



**Mason County PUD No. 1
Regular Board Meeting
January 27, 2026
1:00 p.m.**

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

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

1) Call the Regular Meeting to Order

2) 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.*

3) Consent Agenda

Minutes: January 13, 2026 Regular Meeting

Disbursements:	Accounts Payable Wire	\$ 111,230.41
	Check Nos. 127820-127842	\$ 309,353.40
	Check Nos. 127844-127819	\$ 571,716.44
	Payroll Wire	\$ 107,755.73
	Check Nos. 127843	\$ 2,162.79
	Grand Total	\$1,102,218.77

4) Business Agenda

- a. December 2025 Financials
- b. Claim for Damages – Drenckpohl

5) Staff Reports

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

6) Correspondence

7) Board Comments

8) Other Business/Public Comment

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

10) Adjourn

2026 Calendar

February 4-5	Public Power Council	Portland
Feb 11-13	WPUDA Association Meeting	Olympia
Feb 11	WPUDA PUD Day on the Hill	Olympia
Feb 23-26	APPA/WPUDA Legislative Rally	Washington D.C.
March 4-5	Public Power Council	Portland
Mar 18-20	WPUDA Association Meeting	Olympia
Mar 27	WPUDA Water Committee/WWUC	Vancouver
April 1-2	Public Power Council	Portland
Apr 29-May 1	WPUDA Annual Conference	Suquamish
May 6-7	Public Power Council	Portland
May 14	WPUDA Strategic Planning Committee	Olympia
May 18-21	NWPPA Annual Conference	Spokane
May 29	Water Committee/WWUC	Olympia
June 3-4	Public Power Council	Portland
June 26-July 1	APPA National Conference	Boston, MA
July 15-17	WPUDA Association Meeting	TBD
August 5-6	Public Power Council	Portland
September 2-3	Public Power Council	Portland
Sep 16-18	WPUDA Association Meeting	TBD
Sep 30-Oct 2	WPUDA Water Workshop	Wenatchee
October 7-8	Public Power Council	Portland
Oct 15	WPUDA Budget Committee	Olympia
November 4	Public Power Council Town Hall	Portland
November 5	Public Power Council Annual Meeting	Portland
Nov 18-20	WPUDA Association Meeting	Olympia



Mason County Public Utility District No. 1
Board of Commissioners Regular Board Meeting
January 13, 2026, Potlatch, Washington

Present:

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

Visitors: Jan Morris, Hoodsport Customer

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

PUBLIC COMMENT: No public comment. Jan was welcomed to the meeting.

APPROVAL OF CONSENT AGENDA:

Minutes:	December 9, 2025 Rate Hearing & Regular Meeting		
Disbursements:	Accounts Payable Wire		\$ 851,657.34
	Check Nos. 127675-127709		\$ 731,887.28
	Check Nos. 127711-127819		\$ 695,401.22
	Payroll Wire		\$ 260,487.57
	Check Nos. 127710		\$ 2,742.57
	Grand Total		\$2,542,175.98

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

Business Agenda:

Approval of the 2026 Board Officers– Jack made a motion to appoint Ron Gold as president, Mike Sheetz as vice president, and Jack Janda as secretary of the board for 2026. Mike seconded the motion. It passed unanimously.

Approval of the 2026 Voting Delegates– Jack made a motion to approve the 2026 voting delegates as presented. Mike seconded the motion. Motion carried.

Approval of Resolution No. 2102- Sole Source for Underground Cable– Jack made a motion to authorize Resolution No. 2102 as presented; Mike seconded the motion. It passed unanimously.

Approval of Resolution No. 2103- Sole Source for Itron Meters– Jack made a motion to approve Resolution No. 2103 as presented. Mike seconded the motion. It passed unanimously.



Mason County Public Utility District No. 1
Board of Commissioners Regular Board Meeting
January 13, 2026, Potlatch, Washington

Authorize the GM to Sign Commerce Grant Contract for Utility Relocations– Jack made a motion to authorize the General Manager to sign the agreement with the Washington State Department of Commerce for the Utility Relocation funding in the amount of \$1,750,000; Mike seconded the motion. It passed unanimously.

Authorize the GM to Sign Commerce Grant Contract for Water System Improvements– Jack made a motion to authorize the General Manager to sign the agreement with the Washington State Department of Commerce for the Water System Improvements funding in the amount of \$1,039,840; Mike seconded the motion. It passed unanimously.

Authorize the GM to Sign Commerce Grant Contract for Jorstad Substation– Jack made a motion to authorize the General Manager to sign the agreement with the Washington State Department of Commerce for the Jorstad Substation funding in the amount of \$3,000,000; Mike seconded the motion. It passed unanimously.

November 2025 Financials– Katie presented the November 2025 financial report.

Financial Highlights:

- Revenue – Gross Revenue was \$1,219,893 the month of November 2025.
- Expenditures –Gross expenditures were \$1,411,601 for the month of November 2025.
- As of November, the PUD has \$1,020,605 grant reimbursements outstanding for ongoing projects, which is an equivalent of about 35 days of our cash on hand.

Financial Metrics as Compared with Prior Year:	November 2025	November 2024
Total General Cash and Investments	\$943,548	\$1,071,843
Current Ratio (Current Assets/Current Liabilities)	1.46 to 1	1.50 to 1
Debt Service Coverage (O&M/ Debt Service)	3.07	3.32
Long-Term Debt to Net Plant	18%	22%
Total Debt to Equity Ratio (Total Liabilities/Total Equity)	36%	34%
Long Term Debt to Equity Ratio (Long Term Debt / Total Equity)	23%	27%
Times Interest Earned Ratio (Earnings before Interest & Taxes/Total Interest)	5.06	5.20
Cash on Hand (Total Available Cash/Average Daily Costs)	38 Days (General) 145 Days (All Funds)	42 Days (General) 145 Days (All Funds)

Approve Shadowood Change Order No. 1– Jack made a motion to approve the Shadowood Change Order No. 1 as presented; Mike seconded the motion. It passed unanimously.



Mason County Public Utility District No. 1
Board of Commissioners Regular Board Meeting
January 13, 2026, Potlatch, Washington

Staff Reports –

General Manager – Kristin reported that she submitted the Commerce grant for the EV chargers and assisted Hoodspout Winery in getting their application submitted as well. Two student interns from Mary M. Knight High School are starting this month and will serve in part-time administrative assistant roles. Cloey Fletcher and Hayden Hughes both are also Running Start students and will be learning valuable administrative skills to help build their resumes and ready them for the job market after high school. Rob and Kristin met with Tacoma Power regarding proceeding with the Net Ecological Benefit Analysis on the pole yard site. The safety program in December was CPR/1st Aid and all employees were recertified. Kristin will attend the WPUDA legislative reception this week. Kristin was also selected by WPUDA membership to be the state's representative in Washington, D.C. during the American Waterworks Association's fly-in in April. She will be advocating on water issues this time, instead of the power issues she normally travels there for in February each year. WPUDA will reimburse the PUD for the travel expenses on the AWWA trip.

