

INCREASE WATER POWER

Olympia and Washington, D.C. appear to be in love with high cost wind and solar power while discriminating against low cost hydro power. Generous government subsidies are provided to encourage the development of these new intermittent resources. For example, if a homeowner puts solar panels on their rooftop, they can get a credit from the state of 54 cents for each kilowatt produced, when using solar components made in Washington State. Wind developers receive generous investment tax credits and production tax credits from both state and federal governments and ultimately you, the taxpayer.

The cost of hydroelectric energy is about three to four cents per kilowatt hour, while wind costs 11 to 12 cents per kilowatt and can only be relied on about 30% of the time. It must also be firmed up with other resources, often power or natural gas turbines. Without significant advances in low cost energy storage technology, intermittent wind and solar will never be a low cost, self sustaining resource like hydropower.

In my opinion, it's time to level the playing field. Hydropower needs to be considered an eligible renewable too. If governments are going to provide incentives to build carbon free energy resources, they shouldn't be picking the technology or the winners and losers; that is the job for utility experts who understand the complexities of keeping the electricity flowing 24/7.

By including new, low impact hydroelectric in the State's renewable portfolio standards, both the ratepayers and the taxpayers will save money. After all, hydropower is really free solar energy with storage. Mother Nature, via the sun, evaporation, condensation and rain, recycles water continuously- from the mountain tops, to the ocean and over again. Hydropower is the simplest and most cost effective energy resource in the world with the lightest environmental footprint. Don't you think it's time for a change from Olympia? That's my view.



Sincerely,
Karl Denison
Commissioner, District 1

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



THE CONNECTOR SUMMER 2013



www.mason-pud1.org



How Fish and Wildlife Mitigations Costs Impact Your Bill

You probably have seen the CleanHydro commercials airing on Seattle networks with the tagline, “with great power comes great responsibility”. While Pacific Northwesterners are blessed to have an abundant, clean, renewable energy source like hydropower, it does come at a cost to fish and wildlife that also depend on the Columbia River system for survival. As preference power customers, it’s our responsibility to be good stewards of the river system’s resources. That’s why a percentage of all of our power costs are put toward mitigation and restoration of fish and wildlife habitats. Approximately 25 cents of every dollar of your power bill goes to support these programs in exchange for enjoying low cost, clean hydropower.

Nearly 92% of Mason PUD 1’s power comes from hydro; all of which is provided by Bonneville Power Administration (BPA).

The Northwest Power Act, passed by Congress in 1980, authorized Idaho, Montana, Oregon and Washington to form the NW Power & Conservation Council to protect, mitigate and enhance fish and wildlife, spawning grounds and habitat of the Columbia River basin that have been affected by hydroelectric development. This was *in addition* to the mitigation requirements in the Endangered Species Act of 1973. BPA is required to fund these efforts since they market the power generated at the federal dams.

According to the Council, BPA reported **\$644.1 million in total costs in FY 2012 for fish and wildlife mitigation actions, including:**

- **\$248.9 million** in direct costs;
- **\$73.0 million** in direct costs and reimbursements for investments in fish passage and fish production, including direct funding and maintenance of federal fish hatcheries;
- **\$131.5 million** in fixed costs of capital investments for facilities (hatcheries, fish passage facilities, land purchases for habitats);
- **\$152.2 million** in forgone hydropower sales revenue that results from dam operations that benefit fish but reduce hydropower generation;
- **\$38.5 million** in power purchases during periods when dam operations reduce hydropower generation to protect migrating fish (such as spilling water over dams in the spring).

BPA estimates the costs from 1978 through 2012 to total about \$13 billion, PLUS other “miscellaneous” billions in credits and other capital investments. Dams are a controversial subject for some groups in our area, but the northwest power industry’s goal is to maintain a balance where humans, economy, energy, fish and wildlife are all able to function and coexist in a sustainable manner. For more information on the hydro system and fish and wildlife facts, visit www.cleanhydro.com.

MANAGER’S REPORT

The days are becoming longer and even warming up a little so we can enjoy the outdoors, including those outside projects and of course- playing! It's time for home improvement projects and cleaning up the winter rubbish. PUD 1 is taking advantage of the longer days by working on several projects from tree trimming to sprucing up the appearance of our facilities.

