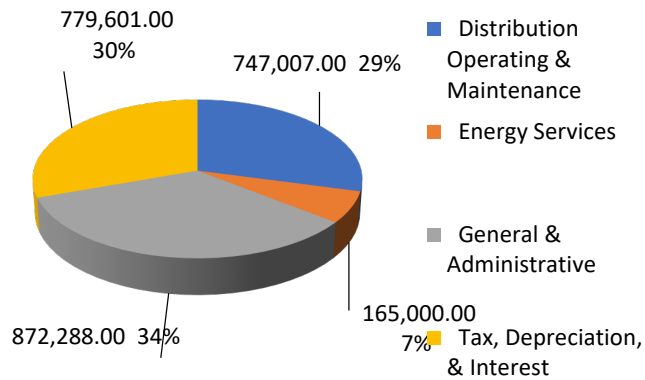
## Mason County PUD No. 1

*Status of Budget*  
As of December 31, 2024

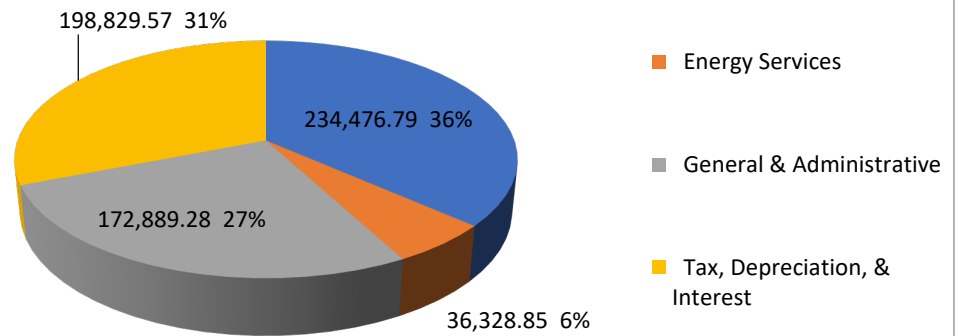
### WATER DIVISION

	4th Quarter 2024	4th Quarter Budget	% of 4th Qtr Budget	2024 Actuals	2024 Budget	% of Annual Budget
<b>Revenue</b>	741,941.60	727,197.93	102%	3,045,903.43	2,946,410.00	103%
<b>Expenditures</b>						
<b>Distribution Operating &amp; Maintenance</b>	234,476.79	182,220.24	129%	638,970.33	747,007.00	86%
<b>Energy Services</b>	36,328.85	37,100.00	98%	157,738.62	165,000.00	96%
<b>General &amp; Administrative</b>	172,889.28	218,460.59	79%	705,990.89	872,288.00	81%
<b>Tax, Depreciation, &amp; Interest</b>	198,829.57	193,051.32	103%	802,560.44	779,601.00	103%
<b>TOTAL EXPENDITURES</b>	\$ 642,524.49	\$ 630,832.15	102%	2,305,260.28	\$ 2,563,896.00	90%
<b>NET OPERATING MARGINS</b>	\$ 99,417.11	\$ 96,365.78	103%	740,643.15	\$ 382,514.00	194%

