



Looking out at Hood Canal from Phil & Dawn Thenstedt's place in Brinnon

THE CONNECTOR FALL 2021

Funding Pledged to Support PUD 1 Portion of Duckabush Estuary Project

Earlier this year, PUD 1 started talks with the Washington State Departments of Transportation and Fish & Wildlife regarding the Duckabush Estuary Restoration Project. This project has numerous moving parts and partnerships including a culvert replacement project by the U.S. Army Corps of Engineers on Shorewood Road, off of Duckabush Road, a new ingress/egress/public parking area, and the removal of the two bridges over the Duckabush estuary. They will replace these two bridges with a single raised bridge that will span .66 miles and realign U.S. Highway 101.

This nearly \$100 million project has been several years in planning with federal, state and environmental partners working together to leverage federal funding to restore the estuary for fish and wildlife habitat, reduce seasonal flooding, and increase the safety of the bridge and highway.

PUD 1 has a substation a couple miles west of the proposed construction and our double circuit lines come out of the substation, through that estuary, and feed power north and south along 101. All these lines have to be relocated to accommodate the estuary work and bridge construction. Our portion of this project budget came

out to about \$1 million. That is almost two years' worth capital budget for PUD 1 and would definitely have a negative impact on budget and rates. Fortunately, we submitted the utility relocation portion of the project to Congressman Derek Kilmer's office for consideration in his Community Project Fund, and it was selected for federal appropriation funds. This not only ensures that the PUD's utility work can occur and not hold up the other planning partners, but it also does so in a way that has zero impact on our electric rates or our financial reserves.

One of the advantages of working with state and federal partners early on is that we have been able to coordinate activities to streamline efforts and ensure that we aren't working out of synch with each other on design and engineering, and we were able to partner on funding requests for the state budget and federal appropriations. The next steps include securing the state agencies' share of construction costs through the capital budget and grants, and putting the utility portion of the project out to bid, since we have to go first to make way for the construction activities.

While this isn't a PUD-driven project, we intend to communicate the best we

can with our customers in that area and assist our state and federal partners in communicating activities with our community. "Communication" is a core value at Mason PUD 1, and we work hard at it. For more information on this estuary restoration project, please visit <https://wdfw.wa.gov/duckabush>.

Thank you to Congressman Kilmer, Senator Tim Sheldon, Representative Drew MacEwen, Mason County Commissioner Kevin Shutty and the entire Mason County commission, Jefferson PUD, Washington State Secretary of Transportation Roger Millar, Mindy Harlow & the Hood Canal Salmon Enhancement Group, Constance Ibsen, and Theresa Mitchell from WDFW for all your support for our funding request. You helped achieve this fantastic outcome for PUD 1's ratepayers. Let's hope that the rest of the funding comes through on schedule as well.



Kristin Masteller
General Manager

PUD RECEIVES CERB GRANT TO EXPAND BROADBAND ON HOOD CANAL

Washington's Community Economic Revitalization Board (CERB) unanimously approved Mason County PUD No. 1's Hood Canal-101 Broadband Project grant application in the amount of \$797,040.

The grant will fund the second phase of a public-private partnership between PUD 1 and Hood Canal Communications (HCC) to extend access to broadband along Highway 101 on the west side of Hood Canal from Eldon to the Mason/Jefferson County line. The Mason County commission also approved a grant for phase one of the project through American Rescue Plan Act (ARPA) funding.

"The concept for this broadband project came about rather quickly over the summer," stated Kristin Masteller, general manager of PUD 1. "Our utility doesn't serve broadband, but our customers continue to ask for help getting it. Our neighboring PUDs that do serve broadband already have their plates full with projects in their own service areas. When Mike Oblizalo, from Hood Canal Communications, came to me with a plan to serve our electric customers along the canal, we realized that HCC was going to need our help to procure the grant funding to make this a reality, so my team and commission agreed to step up and partner with them."

