

# UNCHARACTERISTICALLY COLD WEATHER LEAVES CUSTOMERS IN NEED

We have seen near-historic periods of low temperatures this winter. We've even had areas with several days of snow in March! These low temperatures have shocked power customers across the state with many seeing their winter energy bills double from the previous month or year. Our seasonal customers that left a heat source on low in their second home or cabin have also been surprised that they have high power bills. This is simply because the outside temperatures were uncharacterizable low all day long. With overnight lows in the teens and afternoon highs in the 20's and 30's, people that use electric heat experienced much higher bills because their heat source was working hard round the clock to maintain even a low (50-55 degree) internal temperature. It's not unique to our area or our utility, fellow PUDs across Washington State have also been fielding high call volumes on the issue.

With the increased usage comes increased power bills. If you are having a difficult time with your high utility bills, please call the PUD office to work out a payment plan. We understand that customers from all income levels are having a hard time with high bills over the last few months. We also encourage customers to contact the Community Action Council to determine if you qualify for utility assistance based on your income. The CAC administers the PUD's Canal Comfort Fund and other federal assistance programs. The CAC for Mason County residents can be reached at: [www.caclmt.org/](http://www.caclmt.org/) or (360) 426-9726. Jefferson County residents can reach out to OlyCap at: [www.oly-cap.org](http://www.oly-cap.org) or by phone at (800) 464-2571.



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

Mike Sheetz ..... (360) 898-7934

### DISTRICT 2

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

### DISTRICT 3

Jack Janda ..... (360) 490-1800

### GENERAL MANAGER

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

# THE CONNECTOR SPRING 2017

**FEASIBILITY STUDY**  
**ON HOLD**

**The Union Regional Water System Feasibility Study**  
evaluation is on hold. We will send out notice of public hearing when the District decides to move forward with it in the future. Thank you to everyone that provided feedback on the feasibility study.



View of the tidelands  
from Highway 106



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

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# WHY WE NEED TO REVISIT BONNEVILLE'S RESIDENTIAL EXCHANGE PROGRAM

PUD 1 receives its power from Bonneville Power Administration (BPA) which runs the hydroelectric system in the Northwest. Back in the mid-1990's the federal government passed a new energy bill which gave some of the benefits of the hydro system back to investor-owned utilities (IOUs) like Puget Sound Energy. The IOUs complained that preference customers, like Mason PUD 1, who received their power from the federal hydro system, had more benefits of the system than the IOUs did. Their argument was that federal money was used to build the system so all tax payers should benefit from it. As a result, \$50 million a year was given to IOUs to level the playing field. Today, that number is about \$250 million per year.

We (public power) protested this and we went to court over it. Around 2011, the administrator of BPA informed us that if we did not drop the lawsuit our energy costs would go through the roof. I personally felt like we had a gun held to our heads but we did what the BPA administrator asked us to do to mitigate the risk to our rates. BPA and the public power providers signed a settlement called the Residential Exchange Program (REP). This program's terms are set until 2028. Now, BPA is stating that they believe by 2028 the subsidy will be more like \$400 million per year.

The problem really is that BPA spends about 26 cents per dollar of our power rates on fish and wildlife habitat mitigation programs. If you add another 10% for the

Residential Exchange Program, that means 36 cents of every dollar is spent for programs that BPA has been mandated to fund. BPA now states that they don't have enough money to do maintenance on their system because of all of their other obligations. The IOUs don't pay into the fish mitigation but they benefit from the federal system.

What I am proposing is that by 2028, the administration of BPA should sit down with the IOUs and preference customers and ask if we can work together using the REP to help benefit all customers using the federal system, whether IOUs or preference. We can work together to keep reliability up and costs down. Using this money to help build transmission for IOUs that have other energy resources that need access to the power grid, is one example. Using the money to help maintain the federal power system in the Northwest is a working strategy that benefits everyone.

At the present rate, BPA will not be able to be competitive if we don't start thinking outside the box. I am not saying we should do away with the REP, but instead, we should use it to benefit everyone and keep BPA competitive.



Ron Gold,  
District 2

## CROSS CONNECTIONS AND YOUR WATER SUPPLY

We all want and expect safe drinking water. One major way we protect the water we supply to you is to identify cross connections or potential cross connections that could allow liquid, solid or gas to flow into the District's water system if the system lost pressure or if the pressure on the customer's side of the meter was greater than the distribution system pressure.

Common potential cross connections include: irrigation systems, garden drip systems, swimming pools, hot tubs, decorative ponds, private wells, hose bibs, private booster pumps, and fire sprinklers. Cross connections can contaminate the water supply and make you and your neighbors ill and potentially cause death.

**IT'S THE LAW** WAC 246-290-490 requires the PUD to have a Cross Connection Control Program and requires the PUD's customers to have backflow assemblies installed, where applicable.

Certain potential hazards, such as those listed above, require a backflow assembly to be installed on your service then it is required to be tested annually. Backflow assembly devices are installed on the customer's side of the meter and belong to the customer. It is the customer's responsibility (this includes financial responsibility) to have the device tested each year and repaired or replaced when it no longer functions. The District keeps a list of certified Backflow Assembly Testers or you may sign up for automatic annual testing with the District.

The District has been stepping up its efforts to enforce installation and testing of the assemblies. Cross Connection Control Specialists will be visually inspecting properties to determine which customers should be contacted about installation of a backflow device. The PUD must eventually disconnect any water services that are not in compliance until the property owner complies.

