



The Elk in Brinnon



THE CONNECTOR WINTER 2018

COMMISSIONER CORNER

The Subject of Clean, Safe DRINKING WATER

I recently attended a presentation about the lead problem in the water in Flint, Michigan. Their local government leaders really let the citizens down with some bad choices. Looking for cost savings to balance their budget shortfall, the City of Flint decided to change water suppliers because they thought they could save money. The new water supplier piped water in from the Flint River as drinking water. They didn't treat it or do any lead abatement as required by state and federal law. What actually happened was they created a situation with water contamination and one of the largest public health disasters in recent history.

After the lead and toxin issues were raised, City officials were given the opportunity to reconnect for free to their previous water supplier but they declined without public input on the decision, citing a concern that rates could increase in the future. They continued to provide residents with poisonous water. They told them it was safe to drink.

After hearing this presentation, it reaffirmed my commitment and concern for keeping the water safe for our customers. The state has two major agencies that make rules and regulations about customer water systems. We have lots of continuous changes and regulations to navigate to meet this basic requirement. We want to have clean, safe drinking water but our challenge is keep the cost down and reliability up. Before we do any major upgrades to any water systems, we ask our customers to help us make decisions. We hold public hearings and do outreach to solicit your feedback. We are always looking for grants and low-cost loans.

The problem we have as a utility is when we acquire a water system, we usually get it because it is not up to the standards of new regulations and to come into compliance, it's costly. To then expand the system or make additional improvements adds additional costs. But you as the customer have to help us make those decisions. We want you to understand the costs and the challenges.

I hear from lots of customers "Why is the water bill so expensive?" and there are lots of factors that play into our cost of service, but the main factor is that water is cheap until you have to come into compliance. This is our challenge with keeping the costs down but providing clean, safe drinking water. We don't want to ever have a situation like Flint, Michigan where decisions are based on dollars instead of the health and safety of our community.

Sincerely,



Ron Gold
District 2



Former PUD 1 Commissioners
Karl Denison & Tim Sheldon
 win **WPUA Awards**



(Pictured L-R: Commissioner Mike Sheetz, PUD Attorney Rob Johnson, Commissioner Ron Gold, Melanie & Karl Denison, General Manager Steven Taylor, Senator Tim Sheldon, Commissioner Jack Janda)

At the Washington PUDs Association annual conference in December, Karl Denison was presented with the association's Lifetime Achievement Award for his "exceptional leadership and commitment to the philosophy and purpose of the Association and public utilities".

State Senator Tim Sheldon was presented with the association's Legislative Champion Award for his work to promote public utility ratepayers' interests in the state legislature. An association representative stated, "Your voice and leadership in seeking broadband access to unserved and underserved areas of the state demonstrates your commitment to the people of Washington and PUDs."

Congratulations to you both and thank you for your support of public utilities!

Roy Munch

**RETIRES AFTER 21
 YEARS OF SERVICE
 AT MASON PUD 1**



On October 30th, Roy retired after 21 years of service at Mason PUD 1. Roy worked in the water department for most of those years, working his way up to lead water system operator before transferring into the purchasing department. Roy, it was a pleasure working with you and we wish you a long and happy retirement!



2016 FUEL MIX SUMMARY



HYDRO

87.79%



NUCLEAR

10.27%



COAL

1.14%



**NATURAL
 GAS**

.65%



PETROLEUM

.02%



OTHER

.03%

New Water Regulations Restrict PUD Planning

We have three water law issues that we are monitoring to ensure that the District is able to continue to provide quality, clean water. The Hirst Decision, the Foster Decision, and the Department of Ecology's (DOE) interpretation of inchoate water rights.

The Hirst decision clarified two main issues:

1) Washington's Growth Management Act requires counties to protect ground and surface waters by ensuring there is enough water available to accommodate growth before more development is authorized; and 2) Residential wells, which do not require a state permit, have not been adequately managed to ensure protection of existing water uses. As a result, our counties now need to make an independent decision about the impacts of new wells on water availability.

This doesn't mean that new growth must stop. It means that we need to assess how much water is available to serve new growth after considering how much water is already spoken for through prior appropriations, including the water to protect instream flows for fish. This means additional testing and engineering will need to take place prior to allocating any of our current water resource to new homes or developments to ensure that such allocation does not impair current uses, including instream flows. This also means additional costs to the District in planning and engineering.

