



**Mason County PUD No. 1
Regular Board Meeting
March 25, 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 March 11, 2025

Disbursements:

Accounts Payable Wire	\$521,011.37
Check Nos. 126359 - 126389	\$130,683.83
Check Nos. 126391 – 126407	\$ 44,272.06

Payroll Wire	\$ 87,992.98
Check Nos. 126390	\$ 6,844.91

Grand Total **\$790,805.15**

3) Business Agenda

- a. Approve Manzanita Substation Change Order No. 1
- b. Authorize the GM to sign Agreement with Dept. of Health for Source Water Protection Grant in the Amount of \$96,000
- c. Award Well Decommissioning Contract in the Amount of \$41,811
- d. Authorize the GM to sign agreement with Mill Creek Law for Provider of Choice Contract
- e. January & February 2025 Financials

4) Staff Reports

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

5) Correspondence

- a. Letters to the Editor – Shelton-Mason County Journal

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

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
March 11, 2025 Potlatch, Washington

Present:

Jack Janda, President (Zoom)
Ron Gold, Vice President
Mike Sheetz, Board Secretary
Kristin Masteller, General Manager
Brandy Milroy, Water Resource Manager
Rob Johnson, Legal Counsel
Holly Paul, Business Service Coordinator

Visitors: None

Excused: Katie Arnold, District Treasurer

CALL TO ORDER: Ron called the regular meeting to order at 1:02 p.m.

PUBLIC COMMENT: No comment

APPROVAL OF CONSENT AGENDA:

Minutes:	Regular Board Meeting February 25, 2025
Disbursements:	\$299,650.15
Check Nos. 126263 - 126272	\$ 63,434.75
Check Nos. 126274 - 126358	\$735,289.04
Payroll Wire	\$ 94,116.20
Check Nos. 126273	\$ 6,629.48
Grand Total	\$1,199,119.62

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

Business Agenda:

Approve 1st Quarter Write-Offs to Collections:

Jack made a motion to approve the 1st Quarter write offs in the amount of \$11,242.21. Mike seconded the motion. It passed unanimously.

Vacate Alderbrook Easements:

Jack made a motion to vacate the easements for six parcels, as presented. Mike seconded the motion. It passed unanimously.



Authorize the GM to sign the Utility Relocation Grant Contract with Commerce:

Jack made a motion to authorize the GM to sign the Utility Relocation Grant with Dept. of Commerce in the amount of \$121,250; Mike seconded the motion. It passed unanimously.

Authorize the GM to sign the Grant Contract with the Department of Health (DOH) for Well Decommissioning:

Jack made a motion to authorize the GM to sign the Well Decommissioning grant with Dept. of Health in the amount of \$50,000; Mike seconded the motion. It passed unanimously

Staff Reports –

General Manager – Discussed a recent trip to Washington, D.C. and met again with Senator Cantwell regarding utility relocation funding, which is also being worked on at the state level. She also shared an update on the Manzanita Substation as well as recent grant applications.

District Treasurer - No report.

Water Resource Manager– Brandy shared project updates for Agate Beach, which should be complete by the end of March, and Vuecrest, where the cutover will occur on Friday, March 14, 2025.

Correspondence – Reviewed the PUD staff’s articles in the Journal and an email from a customer.

Board Reports –

Mike – Read the History at a Glance article in the Journal regarding water supply in Shelton. Attended the PPC meeting

Jack – Attended the PPC meeting.

Ron – Attended the PPC meeting.

PUBLIC COMMENT – None.

EXECUTIVE SESSION – None

Adjournment: 1:48 p.m.

Ron Gold, President

Mike Sheetz, Vice President

Jack Janda, Secretary

CHANGE ORDER



Project Name: Manzanita Substation
 Project Number: 0
 To: Mason PUD No. 1
 Attn: Jeremiah Waugh

CO No. **1.0**
 Date: 3/6/2025

Potential Cost Impact:
 Yes No

Description: Substantial Completion Date

CHANGE ORDER DESCRIPTION

This is a no cost change to memorialize changing the substantial completion date to 6/30/25.

