

COMMISSIONERS CORNER

The leaves are starting to turn a little yellow, the mornings are cool and foggy, and kids with backpacks are loading onto school buses. All the signs of fall are in the air and as we say goodbye to summer, it's time again to look ahead to winter weather. For the PUD winter means storm season. Preparing for storm season is a year round focus for the PUD as we seek to improve system reliability to minimize the impacts of power outages due to Mother Nature.

Along the Hood Canal we are fortunate to have beautiful trees, but trees and power lines don't mix. The PUD maintains a robust vegetation management program to remove trees and brush that can impact power lines. This critical program is a significant investment; however, the return on investment is also significant savings on system repair costs and avoided service interruptions.

Redundancy and system maintenance go hand-in-hand in minimizing outages. Ongoing system maintenance (replacing and updating equipment) plays an important role in ensuring the electrical system can weather the storm. We evaluate maintenance needs every year and prioritize projects. These projects are funded as part of the PUD's capital budget and help preserve the integrity of the system during all four seasons.

When outages do occur, our crews are ready to respond to restore power as quickly and safely as possible. In the case of major outages, the PUD maintains mutual aid response agreements with other PUDs should additional resources be required.

During outages, we know it is important to keep our customers informed. The PUD provides outage information through our website, email notices, Facebook and Twitter. The PUD also has an outage information line for reporting outages and receiving information via our phone service. We also provide outage information to local media sources like KMAS.

While the sun is still shining and winter coats still hang in the closet, now is the perfect time to make sure your household or business is ready. Assembling an outage preparedness kit now will help keep you safe and comfortable if an outage should occur.

Jack Janda, District 3 & Liz Anderson (WPUDA)

THE BOARD OF COMMISSIONERS
regularly meet the 2nd and 4th Tuesday
of each month at 1:00 p.m. at the PUD 1
office in Potlatch. For more information
on meetings, agendas and minutes,
please visit www.mason-pud1.org.

MASON COUNTY PUD 1 COMMISSIONERS:

DISTRICT 1

Karl Denison(360) 898-2618

DISTRICT 2

Ron Gold(360) 426-9540

DISTRICT 3

Jack Janda(360) 877-5867

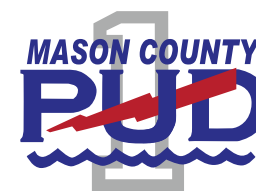
GENERAL MANAGER

Steven Taylor.....(360) 877-5249





**Have you signed up for the Email
Notification List yet? Be the first to
know about scheduled outages and
other important PUD information by
emailing kristinm@hcc.net to join.**

THE CONNECTOR FALL 2013



www.mason-pud1.org

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Water Department News

SHUT OFF VALVES, WATER METERS AND TAMPER FEES

For District water systems, customers have a water meter or a shut off valve prior to the water service line entering your house or business. This meter or valve is called the Point of Delivery which is owned and maintained by the District.

Over the years, customers have gotten used to shutting off their own water at the Point of Delivery, especially during leak repairs. To ensure the District's equipment is properly maintained, we request you call the office any time you need to have the water turned off for leak repairs or turned on for temporary use such as a home inspection for a house that is for sale, even if for a few minutes. It is best to call the day before a requested disconnect/reconnect, but you may call the same day for leak repair.

The District highly recommends you install your own shut off valve between the Point of Delivery and your house/building/service that allows you to shut off the water to your property when you desire without contacting the District. This is especially important as the District installs service meters as required by State law; the Point of Delivery may be moved from the location of the existing shut off valve to a point more suitable for a meter installation as determined by the District. Before the meter installation, the Point of Delivery may have been near your house or even under your house, but after the meter installation, the Point of Delivery may now be at the end of the driveway or part of a cluster of meters down the road. Having the Water Department access the Point of Delivery ensures the valve or meter is

accessed properly. If ever damaged by the District, the District is responsible. If the customer accesses the meter or valve and damages it, there are fees associated with the repair beyond just fixing the meter/valve. The District is responsible for repairs (fixing leaks) from the well to the Point of Delivery. The customer is responsible for repairs after the Point of Delivery and the tap.