The 2015 Foster v. Ecology (DOE), City of Yelm, and Washington Pollution Control Hearings Board decision reaffirms and reinforces that instream flows adopted in a rule must be protected from impairment. In the ruling, the court overturned DOE approval of a water right permit for the City of Yelm that would have provided water for future growth. DOE had conditioned Yelm's permit on an extensive mitigation package, which included offsetting the total quantity of new water use through water-for-water mitigation ("in-kind") and mitigating small impairment during the spring and fall with habitat improvements ("out-of-kind mitigation"). DOE had applied "overriding considerations of public interest" to approve the application because they

found the public benefits would far outweigh any impacts on stream flows. Despite the mitigation package, the court said the City of Yelm's plan would impair minimum instream flows in the Deschutes and Nisqually basins and therefore violates water law.

The state Supreme Court made three key rulings in the case: 1) Overriding considerations of public interest cannot be used to justify permanent allocations of water for growth which has any impact on in-stream flows; 2) No level of impairment to instream flows is allowed, regardless of magnitude or ecological impact; and 3) Out-of-kind mitigation strategies, such as habitat improvements, cannot be used to address impairment of instream flows.

Another concern for the District is that our existing water rights (our inchoate rights that we currently have accounted for in our planning documents) that have not been put to actual beneficial use on behalf of our future customers in our service area are now under scrutiny by state agencies. In inquiring on how we might be able to use our inchoate water rights, DOE has notified us that those rights are to be "the legal extent of a water right determined by operation of law...(depending) on such factors as the scope and intent of the original water right and the specific facts surrounding the history and development of the project, including whether or not continuous "due diligence" has been exercised since the permit was issued". To properly assess the future availability of water under our existing water rights, we now need additional monitoring and reporting. In the meantime, DOE recommends that we adopt conservative planning to avoid reliance on quantities that were considered in our original planning documents and may not ultimately be available to develop our water systems.



These decisions impact several tools Mason PUD 1 has used for allocating and reallocating water for new users, and makes it more challenging to balance the competing needs of water users across the county. As you can see, between these two decisions and the new DOE focus on inchoate rights, we are limited on how we can proceed with allocating water to our future customers. We must obey different agencies' oversights and rulings in our management of water. We continue to move our scheduled projects forward and are doing all we can to make sure we have the interest of our customers in the forefront of our decisions. We are working closely with our state PUD association to achieve positive outcomes with the state agencies and regulatory issues and will keep you informed as things develop.



Steven Taylor

General Manager

TAKING APPOINTMENTS FOR Home Energy Audits

We are currently taking appointments for 2018's FREE home energy audits that include:



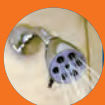
Review of heating system and appliances



LED lightbulb changeouts for your entire home



Advanced power strip for your home entertainment centers or computer



High efficiency shower heads with thermostatic shut off valve



Answers to energy questions



Recommendations for water and energy conservation

This complimentary service and conservation items are provided at no charge to our customers. Please contact Teresa in Energy Services to schedule your appointment. Appointments are only scheduled on certain days of the month and its first come, first served so call today to schedule yours! You can reach Teresa at (360) 877-5249, x. 200 or teresah@mason-pud1.org.

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 mason-pud1.org/about/meetings/.



www.mason-pud1.org

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9 PUD 1 EMPLOYEES Reached Service Milestones in 2017

From L-R: Water Technician Marty Crossan (10 years), Lineman Tim Brown (15 years), Credit & Collections Specialist Julie Gray (30 years), General Manager Steve Taylor (10 years), Lead Water System Operator TJ Goos (10 years), Water Engineering Technician Brandy Milroy (10 years) with Brandy's son Kyle Jimenez, Commissioner Ron Gold (15 years), Customer Service Representative Teresa Hummer (15 years) and Lineman Mike Rose (20 years, not pictured).



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.

MASON COUNTY PUD 1 COMMISSIONERS:

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Ron Gold (360) 490-1560

District 3

Jack Janda (360) 490-1800

General Manager

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