District Treasurer – Katie gave an update on her department's work to complete the year-end reporting for 2025 and to also submit all the quarterly reports for our multiple grant contracts. Katie reviewed the recent proceeds from the Climate Commitment Act allowances that were sold at auction. This year the auction price was much higher, with the PUD earning \$276,991.74. She told the board that staff proposes to allocate \$30,000 to the PUD's CETA low income program, as required, and then to allocate the rest of the proceeds toward funding the policy goal of 90 days cash on hand this year and applying any remaining amount to pay off part of the line of credit for Manzanita Substation. By completing the cash on hand funding, that would eliminate having to allocate 1% of the budget and power rates to that starting in 2027 and we will have achieved our policy goal for that item earlier than expected. The board concurred that this was the best use of the CCA proceeds.

Water Resource Manager – Brandy reported that the generators at Madrona Park and Bolduc water systems are installed and operational. She gave an update on the Manzanita Water Storage project. She also gave an update on the Shadowood system improvements project. She reported that the crew is almost done replacing the mainline at Hamma Ridge. They will move to Bloomfield next to work on the manganese treatment. Gray and Osborne is currently working on the design for the Big 5 Consolidation in Shelton.

Legal Counsel – No report.

Correspondence – Kristin shared an article from the Peninsula Daily News that featured the PUD 1 crews on mutual aid in Jefferson County.

Board Reports –

Mike – Mike attended PPC online.

Jack – Jack gave an update on Energy Northwest's Small Modular Reactor project.

Ron – Attended PPC and enjoyed the presentation on batteries. He will attend the Hood Canal Coordinating Council meeting this week for their 2026 projects.



Mason County Public Utility District No. 1
Board of Commissioners Regular Board Meeting
January 13, 2026, Potlatch, Washington

PUBLIC COMMENT – None.

EXECUTIVE SESSION – None.

Adjournment: 2:00 p.m.

Jack Janda, President

Ron Gold, Vice President

Mike Sheetz, Secretary

01/23/2026 8:30:59 AM

Accounts Payable Check Register

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01/09/2026 To 01/23/2026

Bank Account: 4 - UMPQUA BANK - DISTRICT

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
1390 01/16/2026	WIRE	IRS	WEST COAST BANK	FEDERAL TAX LIABILITY	41,594.25
1391 01/16/2026	WIRE	WASH 1	WA DEPT OF RETIREMENT SYS	STATE RETIREMENT - PLAN 2	18,278.62
1392 01/16/2026	WIRE	WASH 7	WA STATE TREAS-MS: PO-11	DEFERRED COMPENSATION	12,457.01
1393 01/16/2026	WIRE	HRA	HRA VEBA TRUST CONTRIBUTI	VEBA MEDICAL SAVINGS	19,245.29
1394 01/16/2026	WIRE	DSHS	DSHS	DEPARTMENT OF SOCIAL HEALTH SERVICES	241.46
1396 01/20/2026	WIRE	COBANK	COBANK	LINE OF CREDIT FEES	19,413.78
127820 01/15/2026	CHK	APPA	AMERICAN PUBLIC POWER ASSOCIATI	ANNUAL DUES	6,284.78
127821 01/15/2026	CHK	ASPECT CONSU	ASPECT CONSULTING LLC	POLE YARD	1,598.75
127822 01/15/2026	CHK	CENTUR	CENTURYLINK	TELEPHONE CHARGES ACCT#333887863	1,317.92
127823 01/15/2026	CHK	CENTURYLINK	CENTURYLINK	LONG DISTANCE & OUTBOUND CHARGES	81.24
127824 01/15/2026	CHK	CSM HEATING	CSM HEATING & COOLING	DUCTLESS HEATPUMP REBATE-20032 N HWY 101	920.00
127825 01/15/2026	CHK	DOH	DEPARTMENT OF HEALTH	WONDERLAND WATER-PROJECT & PLAN REVIEW	491.00
127826 01/15/2026	CHK	FEDINS	FEDERATED RURAL ELECTRIC INSURA	ANNUAL POLICY 46 ARB 026-26	222,515.00
127827 01/15/2026	CHK	FEI 1539	FERGUSON WATERWORKS #3011	WATER INVENTORY PARTS	1,918.38
127828 01/15/2026	CHK	GDS ASSOCIATE	GDS ASSOCIATES, INC	MONTHLY WPAG EXPENSES	36.63
127829 01/15/2026	CHK	GENPAC	GENERAL PACIFIC INC	(2)GOOGLE NEST SMART THERMOSTATS	304.08
127830 01/15/2026	CHK	GRAY	GRAY & OSBORNE, INC	MANZANITA RESERVOIR & BOOSTER	42,393.78
127831 01/15/2026	CHK	HDFOWL	HD FOWLER COMPANY	REFUND SWAPPED OUT FOR THE CORRECT MATER	840.60
127832 01/15/2026	CHK	HOODCA	HOOD CANAL COMMUNICATIONS	HAMMA RIDGE- CONDUIT	1,822.00
127833 01/15/2026	CHK	MT VIEW LOCA	MT. VIEW LOCATING SERVICES, LLC	MONTHLY UNDERGROUND LOCATES	1,062.50
127834 01/15/2026	CHK	NISC	NISC	PRINT SERVICES	16,222.92
127835 01/15/2026	CHK	NW RIVER PART	NORTHWEST RIVER PARTNERS	2026 DUES ASSESSMENT"OUR POWER IS WATER"	5,500.00
127836 01/15/2026	CHK	OLYMP2	OLYMPIC SIGN SERVICES	REMAKE TWO NEON SIGNS & TRAVEL TRIPS	1,240.32
127837 01/15/2026	CHK	STANDARD PES	STANDARD PEST CONTROL	QUARTERLY PEST CONTROL-PUD OFFICES & SHO	363.48
127838 01/15/2026	CHK	STATE	STATE AUDITOR'S OFFICE	ENERGY COMPLIANCE ATTESTATION	570.00
127839 01/15/2026	CHK	WPUDA	WASHINGTON PUD ASSOC.	MONTHLY DUES	2,137.00

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Accounts Payable Check Register