Any Point of Delivery that has been shut off or disconnected by the District for nonpayment, noncompliance with regulations, or other reasons pursuant to water policy must also be reconnected according to the water policy. This means it must be reconnected by District personnel or the service will be considered as "tampered".

If you need your water turned on or off for any reason, and you do not have your own shut off valve, please call our office to have a water crew member visit your property, even if just for five minutes. Thank you for your cooperation.



MANAGER’S REPORT

Wow what a summer we have had! The weather was outstanding and provided us with numerous days of sunshine. As my dad always said, “work while the sun is shining”. That is exactly what we have been doing here at Mason 1. We have been doing some much anticipated and necessary maintenance and construction projects.

Both the water and the electric departments have had major projects underway. We have had three temporary helpers in assisting the electrical department working with two of our journeyman linemen trimming trees on our radial side roads. Our water department has been working on two main line replacements. These projects have been and continue to progress very well.

The electrical department has been able to get to nuisance areas that needed to have the vegetation cut back from the power lines. The true test of success for our tree trimming efforts are already beginning to materialize by the reduction of tree related outages in those areas where we have been working. The bigger tests will come this fall.

Does that mean that we are not going to have power outages? Not at all. With the amount of vegetation that we have in our area and the growth that we experience, we will be forever working to keep our lines clear from contact by vegetation.

As a reminder, we live in a beautiful area and the trees are a major reason why we love it here. Because our main electrical distribution system follows the highway and side roads we are limited to how far we can work off of the prescribed roadway and easements. With the amount of trees that exist off of the easement we must work with you, the land owners, to remove danger trees. We will be contacting land owners to get permission to survey adjoining properties to our power lines. Our goal will be to visually identify danger trees and then work with the land owners to remove them. This type of work is time consuming and slow but we feel it will be one more tool to improve our system reliability.

If you know of a tree that is within distance of our power line that is dead and/or falling over towards our line please contact superintendent Darin Hall at our office so that he investigate its potential for causing an outage. We appreciate your assistance!



Steven Taylor,
General Manager

Bonneville Announces Rate Increases

The Bonneville Power Administration (BPA) announced it will be enacting a 9% average increase in wholesale power rates and an 11% average increase in transmission rates on October 1, 2013. Wholesale power rates are the rates that BPA charges a utility for the power they sell to that utility. Transmission rates are the rates that are charged to the utility for delivering that power to the utility. While these are lower than BPA’s original estimates of up to 20% early in the rate setting process, they are still significant increases that will boost costs for BPA’s utility customers, including PUD 1.

BPA is a federal agency that sells wholesale power at-cost, as well as transmission services to deliver the energy to consumer-owned utilities in the region. This power is almost all clean, renewable, and relatively low-cost hydro power produced by the federal based hydro system located at dams in the Columbia Basin, along with nuclear power from the Columbia Generating Station in Eastern Washington. BPA recovers its costs through the rates it charges its utility customers.

Why are BPA’s rates going up? In a press release, the agency explained that, “The power rate increase stems from higher costs to operate and maintain the federal

hydroelectric system, higher costs to fund existing long-term agreements for the fish and wildlife mitigation program and reduced revenues from surplus power sales due to low market prices.” BPA goes on to explain the transmission rate increase, saying, “The transmission rate increase stems from a growing construction program driven by the need to repair and replace aging infrastructure and increased spending on mandatory compliance and security requirements.”

Increases in power supply costs present a significant challenge for utilities as power supply makes up a significant portion of PUD budgets. That means when power supply costs go up, it puts pressure on rates and often results in rate increases.

