



Fall on the Hamma Hamma



CONNECTOR FALL 2020



MANAGER'S REPORT

Finding Creative Ways TO FUND PROJECTS

As part of our 2019 strategic work plan, the PUD began aggressively pursuing grant funding to help accomplish projects on both the power and water sides of our business. Prior to COVID, our state legislature had finally begun to fund important and valuable public works infrastructure grant and loan programs again, such as the Drinking Water State Revolving Fund and the Public Works Trust Fund. The state Department of Health offered several pots of money for different types of water projects and we applied to everything that offered any loan forgiveness component.

So far in 2020, the PUD has brought in \$842,300 in grants from various funding sources. That equates to 7.48% of our total annual operating budget. That's huge!

In addition to the grants we already received, we also have pending applications totaling \$3,992,281.41 in funding for electrical line rebuilds in slide prone areas, disaster preparedness/hazard mitigation projects for our water systems, backup generators for our

water systems, financial aid for our customers who are struggling through the pandemic to pay their utility bills, water reclamation and streamflow monitoring, and several water construction and consolidation projects. We also have a long list of COVID-specific expenses that we have incurred this year that we intend to submit for reimbursement through FEMA.

“ So far in 2020, the PUD has brought in \$842,300 in grants...”

With Washington State facing a projected \$8.5 billion budget shortfall this year, we realize that these pots of money will likely not be replenished after this grant cycle, but that won't stop us from looking at other ways to fund projects that relieve the pressure on our budget and rates. This includes looking for opportunities to partner

with neighboring businesses and agencies to share in costs on mutually beneficial projects, and to identify opportunities to appeal to our state representatives for project-specific budget appropriations that benefit Mason County residents.

The work still must get done, COVID or no COVID. It's on the PUD staff to rise to the challenge of figuring out creative ways to get it done. This team is up for the challenge.

If you'd like to see the projects included on 2021's strategic work plan, it will be on the PUD website shortly after the commission approves it, under the "Meetings" tab. Our budget workshops are coming up too and we'll have information available on the PUD's home page in October for your review.



Kristin Masteller
General Manager

As the Cold Months Approach...



Heading into the fall, PUD 1 has a historically high number of past due accounts due to families experiencing financial hardship either because of the pandemic or because they were already struggling and their situations are now exasperated by it. In response, we have begun our annual 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.

We partner with the Community Action Councils to disburse the funds. We collect

the donations and forward them on to CAC and OlyCAP. What's really great is that 100% of the donations are applied to those in need – there are zero overhead expenses for administration.

Last winter, we reached out to you for help in replenishing the funds and you responded generously with \$4,424.63 in tax-deductible donations in the last 12 months. Dozens 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. Our goal is to surpass \$6,000 by October of 2021.

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. They also have other programs that can provide energy assistance and even energy efficiency for your home, including additional LIHEAP funds for COVID hardship. 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.

Thank you again for your continued support of this program!



TREASURER'S REPORT

Tightening our Belts to Get By in 2020

The last quarter of the year is always a busy time for finance departments. One of the most important tasks at hand is to complete the 2021 budget. The COVID-19 pandemic has created quite a bit of uncertainty in the economy. Our commissioners and staff have closely monitored the effects of the pandemic on the District, recognizing the financial hardships placed on our ratepayers.

Following our Cost of Service Analysis, the original electric rate increase was scheduled to take effect in April of 2020. The commission first delayed it until July 1st, and then again to October 1st. Finally, at the September 8th board meeting, with staff recommendations to the board, it was moved to April 1, 2021, a whole year after the originally scheduled effective date.

In addition to delaying the electric rate increase, commissioners also approved to delay the January 1, 2021 water rate increase

to April 1, 2021. Not only does this provide more time for our ratepayers to get back on their feet, but it also provides staff with better stability when projecting revenue forecasts for the 2021 budget. When developing the budget for 2021, we found that besides cutting costs that weren't absolutely critical to reliability and safety, we were also able to reduce expenditures through cost savings by renegotiating several contracts in 2020 and a general overall thriftiness in how we spend our budget dollars.

Our team has worked very hard at finding ways to save money without sacrificing the level of services we provide. Because of this, we are ending 2020 stronger than anticipated. Small things like savings on office supplies, renegotiating professional service contracts, and shopping around for quality used equipment from other public agencies all add

up and help the bottom line. We reduced general and administrative expenses by 12% in 2019 due to these efforts and in 2020, it should help us hold the line with the COVID budget shortfall.

The 2021 budget will be available for you to review on our website at the beginning of November. I encourage you to check it out and please feel free to contact me with any questions that you have. We welcome feedback from our ratepayers!



Katie Arnold
District Treasurer

Congratulations!
and thank you for your years of service to PUD 1!
We appreciate you.



Attorney,
Rob Johnson



Journeyman Lineman,
Barney Bruff



Purchasing Agent,
Rich Crump

Up for the Challenge Since 1935



This year Mason County PUD No. 1 turned 85 years old, the first PUD in Washington State. I bring this up because at the start of PUD 1 in the 1930's, there were economic challenges, much like today. There are a lot of people who have found themselves on hard times due to the pandemic, and because of this many of our customers are having difficulties making their power and water payments.

I am really proud of our staff for doing the outreach to customers on their accounts. We have put out a lot of information about assistance programs and set up ongoing

payment arrangements. As a public entity, we are unable to forgive past due accounts, since that would be considered a gift of public funds. What we can do, however, is give out information on where to go for help. If you are having a hard time making your payments, please call our customer service team. We will do our best to try to connect you with resources and establish payment plans that work for you and your family.