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01/09/2026 To 01/23/2026

Bank Account: 4 - UMPQUA BANK - DISTRICT

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
127840 01/15/2026	CHK	WEST	WEST COAST MOBILE EQUIPMENT REP	VEHICLE #81-CHECKED HYDRAULIC LEAK	868.80
127841 01/15/2026	CHK	NAPA AUTO PA	WESTBAY NAPA AUTO PARTS	SHOP SUPPLIES	200.22
127842 01/15/2026	CHK	39	REESE SMELCER	PER DIEM-CAMP RILEA & REGULATOR TRAINING	664.00
127844 01/16/2026	CHK	IBEW	IBEW LOCAL UNION #77	UNION DUES	1,208.63
127845 01/16/2026	CHK	PUDEMP	PUD #1 EMPLOYEE FUND	EMPLOYEE FUND	220.00
127846 01/21/2026	CHK	DOH	DEPARTMENT OF HEALTH	NEW PINE ACRES-SANITARY SURVEY INSPECTIO	1,091.00
127847 01/21/2026	CHK	68	MADISON DUNCAN	TRAVEL PER DIEM-CCS TRAINING	294.60
127848 01/21/2026	CHK	KESTER	KESTER, GREGORY C.	MONTHLY REIMBURSEMENT	1,928.95
127849 01/21/2026	CHK	MASTELLER	KRISTIN MASTELLER	TRAVEL EXPENSE REIMBURSMET	214.28
127850 01/21/2026	CHK	TOTH & ASSOC	TOTH AND ASSOCIATES, INC	MANZANITA WATER STORAGE PROJECT	937.50
127851 01/21/2026	CHK	HANSON EXCAV	HANSON EXCAVATION LLC	BOLDUC & MADRONA PARK INSTALL GENERATORS	62,678.00
127852 01/21/2026	CHK	DON SMALL & S	DON SMALL & SONS OIL DIST	UNLEADED & DIESEL	5,353.50
127853 01/21/2026	CHK	HARB 1	HARBOR SAW & SUPPLY INC.	WATER DEPARTMENT-REPAIR SAW	51.73
127854 01/21/2026	CHK	ROGNLIN'S	ROGNLIN'S, INC	MANZANITA TO ALDERBROOK WATER MAIN	492,864.81
127855 01/21/2026	CHK	WEST	WEST COAST MOBILE EQUIPMENT REP	VEHICLE #86-INSTALLED TWO LRD LIGHTS	548.43
127856 01/21/2026	CHK	NAPA AUTO PA	WESTBAY NAPA AUTO PARTS	VEHICLE #77-BATTERY & CORE DEPOSIT	457.51
127857 01/21/2026	CHK	2	PACIFIC AERIAL SERVICES, INC	VEHICLE 45,65,76,81,82,&88 INSPECTIONS	3,867.50
Total Payments for Bank Account - 4 :					(43) 992,300.25
Total Voids for Bank Account - 4 :					(0) 0.00
Total for Bank Account - 4 :					(43) 992,300.25
Grand Total for Payments :					(43) 992,300.25
Grand Total for Voids :					(0) 0.00
Grand Total :					(43) 992,300.25

01/23/2026

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Accounts Payable Check Register

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PARAMETERS ENTERED:**Check Date:** 01/09/2026 To 01/23/2026**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 2025

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

- **Work in Progress:**
 - Grant Applications – Ongoing
 - CEIP – 2026-2029
- **Completed Projects:**
 - 2025 Fuel Mix
 - 2024 Financial, Accountability, and Federal Single Audit
 - 2024 Annual Report (Due 05/30/25)
 - 2025 Budget
 - 2024 Privilege Tax Return (Due 02/25/25)
 - 2024 Form 7 (Due March 31, 2025)
 - 2022 / 2023 Accountability Audit
 - 2024 EIA Report (Due 04/30/25)
 - Pole Attachment Rate Update
 - DWSRF Project Applications
 - 2026 Budget

Financial Highlights:

- Revenue – Gross Revenue was \$1,625,432 the month of December 2025.
- Expenditures –Gross expenditures were \$1,515,426 for the month of December 2025.
- As of December, the PUD has \$1,020,605 grant reimbursements outstanding for ongoing projects, which is an equivalent of about 35 days of our cash on hand.

Financial Metrics as Compared with Prior Year:	December 2025	December 2024
Total General Cash and Investments	\$837,714	\$856,273
Current Ratio (Current Assets/Current Liabilities)	1.35 to 1	1.50 to 1
Debt Service Coverage (O&M/ Debt Service)	3.27	3.15
Long-Term Debt to Net Plant	18%	22%
Total Debt to Equity Ratio (Total Liabilities/Total Equity)	37%	34%
Long Term Debt to Equity Ratio (Long Term Debt / Total Equity)	23%	26%
Times Interest Earned Ratio (Earnings before Interest & Taxes/Total Interest)	4.39	5.26
Cash on Hand (Total Available Cash/Average Daily Costs)	31 Days (General) 153 Days (All Funds)	32 Days (General) 125 Days (All Funds)



Mason County PUD No 1

Budget Summary by Division For the Month Ended December 31, 2025

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
Total Revenue	\$ 1,384,917.11	\$ 239,535.10	\$ 979.87	\$ 1,625,432.08
Budgeted	\$ 1,286,969.67	\$ 227,438.33	\$ 1,018.00	\$ 1,515,426.00
Difference (-/+)	\$ 97,947.44	\$ 12,096.77	\$ (38.13)	\$ 110,006.08
% of Budget	108%	105%	96%	107%
 Total Expenditures	 \$ 1,091,107.69	 \$ 212,973.88	 \$ 103.75	 \$ 1,304,185.32
Budgeted	\$ 1,047,234.85	\$ 216,165.45	\$ 1,461.00	\$ 1,264,861.30
Difference (-/+)	\$ 43,872.84	\$ (3,191.57)	\$ (1,357.25)	\$ 39,324.02
% of Budget	104%	99%	7%	103%
 Net Operating Margins	 \$ 293,809.42	 \$ 26,561.22	 \$ 876.12	 \$ 321,246.76
Budgeted	\$ 239,734.82	\$ 11,272.88	\$ (443.00)	\$ 250,564.70
Difference (-/+)	\$ 54,074.60	\$ 15,288.34	\$ 1,319.12	\$ 70,682.06
% of Budget	123%	236%	-198%	128%

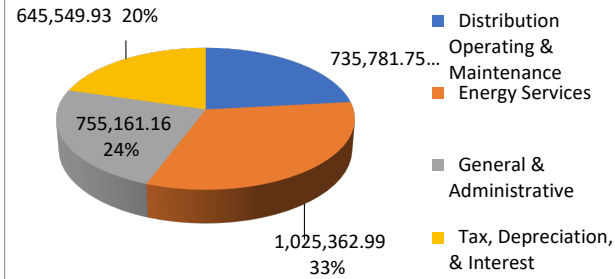
Mason County PUD No. 1

Status of Budget
As of December 31, 2025

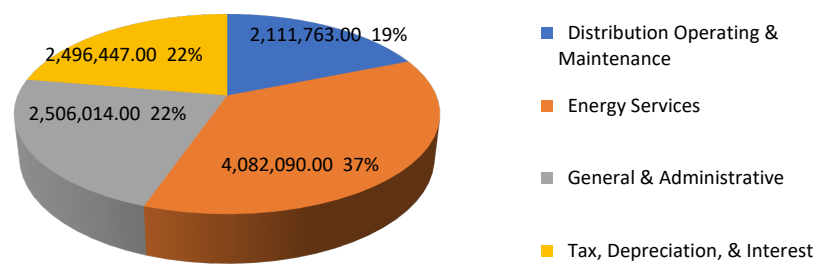
ELECTRIC DIVISION

	4th Quarter 2025	4th Quarter Budget	% of 4th Qtr Budget	2025 Actuals	2025 Budget	% of Annual Budget
Revenue	3,088,070.71	2,879,073.01	107%	12,100,601.04	11,679,446.00	104%
<u>Expenditures</u>						
Distribution Operating & Maintenance	735,781.75	680,213.02	108%	2,059,788.95	2,111,763.00	98%
Energy Services	1,025,362.99	1,188,258.00	86%	3,647,927.38	4,082,090.00	89%
General & Administrative	755,161.16	710,693.95	106%	2,669,238.84	2,506,014.00	107%
Tax, Depreciation, & Interest	645,549.93	636,206.55	101%	2,510,384.34	2,496,447.00	101%
TOTAL EXPENDITURES	\$ 3,161,855.83	\$ 3,215,371.52	98%	10,887,339.51	\$ 11,196,314.00	97%
NET OPERATING MARGINS	\$ (73,785.12)	\$ (336,298.51)	22%	1,213,261.53	\$ 483,132.00	251%

