



Media Release

**For Immediate Release
November 27, 2013**

Mason County PUD 1 Has Another Clean Audit & Adopts 2014 Budget

Potlatch, Washington-

The Washington State Auditor's Office presented their annual audit report for Mason County PUD No. 1 for the year 2012. Results showed a clean audit report of the district's financials with no findings or letters to management. PUD commissioner Ron Gold attended the State Auditor's exit conference and reported the excellent news to the board at the November 12, 2013 commissioner meeting. District auditor and director of finance Greg Kester commended his team for their high level of accountability in financial practices and reporting. PUD 1 preserves its status of never having received a negative finding from the State Auditor's Office in its history.

At the November 26th meeting, the commission adopted the 2014 budget for both the electric and water departments. Kester presented the commissioners with a budget that he felt was "appropriate to maintain our reliability and sustain our operations" in light of Bonneville Power Administration's (BPA) 9% increase in wholesale power costs and a 7.7% increase in transmission costs to the District. The PUD had already absorbed a 15% wholesale power rate increase from BPA in 2013 and was able to avoid raising its customers' rates for the year. The new BPA cost increases for 2014 were too large to avoid a rate adjustment for the coming year. BPA power costs make up approximately 50% of the PUD's total operating costs.

Weighing the base and kilowatt hour charge options, and after reviewing three different increase scenarios to the base charge and the kilowatt hour consumption rate, the commission passed a resolution for Kester's "middle of the road" proposal which called for a \$5.00 increase in the monthly base service charge and a 4% increase in the consumption charge for 2014. This puts PUD 1's base service rates in line with PUD 3's. The 2014 budget calls for electrical revenues of \$7,581,000 and cost of electric service of \$7,267,161.

Citing an ongoing decrease in cash flow and reserves, the commission also passed a 3.25% increase to the water rates and authorized Kester to consolidate all of the individual water accounts into one general fund account for easier accounting administration. The PUD water budget calls for revenues of \$1,218,000 and cost of water service of \$1,022,000.

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Founded in 1935, Mason County PUD No. 1 was the first public utility district formed in Washington State. PUD 1 provides non-for-profit water, sewer and electric services to approximately 7,000 customers in both Mason and Jefferson counties. The District's mission is to provide customers with safe, reliable and locally-controlled utility services with the highest possible value at the lowest possible cost.