

# LAST CHANCE TO EARN FIVE BUCKS ■ BY GOING ■ PAPERLESS!



Customers who sign up through e-pay by September 30th to receive their statements via email instead of in paper format will receive a \$5 credit on their October billing statement. You must stay paperless for one year to keep the credit to your account. Existing paperless customers will also receive the \$5 credit.

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](http://www.mason-pud1.org).

## MASON COUNTY PUD 1 COMMISSIONERS:

### DISTRICT 1

Karl Denison ..... (360) 898-2618

### DISTRICT 2

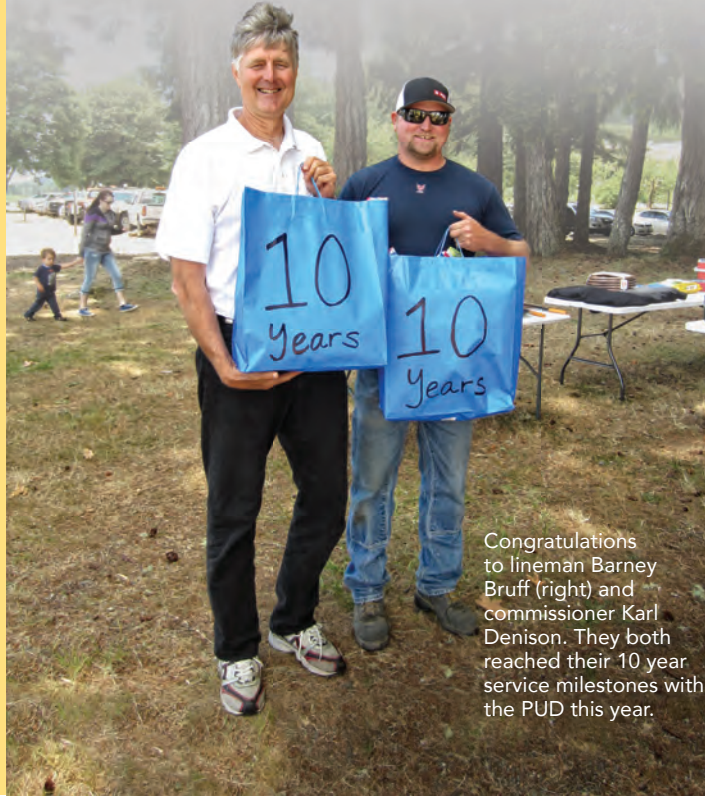
Ron Gold ..... (360) 426-9540

### DISTRICT 3

Jack Janda ..... (360) 877-5867

### GENERAL MANAGER

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



Congratulations to lineman Barney Bruff (right) and commissioner Karl Denison. They both reached their 10 year service milestones with the PUD this year.

## THE CONNECTOR FALL 2015



[www.mason-pud1.org](http://www.mason-pud1.org)

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# Sunnyside Fire Recap

The month of August went out with a heavy dose of excitement and destruction! The Sunnyside Fire that was ignited in the brush in Skokomish Valley burned Bonneville's transmission line, some of our distribution line and caused a system-wide outage for PUD 1. It also caused outages for PUD 3 at Lake Cushman and Jefferson County PUD's Quilcene substation. Luckily, BPA was able to perform switching and feed power from the north rather than from their south substation in Shelton. Almost all of PUD 1's customers were energized by midnight, except those on Sunnyside Road. The Department of Natural Resources finally allowed the PUD to energize those homes two days later once the fire was fully contained in that area.

Less than 48 hours after the outage from the brush fire, we had a rare summer storm hit the canal and most of the interior Puget Sound. Several customers on the north end of our system were out of power almost all day Saturday. Luckily, we weren't hit as bad as our neighbors in Seattle and Snohomish, who had hundreds of thousands of customers out of power, some for up to a week.