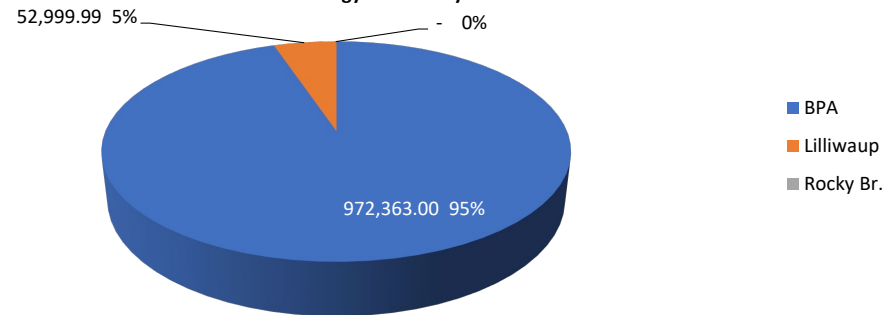
4th Quarter Expenditures



2025 Budgeted Expenditures



Energy Services by Vendor



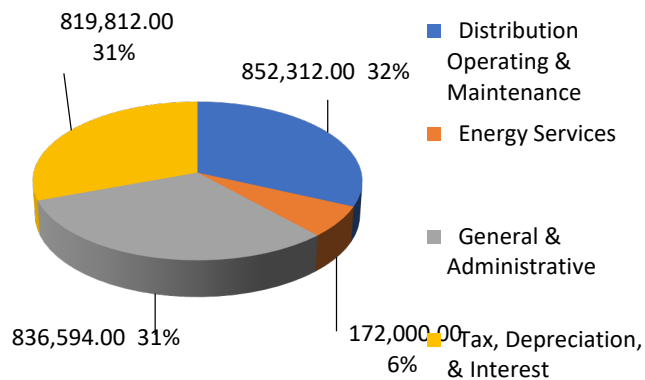
Mason County PUD No. 1

Status of Budget
As of December 31, 2025

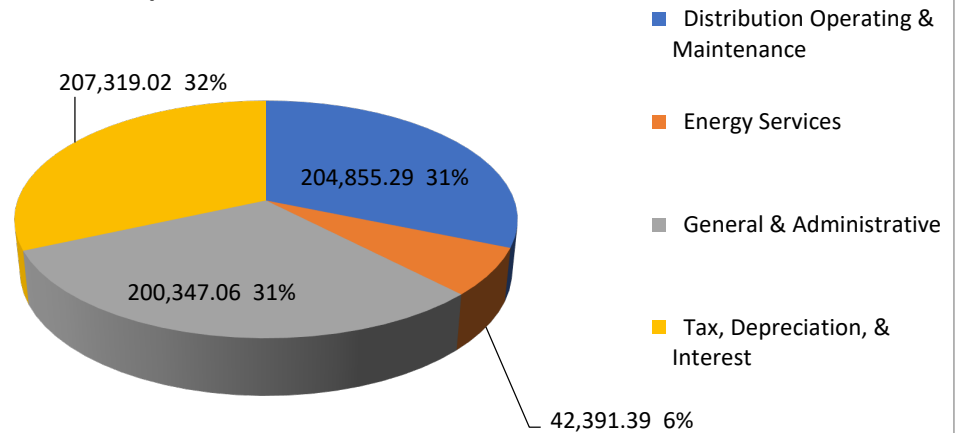
WATER DIVISION

	4th Quarter 2025	4th Quarter Budget	% of 4th Qtr Budget	2025 Actuals	2025 Budget	% of Annual Budget
Revenue	747,462.86	732,314.99	102%	3,224,310.33	3,089,780.00	104%
Expenditures						
Distribution Operating & Maintenance	204,855.29	214,764.73	95%	742,484.74	852,312.00	87%
Energy Services	42,391.39	42,000.00	101%	177,041.52	172,000.00	103%
General & Administrative	200,347.06	192,861.99	104%	849,579.55	836,594.00	102%
Tax, Depreciation, & Interest	207,319.02	200,615.22	103%	839,631.70	819,812.00	102%
TOTAL EXPENDITURES	\$ 654,912.76	\$ 650,241.94	101%	2,608,737.51	\$ 2,680,718.00	97%
NET OPERATING MARGINS	\$ 92,550.10	\$ 82,073.05	113%	615,572.82	\$ 409,062.00	150%

2025 Budgeted Expenditures



4th Quarter Expenditures



Mason County PUD No. 1

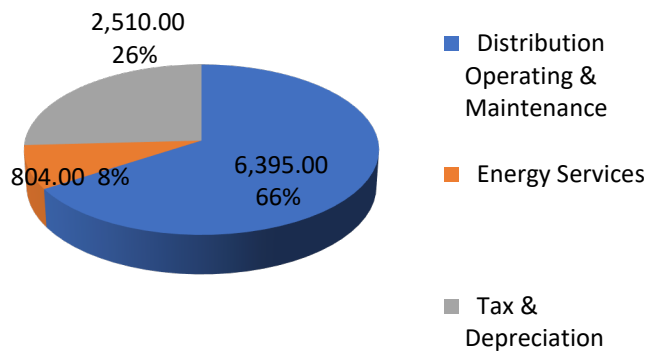
Status of Budget

As of December 31, 2025

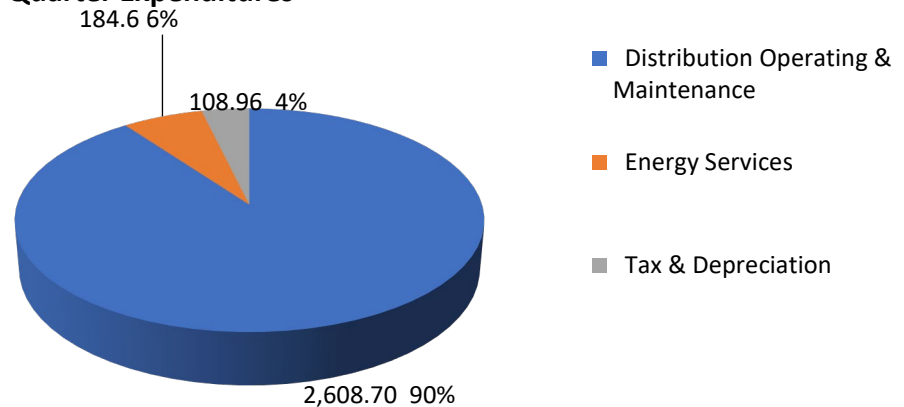
SEWER DIVISION

	4th Quarter 2025	4th Quarter Budget	% of 4th Qtr Budget	2025 Actuals	2025 Budget	% of Annual Budget
Revenue	2,942.07	3,054.00	96%	12,007.17	12,399.00	97%
Expenditures						
Distribution Operating & Maintenance	2,608.70	2,125.42	123%	7,709.06	6,395.00	121%
Energy Services	184.6	201.00	92%	745.96	804.00	93%
Tax & Depreciation	108.96	114.00	96%	2,510.47	2,510.00	100%
TOTAL EXPENDITURES	\$ 2,902.26	\$ 2,440.42	119%	\$ 10,965.49	\$ 9,709.00	113%
NET OPERATING MARGINS	\$ 39.81	\$ 613.58	6%	\$ 1,041.68	\$ 2,690.00	39%

