

LAST CHANCE TO GO 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.

Go to www.mason-pud1.org and visit the "Pay Your Bill" options on our homepage.

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

Mike Sheetz (360) 898-7934

DISTRICT 2

Ron Gold (360) 490-1560

DISTRICT 3

Jack Janda (360) 490-1800

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@mason-pud1.org to join.


THE
CONNECTOR
FALL 2017




View of the Olympics from Pat & Sandra Carney's house on Hwy 106



www.mason-pud1.org

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In August, Bonneville Power Administration (BPA) announced their new rate case for the biennium 2018-2019. The announcement was not good news for customers of Mason PUD 1. While the average increase per utility hovered around 5.4%, the estimated impact to our utility will be closer to 6.97%, effective October 1st of this year.

Commissioners and management teams from many Washington PUDs, including Mason PUD 1, participate in several meetings throughout the year with the Public Power Council and Western Public Agencies Group to hold BPA accountable for their operating costs and subsequent rate increases. We continue to tell them that these huge increases every biennium are not sustainable and put a huge burden on utilities, especially small utilities. Our ratepayers can't afford huge increases every year.

According to our BPA account representative, a few things are driving up BPA's operating costs. They have less electric load, meaning fewer utility customers to spread the costs amongst the ratepayers, resulting in higher rates for existing ratepayers. Their surplus sales prices are also very low right now (this is their secondary sales to California). Also, thanks to a new environmental ruling by a federal district court judge in Oregon, BPA is mandated to spill extra water over the dams, resulting in lost revenue in the spring. As a BPA customer, we will have to pay a surcharge to help compensate for that revenue loss next spring.

Currently, BPA accounts for about 50% of our operating costs. That means approximately 50 cents out of every dollar we bring in goes toward our power bill to BPA. In past years, we have been able to absorb the majority of BPA's rate increases. Last year we had to pass a portion of the costs through into our rates and unfortunately that is the case again this year. We will raise the monthly base charge effective October 1st to help offset a portion of the increased costs to the PUD, but will not raise the kilowatt hour usage until April 1, 2018 to avoid impacting



customers with higher usage bills during the winter months. The April increase will help us cover part of the larger monthly power payments and it will also help offset the impact of the spill surcharge next spring.

We don't take rate increases lightly. We understand that those are real dollars out of your family's budget every month and that many families are having a hard time keeping up as it is. That is why we continue to fight to keep rates low and to keep BPA accountable. We understand that in 80 years of operation, they're facing a lot of the same issues as Mason PUD 1. They have aging infrastructure and are struggling to keep up with current technologies to provide better service. We need to make sure they realize that the money they are collecting from us is YOUR money and they need to be as responsible and prudent with it as we are. We tighten our belts when times get tough and we expect Bonneville to do the same. We will continue to engage with our advocates that help us monitor the operations at Bonneville and we will continue to hold BPA accountable for expenses just as we hold ourselves accountable to live within our means and still plan for the future of your utility.

Thank you to everyone that submitted comments during our rate hearing in September. We realize the decision to raise rates is unpopular and we hope that our customer-owners understand that we only pass through the expenses that are required to maintain the current standard of operations and ensure we can continue to be viable and reliable in the future. Please feel free to reach out to the PUD or any of your commissioners with questions about the newest BPA rate case or the new PUD rates.



Sincerely,
Jack Janda,
Commissioner, District 3

**HYDRO
POWER
FLOWS HERE**

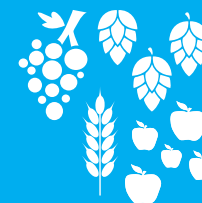
**Fueling the Northwest
economy with clean and
reliable power.**

www.bpa.gov/HydroFlowsHere



**The Columbia River Basin
produces **more**
hydropower than
any other region
in North America.**

**Thanks to the
irrigation benefits
of hydropower,
the NW has nearly
8 million more
acres of farmland.**



**The region's
hydropower offsets
emissions
equivalent to
10 million cars.**

**The NW can
generate enough
hydroelectricity
14 to power
Seattle-
sized cities.**





Scenery from the Dosewallips

The fall season means PUD 1 is wrapping up summer construction projects, getting ready for storm season, and completing our annual strategic planning and budgeting processes. Here are a few things that we have been working on:

A few years ago, we started working toward the construction of a new pole yard and warehouse for our fleet. We cleared the land above our current campus and begun the design and permitting processes. Due to a lack of space, we currently use Tacoma Power’s property to store our utility poles but now need to build our own pole yard and clean up the Tacoma Power site where our poles have sat for decades. We also need a warehouse to keep our trucks and equipment out of the weather. The line truck we purchased a few years ago barely fits inside the old warehouse and we have another one ordered so we can retire the 37 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. Too many of our vehicles and equipment are sitting out in the weather year-round because we don’t have a place to house them. We have phased this new pole yard and warehouse over several years to keep the project affordable without impacting our rates.