The rate increases will impact each utility differently depending on the contracts they have with BPA, and each utility will determine the best way to manage the rate increases. PUD 1 will begin the annual budgeting process this fall and a public hearing will be held if the management and commission determine that a rate adjustment is necessary for the business.

Liz Anderson, WPUDA



Please join us!

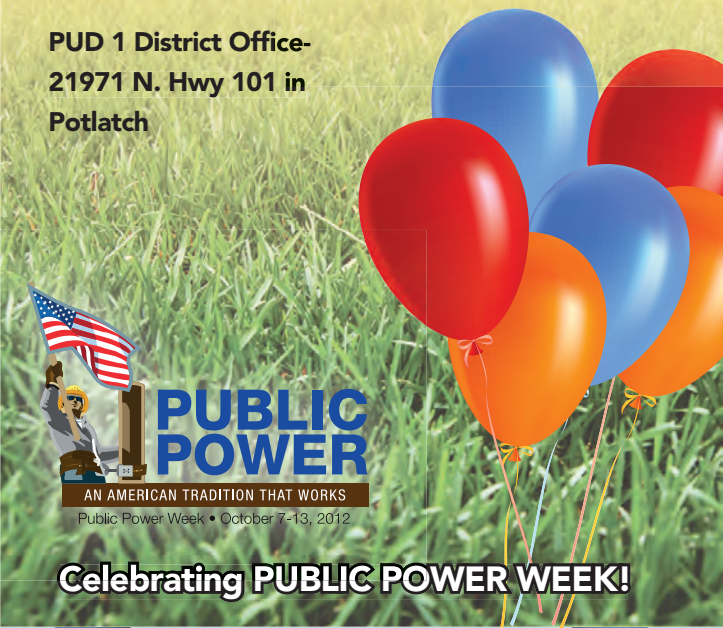
CUSTOMER APPRECIATION **BBQ**
Friday, October 4th
11am to 2pm

FREE

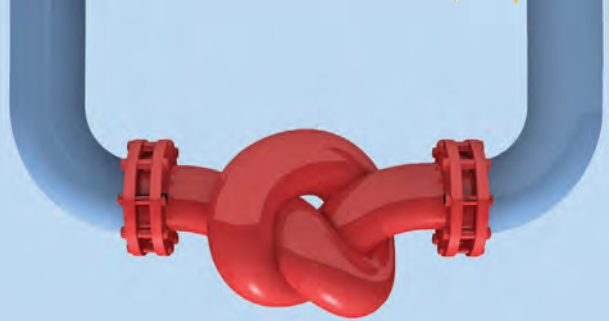
Burgers,
Soft Drinks
& Giveaways



PUD 1 District Office-
21971 N. Hwy 101 in
Potlatch



Celebrating PUBLIC POWER WEEK!



Water Consolidation
on Hold

In 2004, the PUD implemented a new cost of service study for a 10 year period ending in 2013. The goal was to consolidate all water systems and eliminate the capital surcharge for those water systems that still had one. This was to be implemented based on a combination of projected rate increases and additional water systems coming on board.

After the impact of the collapse of the housing market, the decline in growth, and analyzing the 2013 financial data, the PUD determined that we did not have enough new customers to achieve an economy of scale to eliminate the surcharge. If the PUD were to eliminate the surcharge, the rate impacts to all of our customers would be too prohibitive to justify this action.

Going forward the PUD will still evaluate, on a yearly basis, when the economy of scale is reached. It is still the goal of the PUD to have one rate implemented for every water system that we own. In November of this year, the PUD will hold a public hearing pertaining to consolidation of the general fund accounts from 33 individual water system funds to one fund and rate increases as outlined in our five year work plan for operations and capital improvements. Consolidating the general fund into one fund would eliminate the administrative burden of reconciling 33 water systems each month. Information on this public hearing will be available later in the year. For questions on water finances, please feel free to contact our office at (360) 877-5249.

Greg Kester, District Auditor & Director of Finance