2025 Budgeted Expenditures



4th Quarter Expenditures



Mason County Public Utility District #1
Overview of the Status of Budget
2025

<i>Status of Budget</i> As of December 31, 2025			
	2025 Actuals	2025 Budget	% of Annual Budget
Revenue	15,336,918.00	14,778,448.00	104%
<u>Expenditures</u>			
Distribution Operating & Maintenance	2,809,983.00	2,970,470.00	95%
Energy Services	3,825,715.00	4,254,894.00	90%
General & Administrative	3,518,818.00	3,342,608.00	105%
Tax, Depreciation, & Interest	3,352,527.00	3,318,769.00	101%
TOTAL EXPENDITURES	13,507,043.00	13,886,741.00	97%
NET OPERATING MARGINS	1,829,875.00	891,707.00	205%

The District's total revenue was 4% higher, collecting \$558,470 more than what was budgeted for 2025. A few key factors that played into the additional revenue collected include the following components:

1. The District bases its electric revenue budget off of the 5-year average for kWh's to help levelized the fluctuations from year to year with weather events. The 5-year average projects for 2025 were 78.8 million kWh's. The actual kWh usage for 2025 was 81 million kWh's. The electric department also had an increase of 46 new service connections in 2025 which contributed to the increased revenue compared to what was budgeted. The water department had an increase of 36 new service connections in 2025.
2. The LGIP investment continued with steady growth, even with the interest rate decreasing to 3.87% by yearend. The total interest earned for 2025 was \$92 thousand, over the \$54 thousand budgeted for 2025.

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 95% of what was budgeted for 2025. This was largely because the crews worked on major construction work plan projects, rather than maintenance projects. \$160 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 10% lower than budgeted for the year. The winter months of 2025 were warmer than projected through BPA's rate impact model, which reduced the power costs. General and Administrative was over budget by 5% with increases generally from how labor was allocated to G&A rather than Distribution Operating and Maintenance. Tax, Depreciation and Interest was right at budget, just slightly over budget. Overall, the total expenditures for the District finished the year at 97% of its annual budget.

How is the Net Operating Margin Allocated?

The Net Operating Margin for 2025 ended at \$1.82 million, which is \$938 thousand more than the 2025 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 2025, the District invested just over \$10.3 million in capital assets and ongoing construction work plan projects. Of the \$10.3 million in projects, \$8.3 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 2025, the District had \$11.8 million in outstanding debt, an overall decrease of \$972,031. 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., and \$342,000 towards its capital work plan fund to pay for larger infrastructure upgrades.

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.



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

STANDARD CLAIM FORM
PLEASE TYPE OR PRINT IN INK

Please return to:

General Manager
21971 N. Hwy 101 Shelton, WA 98584

Business Hours: 8:00am - 5:00pm

PERSONAL INFORMATION

1. CLAIMANT'S NAME:

Drenckpohl, Richard N.
Last Name First Middle

2. RESIDENCE ADDRESS CURRENT ADDRESS:

581 E. Country Club Dr E., Union, WA 98592

3. MAILING ADDRESS (IF DIFFERENT):

Same

4. RESIDENTIAL ADDRESS AT TIME OF INCIDENT:

Same

5. CLAIMANT'S DAYTIME TELEPHONE: (206 778-) (9020)

Home Cell

Business

6. CLAIMANT'S E-MAIL ADDRESS

ddrenckpohl@msn.com

INCIDENT INFORMATION

7. DATE OF INCIDENT: 12 / 30 / 25 + 12 / 31 / 25
month day year

8. TIME: 7-8 (A.M. / P.M. (CIRCLE ONE)) Approx both days

9. IF THE INCIDENT OCCURRED OVER A PERIOD OF TIME PLEASE PROVIDED:

BEGINNING TIME: ____ / ____ / ____
month day year

ENDING TIME: ____ / ____ / ____
month day year

10. LOCATION OF INCIDENT:

581 E. Country Club Dr E., Union, WA 98592
Address/Street/Mile Post City County



PUBLIC UTILITY DISTRICT NO. 1
OF MASON COUNTY
N. 21971 Hwy. 101
Shelton, Washington 98584

BOARD OF COMMISSIONERS
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RON GOLD, Commissioner

INSTRUCTIONS FOR COMPLETING A STANDARD TORT CLAIM FORM

For the District to pay a claim, it is up to the claimant to specify how the damage was caused by negligence of the District's employees. Equipment failure or acts of nature (wind, lightening, trees, etc.) will not be reimbursed by the District. Please specify what negligence of the District's employees caused the damage.

Before presenting a Standard Tort Claim form, please read these instructions, the Standard Tort Claim form, and other appropriate forms in their entirety.

- Type or print clearly in ink and sign the Standard Tort Claim form.
- Provide all requested information and any available documents or evidence supporting your claim, such as medical records or bills for personal injuries, photographs, proof of ownership for property damages, receipts for property value, etc.
- If the requested information cannot be supplied in the space provided, please use additional blank sheets so your Standard Tort Claim form can be easily read and understood.
- The following are examples on how to complete the Standard Tort Claim Form:
 1. Doe, Jane K. January 1, 1060
 2. 1234 Hwy 101, Shelton WA 98584
 3. PO Box 12345, Shelton WA 98584
 4. Same (or residence at the time of incident)
 5. 360-123-4567 (H) 360-456-7890 (W)
 6. jdoc@hotmail.com
 7. August 9, 2010
 8. 8:00 a.m.
 9. If the incident that caused the damages occurred over a period of time, please provide the beginning time and the ending time in Item 9
 10. Hwy 101, Southbound, Milepost 109, near Potlatch State Park.
 11. Doe, John Q., 1234 Hoodsport Way NW, Hoodsport WA 98584 (360) 456-3456; Tow Truck Driver, Acme Towing
 12. Identify any PUD No. 1 personnel who have knowledge or list "Unknown"
 13. Please provide the name of the District employee who you allege is responsible for the damages.
 14. Please describe the incident that resulted in the injury or damages, specifically answering the questions who, what, where, when and why, e.g.: "PUD No. 1 truck failed to stop at stop sign and hit my vehicle".



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

18. I / WE DO HEREBY CLAIM DAMAGES FROM 12/30/25 & 12/31/24 ^{TO Replace} IN THE SUM OF \$ 434.39.

This claim form must be signed either:

- (i) By the claimant, verifying the claim;
- (ii) Pursuant to a written power of attorney, by the attorney in fact for the claimant;
- (iii) By an attorney admitted to practice in Washington state on the claimant's behalf; or
- (iv) By a court-approved guardian or guardian ad litem on behalf of the claimant.