COST BREAKDOWN							

SUBCONTRACTOR			
TYPE	QTY	UNIT COST	COST
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

TOTAL ADDED CONTRACT DAYS	_____	Total Labor Cost	\$ -
		Total Equipment Cost	\$ -
		Total Material Cost	\$ -
		Total Subcontractor Cost	\$ -
		Tax @ 8.6%	\$ -
		TOTAL COST THIS CHANGE ORDER	\$ -

Approved By: _____
 Contractor Date

 Owner Date



GRANT AWARD & AGREEMENT

DOH GRANT/AGREEMENT NUMBER:

GVL31051-0

This Agreement is by and between the State of Washington Department of Health (DOH) and the party identified below, hereafter referred to as the "Grantee" and is issued pursuant to the RCW 43.70.040 - Secretary's powers—Rule-making authority—Report to the legislature; and Wellhead 106 Grant.

PROJECT TITLE:
Source Water Protection Project

SUBRECIPIENT
 YES NO

IT IS THE PURPOSE OF THIS GRANT – To expand and finalize the existing regional groundwater models to better forecast water supply and surface to groundwater interactions, informing and supporting the Union Regional Water System consolidation efforts. of a regional consolidation effort of public drinking water systems.

This project meets the SFY23-24 Source Water Protection program essential elements as well as Goal 5 of the 22-26 EPA Strategic Plan by ensuring safe drinking water and reliable infrastructure, as well as emphasizing partnerships to address water quality challenges.

Funding: 5 of 15% YR2 BIL Stimulus.

GRANTEE NAME Mason County Public Utility District No.1		GRANTEE DBA	
GRANTEE ADDRESS 21971 N. Hwy 101 Shelton, WA 98584		STATEWIDE VENDOR NUMBER 0028711-00	FEDERAL TAX ID NO. 91-6001048 UBI NUMBER 232-000-374
GRANTEE CONTACT Kristin Mastellar	CONTACT TELEPHONE 360-877-5249	GRANTEE FAX	GRANTEE E-MAIL ADDRESS kristinn@mason-pud1.org
DOH DIVISION EPH	DOH OFFICE	DOH PROGRAM ODW	
DOH CONTACT NAME AND TITLE Chelsea Cannard		DOH CONTACT ADDRESS Tumwater	
DOH CONTACT TELEPHONE 564-233-1799	DOH CONTACT FAX	DOH CONTACT E-MAIL ADDRESS Chelsea.cannard@doh.wa.gov	
Source of Funds (FED) \$96,000.00 (ST) S-0- (Other) S-0- Total \$96,000.00		CFDA NUMBERS (if applicable)	
AGREEMENT START DATE Date of Execution	AGREEMENT END DATE 2/28/2026	MAXIMUM AGREEMENT AMOUNT \$96,000.00	
<p>EXHIBITS. The following Exhibits are attached and incorporated into this Agreement by reference:</p> <p><input checked="" type="checkbox"/> Exhibit A, Statement of Work <input checked="" type="checkbox"/> Exhibit B, General Terms & Conditions <input type="checkbox"/> Exhibit C, Special Terms and Conditions</p> <p><input type="checkbox"/> No Exhibit(s).</p>			
<p>The terms and conditions of this Agreement, including all attachments and subsequent amendments constitutes the entire and exclusive understanding between the parties. No other understandings, writings, and communications, oral or otherwise regarding the subject matter of this Agreement shall exist to bind the parties. The parties signing below represent they have read and understand this Agreement and have the authority to execute this Agreement. This Agreement shall be binding on DOH only upon signature by DOH.</p>			
CONTRACTOR SIGNATURE <i>Kristin Mastellar</i>		DATE 03/12/2025	
PRINT OR TYPE NAME Kristin Mastellar		TITLE General Manager & Chief Administrative Officer	
DOH CONTRACTING OFFICER SIGNATURE		DATE	