The PUD has taken this pandemic very seriously. We practice safe distancing. We stagger our crew shifts at different times. We have people answering phones and working from home. We still get the job done. Staff has been working very hard to keep up on the work that needs to be done, even through these trying times. Despite COVID, the PUD is the busiest it has been in a long time with new construction and new applications for service. Today especially, with students and workers at home, the need to keep the lights on and water flowing is more important than ever.

Staff brought a proposal to the commission in September to forgo any scheduled rate increases until Spring 2021. Like everyone else, we still need to pay our bills. Staff has amended the budget and cut non-critical spending to keep us in the black so far this year. We are still getting the work done. I would like to thank each and every employee at the PUD, in all of the jobs they serve. I want to say to them "thanks for all the efforts and great work!" I also want to mention that the PUD lost one of its longtime employees this summer, line foreman Mike Ferrier. This was loss was very personal for me because as a kid, Mike was in my boy scout troop. I was his scout leader for almost seven years. My sympathy goes out to Mike's family and I also feel their loss.



Ron Gold, Commissioner District 2



HOW TO OPERATE A GENERATOR SAFELY

Each year, hundreds of people die from carbon monoxide poisoning. Most generator-related injuries and deaths involve CO2 poisoning from generators used indoors or in partially enclosed spaces. That includes the basement or garage, spaces that can capture deadly levels of carbon monoxide.

Always place the generator at least 20 feet from the house and away from doors and windows. Use a working, battery-operated carbon monoxide detector at the same time as one more layer of defense against making an innocent but potentially deadly mistake.

Don't run a portable generator in the rain. You can buy tents for generators that keep them shielded but well-ventilated. Before refueling, turn off a gas-powered generator and let it cool. Gasoline spilled on hot engine parts can ignite. Allowing the engine to cool also reduces the risks of burns while refueling.

Stock up on extra gasoline and store it properly. When you think you'll need to use the generator for an extended time, you'll want extra fuel on hand. Just be sure to store gas only in an ANSI-approved container in a cool, well-ventilated place. Adding stabilizer to the gas in the can will help it last longer, but don't store gasoline near any potential sources of heat or fire, or inside the house.

INSTALL A TRANSFER SWITCH!

Portable generators can pose a severe hazard to our line workers and your neighbors. This critical connection will cost from \$500 to \$900 with labor for a 5,000-rated-watt or larger generator. A transfer switch connects the generator to your circuit panel and lets you power hardwired appliances while avoiding the glaring safety risk of using extension cords. Most transfer switches also help you avoid overload by displaying wattage usage levels.

If you don't yet have a transfer switch, you can use the outlets on the generator providing you follow certain precautions. It's best to plug in appliances directly to the generator. If you must use an extension cord, it should be a heavy-duty one for outdoor use, rated (in watts or amps) at least equal to the sum of the connected appliance loads. First check that the entire cord is free of cuts and that the plug has all three prongs, critical to protect against a shock if water has collected inside the equipment.

Please call an electrician if you have additional questions about how to safely operate or wire your generator.

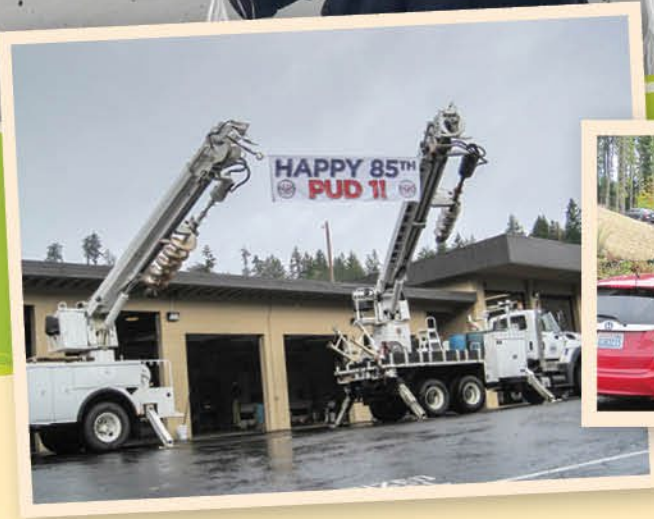
Thank you for helping to keep our line workers safe from electrocution.





**CUSTOMER APPRECIATION
★★ EVENT ★★**

**85
years**
1935 - 2020



Since 1935, we have had the pleasure of serving the Mason County community as your public utility provider. On September 25th, we celebrated our 85th birthday with our incredible customers during our Customer Appreciation Drive-Through Event.

We could feel the excitement as the cars lined up patiently waiting for us to open. Throughout the event we received considerable gratitude and positive feedback. Many customers thanked us for transforming the event into a drive-through so they could get out of their house and be social in a safe setting. Customers loved our DAM PROUD t-shirts, along with their goody bags and delicious food prepared and served by our employees and commissioners. We

unfortunately ran out of nearly everything before the end of the event, due to the unexpectedly high turnout. We served almost 600 hamburgers and over 300 hot dogs, making this the biggest Customer Appreciation Event yet in the 10 years that we have put this on for you.

This 85th anniversary milestone and record setting event could not have been accomplished without the incredible support we receive from our customers and the

community. Thank you to all the customers who came and also to the ones that could not, for celebrating our 85th birthday with us. We appreciate every one of you and our proud to serve you.



Trisha Martin
Customer Service Representative

THE BOARD OF COMMISSIONERS regularly meet the 2nd and 4th Tuesday of each month at 1:00 p.m. Meetings are held remotely due to COVID-19 and the call-in instructions for the public are posted on the PUD website along with the meeting packets. For more information on meetings, please visit mason-pud1.org or call the PUD office.

MASON COUNTY PUD 1 COMMISSIONERS:

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Mike Sheetz (360) 898-7934
- District 2**
Ron Gold (360) 490-1560
- District 3**
Jack Janda (360) 490-1800
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www.mason-pud1.org

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