I certify or declare under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

Richard Druekpohl
Signature of Claimant

1/5/26
Date

How your claim will be processed:

1. Claimant submits claim and supporting material to the General Manager.
2. GM conducts an internal investigation to gather facts and review claim with senior staff team.
3. PUD attorney reviews claim and makes recommendation to either approve or deny the claim, or to send it to the PUD's insurance carrier for independent investigation and review.
4. After the investigation is completed, the claim is presented at following Board of Commissioners meeting for approval/denial if it does not need to be sent to the insurance carrier.
5. If the claim is denied, a letter is sent to the claimant explaining why it was denied.
6. If the claim is not initially denied by the Board of Commissioners, it will be sent to the PUD's insurance carrier for processing.
7. If the claim is approved, payment unless the amount is minimal, in which case it may be processed in the PUD's next accounting cycle.

No claims shall be considered without completion of the standard tort claim form and supporting documentation. No claims shall be presented to the Board of Commissioners without going through the investigation process, internal review and review by the PUD's attorney.

January 5, 2026

TO: PUD No 1 of Mason Country
From: Richard Drenckpohl

Problems with New above ground Transformer #3668 / 11325
Located on property 581 E Country Club Dr E, Union

On approximately Oct 1 - Nov 30th, 2025, not sure of exact date,
Public Utility District No. 1 contacted me that they were Replacing
an old transformer that was Underground, because of age, underground and with about
18" of Water in the bottom.

Because of notice we turned off all electronics. They replaced it in
about 4 to 6 hours with the above Mentioned Transformer. It worked
well until the following events.

12/30/25 about 7AM power spike and outage for about An hour.
No notice. PUD came and repaired unit.

12/31/25 about 7AM power spike and outage for about An hour.
No notice. PUD came and repaired unit.

There was no storm or wind or any other outages to My knowledge
in the area. The outages must have been do to failed Part or parts in
the new transformer and were replaced or repaired very quickly.

The Sony 43" smart TV in our home at the time was ruined by
The two spikes and outages. The cost to purchase it was about \$500.
We replaced it with a Sony 43" smart TV with a cost of \$399.00
+ Tax or a total of \$434.39 which is the claim amount.

This concludes my knowledge of the events.


Richard Drenckpohl

Order Details

[Print Receipt](#)**BEST BUY** Receipt

Purchase Date: Dec 30, 2025

Order Number: BBY01-807130262579

Total: \$499.54

[Payment Details](#) ▼

Shipment

Delivered on Jan 2, 2026 ▼

Shipping Address

DICK DRENCKPOHL
581 E COUNTRY CLUB DR E
UNION, WA 98592 US**Sony - 43" Class BRAVIA 2 II LED 4K UHD Smart Google TV (2025)**

Model: K43S20M2

SKU: 6623767

Quantity: 1

Item Total:

\$434.39

Product Price:

\$399.99

Sales Tax, Fees & Surcharges: \$34.40

Return Options

Returnable until Jan 17, 2026.

COST TO REPLACE

\$ Price Match Guarantee

We'll match the current product price of qualified competitors

[Check Price Match](#)**2-Year Standard Geek Squad Protection**

SKU: 6628123

Quantity: 1

Item Total:

\$65.15

Product Price:

\$59.99

Sales Tax, Fees & Surcharges: \$5.16

Digital Item One

Ready to Redeem

Digital Delivery

DDRENCKPOHL@MSN.COM

Free Apple TV for 2 months (new or qualified returning subscribers only)

Model: DIGITAL ITEM

SKU: 6617424

Quantity: 1

Item Total:

\$0.00

Product Price:

\$0.00

Sales Tax, Fees & Surcharges: \$0.00

Ready to Redeem

Before we can show you your digital delivery details, we just need to make sure it's you.

[Sign In](#)Included free with this item. [Show Item](#)

Digital Item Two

Ready to Redeem

Digital Delivery

DDRENCKPOHL@MSN.COM

fubo - Free for 30 days (new subscribers only, not billed unless activated)

Model:
TRIAL 30DAY FUBOTV PROPLAN SP
A
SKU: 6473347
Quantity: 1

Item Total:	\$0.00
Product Price:	\$0.00
Sales Tax, Fees & Surcharges:	\$0.00

Ready to Redeem

Before we can show you your digital delivery details, we just need to make sure it's you.

[Sign In](#)

Included free with this item. [Show Item](#)

**Best Buy Support**

Browse our Support Center for answers to frequently asked questions.

[Get help >](#)

Committee Sign In - Remote Written Testimony Registration

Thank you for submitting your written comments on SSB 5690 Utility relocation. Your comments will be made available to legislative committee members and staff of the committee, and will be included in the legislative record for bill and meeting archival purposes, but will not be used as part of testimony summary materials on the bill report.

The text of your submission is below:

Dear Members of the Committee,

Thank you for the opportunity to provide comment on SB 5690. Mason County PUD No. 1 has been impacted by three utility relocation projects related to WSDOT's fish passage work since 2020. These three projects have had an impact on our utility of \$4.3 million. With only 5,600 electric meters, this amounts to an impact of over \$767 per customer, for work that has absolutely nothing to do with delivering safe, reliable utility services.

I was told a few times by both legislators and WSDOT representatives that the state shouldn't have to assist with these relocation projects due to our DOT franchise agreements and our ability to generate revenue by raising our utility rates. Just these three projects alone would amount to a \$64/month surcharge for each one of our customers for an entire year. \$64 each month to move perfectly good utilities out of the way for a state fish passage project, just to turn around and move them back to where they were originally.

At a time when the state is concerned about customer energy burdens as it relates to Washingtonians' ability to remain housed, Mason PUD 1 doesn't believe that an additional \$64 pass-through tax on power bills to accommodate the state's fish passage problem is appropriate or acceptable.

There are significant resource impacts to utilities who must continue to meet these WSDOT demands to relocate, especially for small utilities with limited budgets. WSDOT notifications are shortsighted. Their target dates continuously move. And they will suddenly announce they are "pencils down" on a project, which stranded us in the middle of design and engineering. This is especially frustrating when we put in all the hard work to secure state and federal funding to help us relocate these utilities at WSDOT's behest, only to find out they stopped working on it and can't help us finish our design that they must approve before we can go out to bid. While we have now built a strong relationship with Devin Maher in the Olympic Region office, who is great to work with, my counterparts across the state do not enjoy similar coordination with their regional DOT offices.

For the last five years, we have deferred our own important utility work to accommodate the expense and time that these projects have demanded from our staff and resources. Until we were connected with Devin Maher, there was just an overall, blatant disregard for creating public partnerships and for good stewardship of public resources. Not every region in our state has a Devin. Listening to our fellow PUD general managers with regard to the lack of cooperation or collaboration with WSDOT on utility relocation projects in their service areas are incredibly disappointing to hear- and unnecessary. It's always easier to work together to maximize the public benefit of taxpayer and ratepayer dollars that are funding these projects.

Mason PUD 1 thanks Senator MacEwen for championing this issue and respectfully asks this committee to please move this bill forward so we can signal to WSDOT that good partnerships lead to good stewardship and better overall outcomes for our mutual constituents.