As the sun invites you outside I ask that you be aware of the potential safety issue associated with planting a garden or changing the location of the overgrown shrubbery. The “Call Before You Dig” line (811) is a good way to ensure that there aren’t any buried power, water, cable, phone, or gas lines in your project’s path. If you hit one of these lines, it’s not only potentially dangerous for you (if it’s an underground power or gas line), but it can also hit you in the pocketbook- especially if you damage the line outside of normal business hours and the PUD has to pay overtime to send repair crews. Also, please take the time to acknowledge where the overhead lines are and stay clear from them as well.

Too many times well intended projects end up being larger and longer than originally planned. When this happens we sometimes forgo safety precautions and rush to get projects completed. Please be safe in all of your summer projects and activities, and as you go from one to the other, take a minute to look around and make sure that your work site is safe.

That’s the practice we follow here at the PUD, where our construction season has already begun. Driving down many of our

neighborhood highways or side roads you will see construction signs indicating that work is being performed on or near the roadway. In addition to the construction, we also have additional vehicle traffic as snowbirds and campers migrate to Hood Canal. With this increased traffic and PUD, Mason County, and state DOT crews all working along, above and below roadways, I ask that you please slow down and use caution to help us ensure that the crew members make it home safely to their families each day.

It is scary to see a person drive past a construction site looking at their phone or shopping list and not even notice the utility crews working along the road. While I was working in the Tri Cities area I witnessed a car drive right through a coned-off construction zone and under a line truck’s boom (with two crew members in the bucket) with flaggers yelling to get the driver’s attention. A few years ago, PUD 1 had an employee hit by a vehicle while flagging. Luckily that employee survived, but they sustained critical injuries. It happens more often than people think.

We all want to enjoy a safe and wonderful summer and we can if we take the time to ensure that we are being safe around utilities and highway construction. Thanks for looking out for us.



Steven Taylor,
General Manager

Electric Department News



Concrete foundation has been completed for all incoming substation equipment and control buildings.

The construction of the new substation is moving along at a rapid pace and is currently ahead of schedule and at budget. At the April 23, 2013 board of commissioners meeting, the board unanimously voted to name the new sub the “t3ba’das Substation” (pronounced tah-bah-dus). According to the Skokomish Tribal Historic Preservation Office, t3ba’das was the name of the principal settlement of Skokomish in the 1800’s and its translation means “large village”. It specifically describes the stretch of land from Potlatch onward north to the PUD office, which is exactly where the new substation lies.

While the general contractor has been busy constructing the new substation, PUD 1 crews have been busy prepping the old substation

located in the floodplain of the Skokomish Valley for decommission and to switch the power from that location to the new substation in late fall of 2013. As the construction draws to an end, the District will begin notifying affected customers of the scheduled switching of power and any scheduled service interruptions associated with this transition.

In other electric department news, the District hired three temporary crew members to beef up our vegetation management efforts this

year. The 2013 budget for tree trimming was expanded to allow an additional \$50,000 over 2012’s budget for contracted tree trimming services along the main highway corridors, in addition to the temporary help which allows the District to run two crews through the summer, one for vegetation management, and one for regular service work. This increased focus in keeping our lines clear of branches and debris should help reduce nuisance outages during the stormy and snowy seasons ahead. In addition to our flaggers and trimmers, the PUD also has water construction occurring along the highways in Union and Hoodport this summer. The PUD wants to remind everyone to please drive carefully and slowly through our construction and trimming sites to help protect our crew members!

Thank you
for your years of
service with PUD 1!

The following employees are celebrating
service milestones in 2013...

Tracy Colard

Mike York



Know what's below.
Call before you dig.

It’s the safest choice
and it’s FREE!

PUD 1 Wins Top
Communications Honor

Our new website and social media campaign were recognized as the best example from a small utility. The PNW-AWWA Excellence in Communication awards recognize outstanding communication efforts by water utilities in Oregon, Washington and Idaho. PUD 1 manages 35 water systems across Mason County, serving approximately 2,000 water customers.

“Our communications outreach plan has really been a group effort across all departments from our linemen and water operators, to our customer service representatives, to our department directors.” stated Kristin Masteller, the district’s director of employee and public relations. “I am very proud of what we’ve been able to accomplish on a small, conservative budget and it’s great to see that a small utility like PUD 1 is being recognized for our efforts to be transparent and keep our customers informed.”

In addition to the website, Facebook and Twitter pages, customers can join the PUD’s email notification list and be the first to know about scheduled outages and other important information by emailing kristinm@hcc.net.