**2024 Budgeted Expenditures**



**4th Quarter Expenditures**



## Mason County PUD No. 1

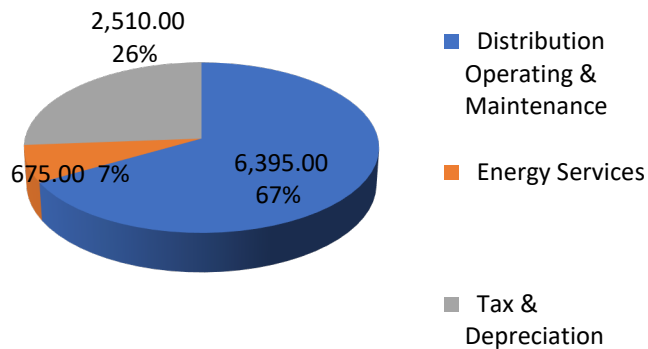
*Status of Budget*

As of December 31, 2024

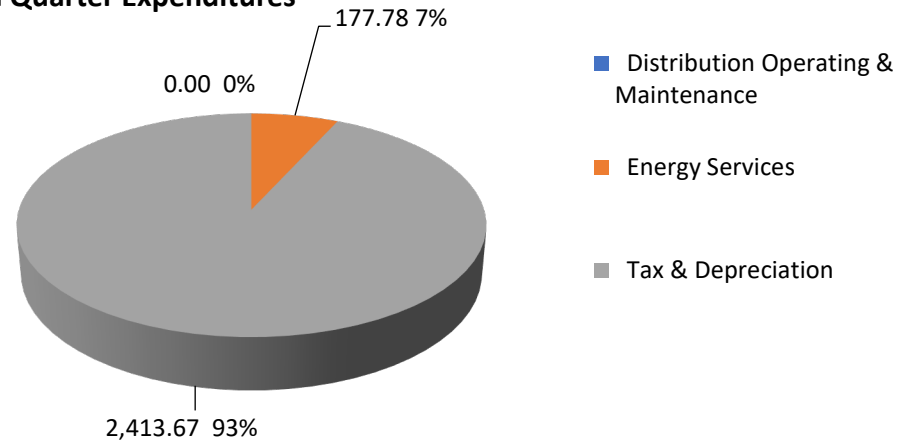
### SEWER DIVISION

	4th Quarter 2024	4th Quarter Budget	% of 4th Qtr Budget	2024 Actuals	2024 Budget	% of Annual Budget
<b>Revenue</b>	3,123.87	2,969.77	105%	12,553.48	11,802.00	106%
<b>Expenditures</b>						
Distribution Operating & Maintenance	0.00	2,213.39	0%	5,073.63	6,395.00	79%
Energy Services	177.78	180.00	99%	663.73	675.00	98%
Tax & Depreciation	2,413.67	2,411.00	100%	2,716.36	2,510.00	108%
<b>TOTAL EXPENDITURES</b>	\$ 2,591.45	\$ 4,804.39	54%	\$ 8,453.72	\$ 9,580.00	88%
<b>NET OPERATING MARGINS</b>	\$ 532.42	\$ (1,834.62)	-29%	\$ 4,099.76	\$ 2,222.00	185%

**2024 Budgeted Expenditures**



**4th Quarter Expenditures**



**Mason County Public Utility District #1**  
**Overview of the Status of Budget**  
**2024**

<i>Status of Budget</i>			
As of December 31, 2024			
	2024 Actuals	2024 Budget	% of Annual Budget
<b>Revenue</b>	14,587,348.00	14,296,189.00	102%
<b><u>Expenditures</u></b>			
<b>Distribution Operating &amp; Maintenance</b>	2,451,333.00	2,700,365.00	91%
<b>Energy Services</b>	3,869,109.00	3,886,659.00	100%
<b>General &amp; Administrative</b>	3,235,360.00	3,275,624.00	99%
<b>Tax, Depreciation, &amp; Interest</b>	3,138,875.00	3,157,962.00	99%
<b>TOTAL EXPENDITURES</b>	12,694,677.00	13,020,610.00	97%
<b>NET OPERATING MARGINS</b>	1,892,671.00	1,275,579.00	148%

The District’s total revenue was 2% higher, collecting \$291,159 more than what was budgeted for 2024. A few key factors that played into the additional revenue collected include the following components:

1. The District received a BPC credit again in 2024, from Bonneville Power. Though we collected 2% more than what was budgeted for 2024 revenue, or \$291 thousand, the District passed on \$326 thousand back to Electric customers as a credit to their bills.
2. The LGIP investment continued with record growth, with interest rates hovering all of 2024 between 4.5% to 5.25% at yearend. While the rates did drop the last quarter of the year, the District still realized \$156 thousand in interest, over the \$54 thousand that was budgeted. When the District budgets for investment income, it budgets conservatively.

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 91% of what was budgeted for 2024. This was largely because the crews worked on major construction work plan projects, rather than maintenance projects. \$222 thousand that was budgeted for this line item instead went towards construction projects, which are capitalized and expensed through depreciation over time. The Energy Services (purchased power costs) was right at budget for 2024, as were the General & Administrative expenses and Tax, Depreciation, and Interest.



## **How is the Net Operating Margin Allocated?**

The Net Operating Margin for 2024 ended at \$1.89 million, which is \$617 thousand more than the 2024 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 2024, the District invested just over \$8.6 million in capital assets and ongoing construction work plan projects. Of the \$8.6 million in projects, \$5.6 million was paid through grants, with the balance paid through a combination of designated reserves, and a portion net operating margins.
2. At the end of 2024, the District had \$12.3 million in outstanding debt, an overall decrease of \$742,365. The principal portion paid comes out of the net operating margin total.
3. The District has a policy goal to reach 90 days general cash on hand, not including the designated reserves. 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.
4. In addition to cash on hand, the District also designated \$200,000 to its equipment replacement fund to pay for fleet replacement vehicles, like bucket trucks, water service trucks, and equipment.

## **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.