Sincerely,

Kristin Masteller
General Manager
Mason County PUD No. 1

Commissioners- I have been participating in this NWPPA Wildfire committee for a few years now and one of the things we asked for has made it into the priority issues for both APPA and NWPPA in the Fix Our Forests Act. Hopefully Congress will include this in its passage, but I wanted you to see that Mason PUD 1 is leading the charge on strict liability for wildfire for small utilities in our agreements with the U.S. Forest Service. See highlighted section on p. 3. This is what I've been working on.

The Honorable John Curtis
U.S. Senate
502 Hart Senate Office Building
Washington, DC 20510

The Honorable John Hickenlooper
U.S. Senate
316 Hart Senate Office Building
Washington, DC 20510

The Honorable Tim Sheehy
U.S. Senate
124 Russell Senate Office Building
Washington, DC 20510

The Honorable Alex Padilla
U.S. Senate
331 Hart Senate Office Building
Washington, DC 20510

The Honorable Bruce Westerman
U.S. House of Representatives
202 Cannon House Office Building
Washington, DC 20515

The Honorable Scott Peters
U.S. House of Representatives
2369 Rayburn House Office Building
Washington, DC 20515

January 20, 2026

Dear Senators Curtis, Hickenlooper, Sheehy, Padilla, and Congressmen Westerman and Peters:

On behalf of more than 150 community-owned electric utilities across the Western United States, we commend your leadership and congratulate you on the bipartisan advancement of the **Fix Our Forests Act** (S. 1462/H.R. 471) out of the Senate Agriculture Committee. This decisive, bipartisan action comes at a critical moment, as wildfire risks intensify across the West and place a growing strain on communities and essential electric infrastructure.

With each passing wildfire season raising the stakes for public safety and grid reliability, **the time to act is now**. We strongly support your efforts to move this legislation swiftly toward enactment.

The undersigned entities include not-for-profit electric utilities, a joint operating agency, and trade associations representing community-owned electric utilities in Alaska, California, Colorado, Idaho, Montana, Nevada, Oregon, Utah, Washington, and Wyoming. These utilities—rural electric cooperatives, municipalities, tribal utilities, and public utility districts—are locally governed and accountable to the communities they serve. Collectively, our members provide electric service to more than 10 million residents and share your commitment to taking meaningful, timely action to address the looming threat of wildfire.

Community-owned utilities are on the front lines of wildfire mitigation and resilience. A critical component of these efforts is the timely and effective management of vegetation near electric transmission and distribution infrastructure. Without adequate flexibility to remove hazard

trees and other high-risk vegetation, utility wildfire mitigation efforts are compromised, increasing risks to public safety and grid reliability.

To underscore the need for federal reform, the Northwest Public Power Association—joined by several member utilities—traveled to Washington, D.C., last October to advocate for practical wildfire management solutions. While some opponents have tried to label it a “commercial logging bill,” we emphasized that the Fix Our Forests Act is a **necessary and urgent** modernization of outdated processes that have hampered utilities’ ability to address clear and present wildfire risks. Importantly, the Act **streamlines reviews while preserving opportunities for community input**—balancing timely action with responsible oversight. As we noted in our visit, we cannot allow dogma or misconceptions to stand in the way of practical, science-based measures that protect communities, critical infrastructure, and the long-term health of our forests.

INCREASED FLEXIBILITY TO MITIGATE FIRE RISK NEAR ELECTRIC POWER LINES

The Fix Our Forests Act takes important steps to address these challenges by supporting utility vegetation management and wildfire risk reduction activities on federal lands. We strongly support these provisions, which would:

- Expand electric utility authority to remove hazard trees from within 10 feet to within 150 feet of electric power lines;
- Establish expedited timelines for federal agency review and approval of vegetation management plans, whether unmodified or modified; and
- Streamline timber sale and removal processes to reduce fuel loads near electric power lines, as outlined in the Fire Safe Electrical Corridor Act.

STREAMLINED PERMITTING IS ESSENTIAL TO WILDFIRE MITIGATION AND POST-FIRE RECOVERY

Vegetation management is among the most effective tools available to reduce the risk of catastrophic wildfire. Yet on federal lands, securing permits for this work often takes five or more years and costs utilities \$5–7 million in environmental reviews and administrative processes. These delays severely limit utilities’ ability to proactively manage vegetation and prevent fires caused by tree-to-line contact.

We strongly support legislation to streamline the regulatory approval mechanism for utility vegetation management on federal lands. In addition to a categorical exclusion for routine and emergency vegetation management activities, post-fire recovery efforts, and prescribed burns, it should include approval of associated road improvements, helicopter landing zones, staging areas, and other infrastructure necessary to conduct vegetation management in remote areas. Such activities could appropriately qualify for National Environmental Policy Act (NEPA) categorical exclusions and the Endangered Species Act’s emergency consultation provisions.

This targeted reform would enable utilities to **act more quickly while maintaining strong environmental protections.**

In addition, beyond the proposed 150-foot hazard tree authority, we urge Congress to expressly authorize **emergency removal of hazard trees** that are taller than their distance to electrical infrastructure, even if those trees are located outside the expanded right-of-way. This authority is critical for utilities responding to emergency wildfire conditions.

MAINTAIN FINANCIAL PROTECTIONS FOR SMALL ELECTRIC UTILITIES

Section 512(d) of the Federal Land Policy and Management Act (FLPMA) reflects Congress's intent to accommodate the unique circumstances of small electric utilities operating on federal lands. Section 512(g)(2) limits strict liability damages per incident to \$500,000 for qualifying small utilities with approved vegetation management plans, providing essential financial stability and liability protection.

However, this provision includes a 10-year sunset and is **set to expire in 2028**. Moreover, **it has not been fully implemented by federal land management agencies**. While the Bureau of Land Management issued regulations in April 2024, the intended liability protections have not been consistently extended to small utilities.

To preserve congressional intent and protect small utilities from disproportionate and unaffordable liability, we respectfully urge Congress to amend Section 512 to remove the sunset clause and make the \$500,000 strict liability cap permanent. We also encourage Congress to require federal land management agencies to demonstrate utility negligence before seeking damages above the strict liability limit.

CONCLUSION

The Fix Our Forests Act represents a critical opportunity to strengthen federal utility collaboration on wildfire mitigation, protect public safety, and safeguard essential electric infrastructure.

We applaud the broad, bipartisan consensus that the U.S. House of Representatives and the U.S. Senate Committee on Agriculture, Nutrition and Forestry have been able to achieve in advancing this policy over the course of the 119th Congress. We urge the Congress to build on this momentum and send a bill to the President's desk as soon as possible. **Time is not on our side. With every day of delay in taking action to mitigate wildfire risk, that risk grows.**

Thank you for your leadership. We strongly support your efforts to advance and enact this important legislation and look forward to working with you and your colleagues to see the Fix Our Forests Act enacted into law.

Crystal Enkvist
Executive Director
Alaska Power Association

Josh Lozano
Director of Energy Policy & Communications
Manager
Benton Rural Electric Association

James Ramseyer
President/Chief Executive Officer
Consumers Power Inc.