During these outages our crews and office personnel worked overnight to get everyone on as quickly as possible and to keep all of you informed as we progressed through the outage list. If you aren't following us on social media, Facebook and Twitter are the best places to get the most up-to-date

information on outages through your smart phone or tablet. You can get Twitter messages sent to your cell phone as text messages if you don't have a smart phone. You just text the words **Follow@MasonCountyPUD1** to the number **40404** to sign up. You can unsubscribe at any time by texting **UNFOLLOW@MasonCountyPUD1** to the same number.

Our customers posted some very kind and encouraging messages to our crew and office staff on our Facebook page and we want to let you all know that we do share those with our employees and we all greatly appreciate your support!

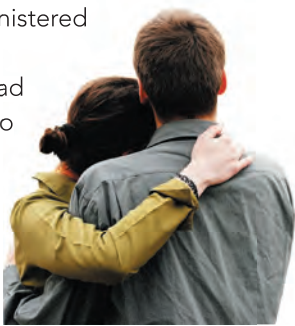


## ROUND UP FOR THE CANAL COMFORT FUND

With the loss of several hundred mill jobs this summer and the ripple effect that has on our economy, the need for energy assistance is expected to rise this season along with the County's unemployment rate. The Canal Comfort Fund provided energy and water assistance to 59 qualifying low income households in our service territory in 2015. The Fund often is depleted before all eligible families are able to receive assistance.

Our customers have always responded generously to our requests for support to the fund to help keep the heat and water on for low income neighbors. The PUD asks customers to please consider rounding up your bill today and sending the change to the Canal Comfort Fund. You also may set up a monthly amount that is added to each billing statement. All donations are tax-deductible and administered by the Community Action Councils without any overhead fees. 100% of donations go to families in need.

**Please consider a donation today!**



## CUSTOMER APPRECIATION EVENT

Join us to celebrate our 80th Anniversary as the 1st PUD in Washington State and kick off Public Power Week!

Free burgers, ice cream, LED light bulbs, PUD giveaways!



**FRIDAY,  
OCTOBER 2ND  
11 a.m. to 2 p.m.**

## COMMISSIONER CORNER

Bonneville Power Administration (BPA) recently released its rate structures for the new biennium, revealing a total increase in power for PUD 1 of 7%, or \$200,000 per year in operating costs, effective October 1st of this year. We are a full Bonneville subscriber, meaning all of our power is purchased through BPA. These power costs account for 50% of the PUD's total operational costs. In 2014, the District absorbed the increase from BPA without having to raise rates. Our budget process and hearing this fall will tell us what needs to be done for 2016.

In June, we held an electric rate hearing to discuss a proposal to raise the basic monthly charge by \$5.00 per customer, per month to bolster revenues after a warm winter resulted in lower power sales at a time when the PUD normally achieves 75% of its annual revenue requirement. While approving the \$5.00 per month increase helped us bring our

revenue back in line from last winter and spring, it doesn't mean we are in the clear from the impacts of BPA's newest rate increase.

I, along with my fellow commissioners and the general manager, participate in Public Power Council (PPC) meetings each month to push back against BPA's rate impacts. The PPC works to ensure that BPA is keeping their costs as low as possible and helps mitigate the impact to our rate payers. Public Utility Districts and municipalities are legally entitled to preference, at-cost power from Bonneville. A multitude of factors in BPA's operations and the western energy market impact the cost for that preference power. We must constantly remind BPA that we are preference customers and they need to be accountable for their overhead costs, just as we at the individual PUDs are accountable for ours.

enforces the regulations, the PUD will be approached by more and more water systems that can no longer meet state and federal regulations and standards. Since 2009, the PUD has gone from 33 water systems to 36, and we are in the process of acquiring three more systems.