We want to avoid this action by working with all our water customers to bring everyone into compliance and help you manage it annually. It is not just a legal requirement, it is the right thing to do to ensure that you all have safe drinking water.





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INFO REQUESTS BIDS EMPLOYMENT SAFETY CONTACT US

Mission & Values

Commission

Meetings

Staff Leadership



## MANAGER'S REPORT

In 2016 our management team and commission

decided to conduct a search to contract with an accounting firm for the PUD's financial accounting services and auditing functions. Following our search, Michael Wittenberg, CPA, from Wittenberg & Associates in Shelton was chosen and named our District Auditor by resolution in October. Since then, his office has been working closely with the PUD staff and commission to reorganize our financials, update our internal financial controls, and develop financial policies for the District.

One of the changes coming out of this are new and improved financial statements. On a monthly basis, our commission will receive monthly budget reports with an executive summary explaining our financial position for the month. Quarterly statements will be more in depth and cover additional items like bonds, reserves and debt service. Having more detailed and comprehensive reporting will allow PUD staff and commissioners the opportunity to react more quickly if an opportunity for saving money presents itself with regard to debt consolidation, or if we need to change course because we see a change in cash flow or reserves.

These financial statements are now being published online on the PUD's website for the public to review. You can find them under the "About PUD 1" tab on the "Meetings" page. This is something we have wanted to do for a while now to increase our transparency to our ratepayers. We are very excited that it's come to fruition and hope that the public reviews them and forwards any questions to us.

In addition to our new financial reporting, we have also uploaded a condensed version of our annual strategic work plan for the public's review. You hear us discussing the plan often in these articles when we reference our budgeting process. Since the budgets are directly linked to the work plan, we thought you would like to see both and be able to track the progress that our internal teams are making each quarter as we conduct our public's business.

We realize that not everyone is able to attend a board meeting during the day to receive these financial and strategic reports each month or quarter so we want to go the extra steps to keep you all informed and involved in the process. If you have questions or suggestions, please let us know. Throughout the year we will continue to make updates to the website to improve its usefulness.

I want to thank Mike Wittenberg, Katie Arnold and the PUD customer service and accounting team for all of their hard work during our reorganization and for helping us redesign our internal and external financial processes. Our reporting is clearer, our internal controls are stronger, our financial position is positive, and our transparency has increased. We will continue to build upon this strong foundation.



Steven Taylor,  
General Manager

## OPERATIONS REPORT

The electric crew has been replacing aging infrastructure key areas, including the replacement of a pole line up the Duckabush that was built in the 1950's. We are putting in bigger poles with stronger wire. We also have started replacing underground line at the Duckabush that has passed its lifespan.

This spring we will install new breakers on our transmission line to increase reliability to customers in the Union and Hoodspout areas. This work will coincide with a tentatively scheduled BPA system maintenance outage in May. We will send out notifications of the BPA overnight outage when we get a firm date and time from BPA.

The water crew has been busy making leak repairs on the Lake Arrowhead water system on the west end of the county. The District would like to welcome two new groups of water system customers on the Enchantment Ridge No. 2 and Enchantment Heights Systems. We are excited to serve you! If other homeowners' associations or water system managers are looking for satellite management or ownership options, give us a call.



Crew replacing pole line on Duckabush Rd.

# MONDAY, APRIL 22<sup>ND</sup> IS earth day

Here are some ways you can celebrate our planet and make a pledge to conserve energy this year!



Visit [www.earthday.org](http://www.earthday.org) for more information on how to make a difference and to join their A Billion Acts of Green® movement.



Switch your washing machine temperature to "cold" for all of your laundry.



Change out your incandescent light bulbs for LED.



Put your computer on "sleep" mode or turn it off when you're not using it.



Find five things in your house to unplug or put on a power strip to turn on only when you need it like your cell phone, iPad or iPod, or remote control chargers.



Invest in rechargeable batteries.



Purchase an energy-efficient home appliance and apply for your rebate through PUD 1. Call or visit our conservation specialist to learn which appliances are eligible.



Use a clothesline this summer.



Visit [www.earthday.org](http://www.earthday.org) to learn more about how you and your family can make a difference by joining the A Billion Acts of Green® movement. You can also use their cool Footprint Calculator to take the Ecological Footprint Quiz to see how much of the planet's resources it takes to sustain your lifestyle.

## MAKE YOUR HOME MORE ENERGY EFFICIENT

PUD 1 offers home energy audits for customers looking for opportunities to conserve energy and money. We are now taking energy audit appointments for the second half of 2017.

Appointments book out several months in advance and are on a first come, first served basis. Please contact Energy Services to schedule an appointment at (800) 544-4223 or by emailing [teresah@mason-pud1.org](mailto:teresah@mason-pud1.org).



The Community Action Council of Lewis, Thurston & Mason Counties also offers a weatherization program for qualifying homes and customers, based on lower income eligibility guidelines. Services include attic, wall and floor insulation, targeted air sealing, and much more. If you know that your home needs weatherization but the cost to make repairs is not feasible for you, call the CAC at (360) 438-1100 x. 2100 for information on how to qualify for this FREE program and help conserve energy and lower your bills.



4,391 households

The CAC's Energy Assistance program believes in providing equitable, confidential, and reliable energy assistance services to low-income families and individuals. Through the federally funded LIHEAP program, they have provided energy assistance to over 4,391 households. They have distributed over \$2 million to help residents cover their gas, electricity, oil, wood, or propane bills.