Mason County PUD No. 1

Well Decommissioning

Bid Tabulation Bid Due: March 14, 2025 at 4:00 PM

	Davis Drilling	Empire Well Drilling	HOLT Services Inc
Wells			
Highland Estates	\$29,194.00	\$40,000.00	\$17,500.00
Lake Arrowhead	\$21,197.00	\$20,000.00	\$10,000.00
Twanoh Heights	\$21,657.00	\$20,000.00	\$11,000.00
Subtotal	\$72,048.00	\$80,000.00	\$38,500.00

Bid Prices			
Subtotal	\$72,048.00	\$80,000.00	\$38,500.00
8.6% Tax	\$6,196.13	\$6,880.00	\$3,311.00
Total	\$78,244.13	\$86,880.00	\$41,811.00

Addendum 1	x	x	x
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MILL CREEK LAW

EXPERIENCE • COMMITMENT • SOLUTIONS

Jeffrey E. Pratt
William R. Sullivan
Patrick K. McKenzie
Karl F. Hausmann
Ryan S. Neale
Danielle U. Pratt
Jenna N. Lieske
Matthew T. Fiedler
Douglas B. Marsh
(1942-2007)
Terence L. Mundorf
(Retired)

March 21, 2025

Kristin Masteller
General Manager
Public Utility District No. 1 of Mason County
21971 N. Highway 101
Shelton, WA 98584

Re: Professional Services Engagement Letter

Dear Kristin:

You have requested that Mill Creek Law provide representation for Public Utility District No. 1 of Mason County (“District”) for general legal services, including review of the District’s Provider of Choice Contract with the Bonneville Power Administration. This letter confirms the retention of Mill Creek Law by the District, establishes the attorney/client relationship with Mill Creek Law, and describes the general scope of this undertaking.

Scope of Representation. Mill Creek Law will provide legal services regarding general legal issues when requested by the District. The specific nature and scope of the legal services provided will be as directed by the District.

I will have primary responsibility for conducting this legal work and will be the point of contact between Mill Creek Law and the District. I may use the services of other members of Mill Creek Law from time to time to provide services to the District depending on the subject matter and following consultation with the District.

The scope of representation under this engagement letter shall not include Mill Creek Law's representation of the District as a member of the Western Public Agencies Group (“WPAG”), which representation is and shall be addressed by a separate agreement.

Fees. Effective March 21, 2025, the following fees will apply to legal services provided hereunder:

Ryan Neale - \$300 per hour
Other Partner of Mill Creek Law - \$325 per hour
Associate of Mill Creek Law - \$280 per hour

There will be no separate charge for secretarial or paralegal work.

March 21, 2025
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Expenses. Expenses incurred in providing legal services hereunder, such as mileage, airfare, lodging, meals, computerized legal research, postage, and delivery costs will be billed at actual cost as incurred, and will be itemized. There will be no hourly charge for time spent travelling.

Termination. Since the attorney-client relationship is one of mutual trust and confidence, this relationship is terminable at will upon reasonable written notice tendered by either party. Upon the termination of the relationship, any and all files and materials will be made available to the District at its request.

I trust this letter provides all of the information you need. If any additional information is needed, please let me know and I will be happy to provide it to you. If you find these terms agreeable, please sign and return one copy of this letter to me.

Yours truly,

MILL CREEK LAW



Ryan S. Neale
ryann@millcreeklaw.com

The District agrees to the representation on the terms and conditions as set forth in this letter agreement,

PUBLIC UTILITY DISTRICT NO. 1 OF
MASON COUNTY, WASHINGTON

By: _____
Kristin Masteller, General Manager

Date: _____



PUD1 – Executive Summary – January 2025

This report summarizes information on the current financial status of Mason County PUD No. 1 for the month of January 2025:

- **Work in Progress:**
 - Grant Applications – Ongoing
 - 2022 / 2023 Accountability Audit
 - 2024 Form 7
 - 2024 Privilege Tax Return (Due 02/25/25)
 - 2024 EIA Report (Due 04/30/25)
 - 2024 Annual Report (Due 05/30/25)

- **Completed Projects:**
 - 2025 Budget

Financial Highlights:

- Revenue – Gross Revenue was \$1,501,559 for the month of January 2025.
- Expenditures – Gross expenditures were \$1,305,972 for the month of January 2025.
- As of January 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:	January 2025	January 2024
Total General Cash and Investments	\$881,074	\$960,425
Current Ratio (Current Assets/Current Liabilities)	1.50 to 1	1.57 to 1
Debt Service Coverage (O&M/ Debt Service)	3.15	1.84
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%	33%
Times Interest Earned Ratio (Earnings before Interest & Taxes/Total Interest)	5.14	11.01
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 January 31, 2025

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
Total Revenue	\$ 1,257,890.62	\$ 242,643.29	\$ 1,025.66	\$ 1,501,559.57
Budgeted	\$ 1,326,102.34	\$ 230,986.02	\$ 1,024.70	\$ 1,558,113.06
Difference (-/+)	\$ (68,211.72)	\$ 11,657.27	\$ 0.96	\$ (56,553.49)
% of Budget	95%	105%	100%	96%
Total Expenditures	\$ 1,087,637.76	\$ 217,521.14	\$ 813.57	\$ 1,305,972.47
Budgeted	\$ 1,150,158.10	\$ 224,819.41	\$ 497.28	\$ 1,375,474.79
Difference (-/+)	\$ (62,520.34)	\$ (7,298.27)	\$ 316.29	\$ (69,502.32)
% of Budget	95%	97%	164%	95%
Net Operating Margins	\$ 170,252.86	\$ 25,122.15	\$ 212.09	\$ 195,587.10
Budgeted	\$ 175,944.24	\$ 6,166.61	\$ 527.42	\$ 182,638.27
Difference (-/+)	\$ (5,691.38)	\$ 18,955.54	\$ (315.33)	\$ 12,948.83
% of Budget	97%	407%	40%	107%



Mason County PUD No 1

Budget Summary by Division for the One Month Ended January 31, 2025

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
Total Revenue	\$ 1,257,890.62	\$ 242,643.29	\$ 1,025.66	\$ 1,501,559.57
2025 Budget	\$ 11,676,446.00	\$ 3,089,780.00	\$ 12,399.00	\$ 14,778,625.00
Difference (-/+)	\$ (10,418,555.38)	\$ (2,847,136.71)	\$ (11,373.34)	\$ (13,277,065.43)
% of Budget	11%	8%	8%	10%
Total Expenditures	\$ 1,087,637.76	\$ 217,521.14	\$ 813.57	\$ 1,305,972.47
2025 Budget	\$ 11,196,314.00	\$ 2,680,718.00	\$ 9,606.00	\$ 13,886,638.00
Difference (-/+)	\$ (10,108,676.24)	\$ (2,463,196.86)	\$ (8,792.43)	\$ (12,580,665.53)
% of Budget	10%	8%	8%	9%
Net Operating Margins	\$ 170,252.86	\$ 25,122.15	\$ 212.09	\$ 195,587.10
2025 Budget	\$ 480,132.00	\$ 409,062.00	\$ 2,793.00	\$ 891,987.00
Difference (-/+)	\$ (309,879.14)	\$ (383,939.85)	\$ (2,580.91)	\$ (696,399.90)
% of Budget	35%	6%	8%	22%
Cash Flow				
Beginning Cash (General Fund)	122,716.91	91,126.18	4,195.20	218,038.29
Net Operating Margin (Excluding Depreciation)	199,548.39	79,784.80	212.09	279,545.28
Cash Transferred to / from Special Funds	(37,016.53)	(45,774.94)	(42.14)	(82,833.61)
Change in Accounts Receivable	(205,999.40)	64,287.82	3,669.55	(138,042.03)
Change in Accounts Payable	30,550.93	2,017.47	0.00	32,568.40
Cash Expended on Utility Plant	(826,620.85)	(7,512.44)	0.00	(834,133.29)
Change in CWIP	795,977.58	(92,374.33)	(3,839.50)	699,763.75
Ending Cash (General Fund)	79,157.03	91,554.56	4,195.20	174,906.79