Besides acquiring new water systems, the PUD has obtained \$120,000 in consolidation grants from DOH to evaluate the feasibility of consolidating six Union area water systems and two Twanoh area water systems. The long term plan to create the Union Regional Water System includes connecting the following water systems already owned by the PUD: Union, Union Ridge, Vuecrest, Highland Park, Hood Canal, and Alderbrook. The feasibility study is scheduled to be completed in 2016. If the report determines we can move forward with the plan, the regional water system will be a multi-phase project

## MANAGER'S REPORT

For PUD 1, the fall season means wrapping up summer construction projects, getting ready for storm season, and completing our annual strategic planning and budgeting process.

We have a few high priority items on our strategic plan for 2016 that will impact and benefit the majority of our system's electric customers. The Duckabush and Union substations are in immediate need of maintenance. Both are very old subs, Duckabush being designed and built in 1957, and the PUD has weighed the options to either replace them or simply replace sections of them to try to extend their life spans.

As the oldest substation, Duckabush is causing the most concern. This substation serves 2,020 customers on the north end of our system. The cost to replace that sub would be about \$3.89 million. Instead of a full replacement, we have identified internal replacements on the existing equipment (some of which date back to 1953) that should give us an additional 10+ years on the substation's lifespan. These internal replacements and upgrades are estimated to cost around \$98,000. This is a much more affordable option than a \$3.89 million replacement cost.

The Union substation feeds 1,400 customers. It has multiple reclosers that need replacing along with a Load Tap Changer, that needs immediate replacement. We have estimated that repairs to increase the longevity of that substation would be approximately \$140,000. Again, less of an impact than constructing a whole new substation at this point in time. A few years ago, the District

did purchase land on McReavy Road which we will eventually use to construct a new substation when the time comes.

Lastly, the District just finalized a purchase of about 15 acres of property above our existing office and warehouse. Due to a lack of space, we use Tacoma Power's property to store our utility poles but now need to implement a plan to create our own pole yard and clean up the Tacoma Power site where our poles have sat for decades. We also need to construct a new warehouse to keep all of our trucks and equipment out of the weather. Our newest line truck barely fits inside the old warehouse and we have another one ordered so we can retire the 35 year old line truck that has reached the end of its useful life. We need a dry, secure warehouse to store and protect our fleet investment. These are two facility priorities that will be addressed in phases throughout the next few years' strategic plans and budget cycles.

The budget and strategic plan are approved by the commission at open public meetings. The meeting agendas and minutes are posted on our website. If you're interested in attending to learn more about what goes into these processes and how both operational and power costs impact our annual budget, please do so. If you can't attend, we're always happy to answer questions. Give us a call or stop by anytime.



— Steve Taylor, GM

The District's budget workshops and rate hearings are all open to the public and meeting information is published on our website. I invite you all to attend to learn more about the rate structure and budgeting processes. If you can't attend, please contact the PUD or any of us commissioners by phone or email if you have any questions. We are always happy to speak to our customer-owners.



Ron Gold, Commissioner  
District 2

## WATER SYSTEMS CONSOLIDATIONS AND RESTRUCTURING

Water regulations continue to change year to year. Water systems owned by homeowner associations have found it more difficult to continue to own and manage their water systems per state and federal standards. This year the PUD has spoken with several water systems. Eight of them explored the option of transferring ownership to the PUD. Of the eight, we are currently bringing three water systems into the PUD family. Depending on the circumstances of the water system, Washington State Department of Health Office of Drinking Water (DOH) may be slightly or heavily involved in the transfer. For one of the transfers, the PUD was able to obtain a \$30,000 restructuring grant from DOH which will allow us to purchase service meters and get water system approval shortly after ownership transfer. These funds are only available for Group A water systems. As regulations become more stringent and DOH

over 10-20 years. The other consolidation project will look at connecting the Twanoh Heights and Twanoh Terrace water systems. Consolidation of water systems will increase efficiencies and reduce paperwork in managing these systems. For every system eliminated through consolidation (connected to another system), at least six reports are eliminated.

I am always happy to speak with or meet personally with any homeowner association to discuss PUD management and ownership options. Please feel free to give my office a call at (360) 877-5249.



Jocelyne Gray, PE,  
Director of Operations - Water