



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

BOARD OF COMMISSIONERS
KARL DENISON, Commissioner
JACK JANDA, Commissioner
RON GOLD, Commissioner

ATTENTION

Hood Canal System Users

PUBLIC HEARING

The Mason County PUD No. 1 Board of Commissioners will hold a public hearing for the Hood Canal A & B Water Companies to discuss this summer's construction project and rate changes.

The hearing will occur Tuesday, June 11, 2013 at 1:00 pm at the District board room located at 21971 N Hwy 101 in Potlatch, Washington.

If you plan to attend, please contact Kristin Masteller or Jocelyne Gray at the District office. (The boardroom is small and has very limited seating- we may need to choose another venue if expected attendance is high.)

The purpose of the hearing is to bring Hood Canal Water Company customers up to speed on the topics listed below. We have provided brief explanations of each topic in this letter and are available to answer any questions in person or by phone prior to the hearing, for those who are unable to attend or would like additional information.

Public Hearing topics include:

- A.** Construction on SR 106 and Dalby Road
- B.** Installation of service meters for all customers
- C.** Conversion of flat rates to metered rates
- D.** The capital surcharge
- E.** The remainder of the existing debt structure

A. The construction project will replace water lines on State Route 106, Dalby Road and up to the Hood Canal A well house; connect the two water systems together; decommission the Hood Canal A wooden reservoir; and install water meters for all customers on Hood Canal B. After construction the two systems will become a single system known as the Hood Canal Water Company and share the concrete reservoir at the end of Sprague Avenue.

The District will also request additional connections so properties within the current Hood Canal B system that have been waiting may finally connect.

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www.mason-pud1.org



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B. & C.

FLAT RATE CUSTOMERS TO CONVERT TO METERED RATES

The Department of Health is now requiring all Group A water systems to install service meters. After construction, customers who are currently paying a monthly flat rate (\$37.04/month) for their water will begin paying the District's metered tiered rates. The metered rates are as follows for 2013:

Base Charge (0-400 cf)..... \$31.10 per month for up to 400 cf of water
 401-1,000 cf..... \$1.47 per 100 cf used each month
 1,001+ cf.....\$1.84 per 100 cf used each month

Average winter usage is less than 400 cf. Average summer usage is 1,100 cf if watering outdoors. Monthly bills will be the base charge + usage charges + capital surcharge.

The service meters measure water in cubic feet and the bills report usage in cubic feet.
Abbreviation definitions: cf = cubic feet gal = gallons 1 cf = 7.48 gal

Below are examples of water bills for flat rates and metered rates based on average water usage. The table compares the total monthly example bills side-by-side. In some cases, monthly bills might actually decrease.

Examples:

Your **Current Flat Rate:** \$37.04 base charge + \$27.00 capital surcharge = **\$64.04/month**
New Metered Rate: **400 cf** = \$31.10 base charge + \$27.00 capital surcharge = **\$58.10/month**
1,100 cf (8,228 gal) = \$31.10 base + \$10.29 usage + \$27.00 capital = **\$68.39/month**

How usage is calculated:

1,100 cf—400 cf = 700 cf (or 5,236 gal) which is the usage over the base amount of 400 cf
 700 cf x \$1.47 per 100 cf = \$10.29 usage charge (or 7 x \$1.47= \$10.29)

	Flat Rate	Minimum Metered Rate (0-400 cf)	Metered Rate at 1,100 cf
Base Rate	\$37.04/month	\$31.10/month	\$37.04/month
Usage Allowed	Unlimited	400 cf	400 cf
Additional Usage	N/A	0 cf	700 cf
Metered Rate	\$0.00	\$0.00	\$10.29/month
Capital Surcharge	\$27.00/month	\$27.00/month	\$27.00/month
Total Water Bill	\$64.04/month	\$58.10/month	\$68.39/month

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D. & E.

The project is partially funded by a Public Works Trust Fund loan. The current monthly capital surcharge of \$27.00 will not increase due to this additional loan; it will only be extended by several years. Instead of expiring in 2018, the capital surcharge will continue through 2031 or until the District consolidates all its water system accounts, whichever is sooner.

If you have any questions regarding this information, please contact Jocelyne Gray, Director of Operations-Water at (360) 877-5249 or jocelyneg@hctc.com.

Please share this notice with all the other people who drink this water, especially those who may not have received this notice directly (for example, people in apartments, mobile home parks, and businesses). You can do this by posting this notice in a public place or distributing copies by hand or mail.

Sincerely,

A handwritten signature in blue ink that reads "Jocelyne Gray". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

Jocelyne Gray, PE
Director of Operations-Water