We have recently engaged with a firm to do a cost of service analysis for both our water and electric businesses. The purpose of this is analysis is to: a) determine if we are capturing enough revenue to ensure that we can maintain reliability and replace our plant as our infrastructure ages, and b) that each class of customers (seasonal, full time, commercial, etc.) pay an equitable share of the costs instead of one class of customers subsidizing the other classes. We are also looking at options to equalize our water system

development fees and capital surcharges. This process will continue through Spring of 2018 and we will be discussing the findings at the open public commission meetings.

Lastly, the big projects we have this fall are our annual strategic planning and budgeting processes. These are huge endeavors that staff and commissioners spend a lot of time on. We are a small utility. We charge just enough to cover our costs and put some money into reserves for things like truck replacements and small infrastructure projects. We have a very small operating margin at the end of the year so we spend a lot of time and consideration on how best to utilize those dollars. We have gotten feedback from our engineering firm and our customers on underground line replacement projects, substation upgrades and water system upgrades and we are prioritizing them and budgeting for the ones that we feel we can reasonably accomplish in 2018. The budgeting and strategic plan presentations are held during the commission meetings as well. We also have the presentation materials available on our website for public review as they become available. If anyone has questions or feedback on either the strategic plan or the budgeting process, please join us at one of our board meetings or you can call or stop by the office anytime.

We look forward to setting the next year of work for our customer-owners’ utility business.



Steven Taylor,
General Manager

PUD 1’s General Manager Named **President of NWPPA Board**

At its 77th Annual Conference and Membership Meeting in Sunriver, Ore., the Northwest Public Power Association (NWPPA) Board of Trustees introduced Mason County PUD No. 1’s general manager Steven Taylor as the 2017-2018 NWPPA Board of Trustees president. Taylor will serve a one-year term as board president. NWPPA is an international association representing and serving 153 customer-owned, locally controlled utilities in the western United States and Canada. The Association also serves over 300 associate members.



Taylor, pictured below (center) with PUD 1’s current and past board members and staff, stated, “This is a huge honor for not just me, but also Mason PUD 1, to serve as board president of an organization like NWPPA. The association allows me to serve my ratepayers at home in a much broader and effective way through advocacy and policy making.”



Pictured L-R: Tim Sheldon, former PUD 1 commissioner; Kristin Masteller, Director of Business Services; Steven Taylor, General Manager; Mike Sheetz, District 1 Commissioner and Ron Gold, District 2 Commissioner.

AS THE *Cold Months* APPROACH...

we begin our campaign to raise donations for the Canal Comfort Fund. This fund is sustained entirely by generous customers who want to assist neighbors and families in need.

The PUD doesn’t administer these funds directly. We have partnered with the Community Action Councils of both Mason and Jefferson counties to do that for us. We hold the fund drives, collect the donations and forward them on to those two organizations. What’s really great is that 100% of the donations are applied to those in need- there are zero overhead expenses for administration. Each donation is made to that customer’s county and is specifically earmarked to help a neighbor in that county with assistance on their PUD 1 bill.

Last year, we reached out to you, our customers, to ask for your help in replenishing the funds for 2017 and you responded generously with over \$5,400. 37 households of low income families and seniors received assistance. Despite the continued efforts and donations, the need is always greater than the supply. We hope that you will consider rounding up your next payment and asking us to set aside the change to the Fund. We also are able to take one-time donations or even set up regular monthly donations on your statement. These donations are tax deductible and you will receive a receipt to file with your taxes each year that show your contribution.

Thank you again for your continued support of this program!



If you are a family or individual in need, please reach out to your local Community Action Council. They will help you with the application process to see if you qualify for assistance. They also have other programs that can provide energy assistance and efficiency for your home. The CAC of Mason & Thurston Counties has an office on Railroad Ave. in Shelton and can be reached at (360) 426-9726. OlyCap, serving Jefferson County, can be reached at (360) 385-2571.

CUSTOMER APPRECIATION **★★ EVENT ★★**

Join us to celebrate YOU, our customers, and kick off Public Power Week!

**Friday, October 6th,
11am to 2pm**

FREE

**Burgers,
Soft Drinks,
Ice Cream,
LED Light
Bulbs and
more.**

PUBLIC POWER WEEK
OCTOBER 1-7, 2017
Powering Strong Communities

PUD 1 DISTRICT OFFICE
21971 N. Hwy 101 in Potlatch