Will Hart
Executive Director
Idaho Consumer-Owned Utilities
Association

Jasen Bronec
Chief Executive Officer
Inland Power & Light

Jessica Nelson
General Manager
Golden State Power Cooperative

Scott Coe
General Manager
Lane Electric

Kristin Masteller
General Manager
Mason County PUD

Richard Jolly
Electrical Superintendent
City of Milton-Freewater

Joe Morgan
Chief Executive Officer
Modern Electric Water Company

Lisa Levine
Executive Director
Nevada Rural Electric Association

Randy S. Howard
General Manager
Northern California Power Agency

Kurt Miller
Chief Executive Officer & Executive Director
Northwest Public Power Association

Ted Case
Executive Director
Oregon Rural Electric Cooperative
Association

Anthony L. Firenze, PE
Director of Strategic Affairs
Placer County Water Agency

Maura Brueger
Director of Government & Leg Affairs
Seattle City Light

Paul Hauser
General Manager
Trinity Public Utilities District

Trevor Parke
General Manager
Vigilante Electric Cooperative

Sheri Nelson
Executive Director
Washington Rural Electric Cooperative
Association

Shawn Taylor
Executive Director
Wyoming Rural Electric Association

Board of Commissioners:
Jeff Randall, District 1
Kenneth Collins, District 2
Dan Toepper, District 3
Joseph Wilson, General Manager



Dear Mason County Public Utility District No. 1,

On behalf of all your neighbors to the north, served by the Public Utility District No. 1 of Jefferson County, we are extraordinarily grateful for your mutual aid assistance during the December 17th, 2025, windstorm. I want to express our sincere gratitude for the outstanding support and dedication your team demonstrated during the recent storm. Your swift response and tireless efforts to restore power and ensure safety made a tremendous difference for our residents and businesses during a challenging time.

We deeply appreciate the professionalism, expertise, and commitment shown by Mason PUD No. 1 crews working under difficult conditions. Your actions helped minimize disruptions and provided comfort and security to our community when it was needed most.

Thank you again for your partnership and for going above and beyond to serve our community. Please extend our appreciation to Operations Director Josh Garlock, Foreman Mike Rose, Foreman Mike York and their amazing line crews involved in the response efforts.

With appreciation,

A handwritten signature in black ink that reads "Dan S Toepper".

Dan Toepper, Board President

A handwritten signature in blue ink that reads "Jeff Randall".

Jeff Randall, Board Secretary

A handwritten signature in black ink that reads "Kenneth Collins".

Kenneth Collins, Board Vice President

A handwritten signature in black ink that appears to read "Joe Wilson".

Joseph Wilson, General Manager



PUBLIC UTILITY DISTRICT NO. 1 BOARD OF COMMISSIONERS
OF MASON COUNTY
N. 21971 Hwy. 101
Shelton, Washington 98584
MIKE SHEETZ, Commissioner
JACK JANDA, Commissioner
RON GOLD, Commissioner

January 20, 2026

Washington State Senate
Environment & Energy Committee

RE: Opposing HB 2373- Electric Utility Bill Assist

Dear Committee Members,

Mason County PUD No. 1 writes in opposition to HB 2373. While we share Rep. Mena's desire for all households to stay in service and acknowledge that energy burden is a real struggle for low-income households, we do not believe that the solution to reducing customer energy burden is to increase the overall cost of power.

As a consumer-owned utility we are intricately involved in assisting our customers in need by connecting them with existing resources for their monthly utility bills. In addition to our own Canal Comfort Fund low-income assistance program, we also fund our CETA-mandated low-income assistance program and work with local partners like Community Action Councils, Tribes, faith organizations, community nonprofits to administer utility account assistance. This same effort is replicated by public power providers across our state, and our efforts are successful.

Despite serving a rural, disadvantaged community, in 2025, Mason PUD 1 averaged only 6 electric disconnections each month, or 0.001% of our total customer base. The accounts that were disconnected were comprised of people who either paid the same day and were reconnected, were one of the 3-4 accounts who frequent the disconnect list throughout the year, or they were accounts of deceased individuals. Rarely do accounts stay disconnected for 24 hours or longer. It is not our experience that disconnections occur due to a lack of available assistance programs. Our current programs are successful and effective. HB 2373 proposes to override this local success and instead dictate a duplicative statewide structure in a one-size-fits-all mandate that is not realistic or functionally necessary in the community we serve.

Raising all customers' electricity rates to fund a state-mandated rate design is counterproductive to the goal of affordability. Our initial estimates show that annual energy costs will rise on average \$135.50 per customer, forcing families who are on the cusp of being energy burdened into the "burdened" category by making monthly power bills more expensive and greatly expanding the



PUBLIC UTILITY DISTRICT NO. 1 BOARD OF COMMISSIONERS
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number of households that would then be unable to afford their monthly utility bills. **How does creating more energy burdened customers solve the problem of energy affordability?**

As not-for-profit consumer-owned utilities, we have narrow operating margins and we set rates to recoup the cost to provide essential utility services. There are no coffers of extra funding to pull from. PUDs are legally required to set fair, just and efficient rates that are based on the actual cost to provide service. RCW 54.24.080 gives locally elected commissions local control and sole authority to set utility rates according to their individual cost-of-service designs and to meet the needs of the communities they were elected to represent. HB 2373's prescriptive rate design and assessment requirements are in direct conflict with the statutory authority and autonomy of public utility boards.

This complex rate discount program proposed under HB 2373, and the numerous reporting and 3rd party auditing requirements, will also be administratively burdensome and costly for small utilities like Mason PUD 1 with our 5,600 electric meters and 1½ person finance department. It duplicates the CETA low-income requirements. Every new mandated program dollar under this bill will compete with our grid reliability and replacement work that needs to be conducted with our limited operating budget. No customer, regardless of their income status, wants their PUD to underfund core electrical system needs that reduce outages and wildfire risk and increase reliability during extreme weather events.

If the legislature still feels that additional assistance is necessary beyond the successful programs that we and our public power counterparts are administering throughout the state, we ask the legislature to instead consider supporting a state-funded energy assistance program as was proposed last session by Rep. Mena (HB 1903). We also ask for assistance in advocating for the continuation of federal Low Income Household Energy Assistance Program (LIHEAP) and Low Income Household Water Assistance Program (LIHWAP) programs. And lastly, we request that the legislature does everything in its power to reduce the energy burden for all Washingtonians by alleviating the upward rate pressure on current power rates, which includes protecting our preference power from Bonneville Power Administration's Federal Columbia River Power System and avoiding expensive state-led mandates and litigation that impact the cost of the clean, renewable and affordable hydropower in our region.



PUBLIC UTILITY DISTRICT NO. 1 BOARD OF COMMISSIONERS
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RON GOLD, Commissioner

Mason PUD 1 supports the goal of helping low-income households but raising the overall cost of power through HB 2373 is not a responsible way to accomplish this. Lower power rates are the best way to help reduce customers' energy burdens and keep ALL income levels in service.

Thank you for your consideration of Mason PUD 1's position.

Sincerely,

A handwritten signature in blue ink that reads 'Kristin Masteller'.

Kristin Masteller
General Manager