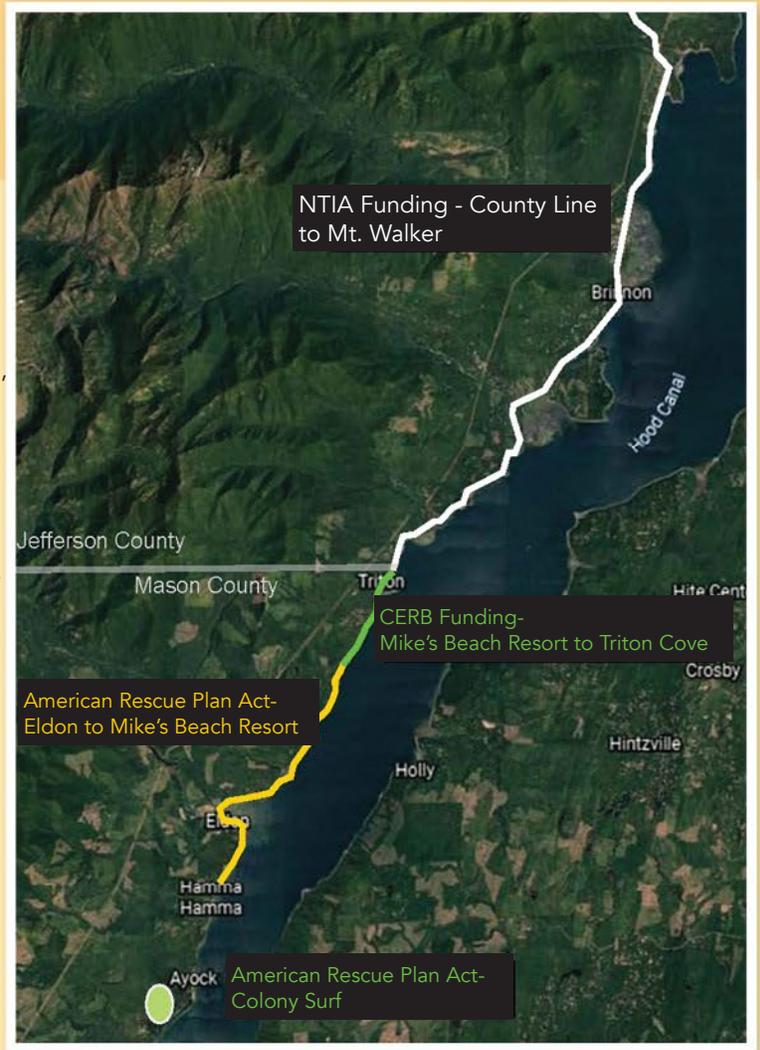
Mason County also awarded ARPA funds to HCC to build out fiber in the Colony Surf development in Lilliwaup. PUD 1 has supported HCC's National Telecommunications and Information Administration grant, which if funded, will complete the buildout from where the CERB project ends at the county line, up to PUD 1's electric customers in south Jefferson County, all the way to Mount Walker. PUD 1 serves electricity to south Jefferson County as part of a longstanding interlocal agreement with Jefferson PUD, and their predecessor Puget Sound Energy. "About a third of our electric service area is unserved or underserved with regard to reliable, high-speed internet. This puts our community at a severe socioeconomic disadvantage because they lack access to telehealth, telework, remote learning, and general facets of everyday life that people experience through internet connectivity. We see it as our role as a utility service provider to help bring the resources and partners together to help make this happen for our community," Masteller said.

As part of the CERB funding, about 117 homes and businesses will be connected between Mike's Beach Resort and Forest Drive, just across the county line. Phase one, funded by ARPA, will also connect 58 homes and businesses between Eldon and Mike's Beach. The Colony Surf project will connect an additional 90 homes.

"The pandemic really highlighted the need for high-speed internet and solidified it as an essential service. As a result, we're seeing this once-in-a-generation opportunity for grant funding to build out fiber to the home. HCC has received almost \$8 million in grant funds over the last 20 years for serving rural, underserved areas and we appreciate our partnership with PUD 1 to help us reach new unserved areas on the canal," said Mike Oblizalo, vice president and general manager for Hood Canal Communications.

Kevin Shutty, Mason County's District 2 Commissioner, joined the PUD's CERB community broadband committee and was a project champion for both the ARPA and CERB funding applications. "I am pleased the County commission was able to help fund the first phase of this project and support PUD 1 and HCC's request for additional state and federal grants to expand broadband access. Connecting rural residents is a priority for us as we work with public and private partners to ensure Mason County leads our regional economic recovery and remains competitive into the future," stated Shutty.

For this funding cycle, CERB approved \$1,975,000 in low-interest loans and \$8,272,040 in grants for 10 planning, economic development and rural broadband infrastructure construction projects.



The map above shows all four phases of broadband buildout:

1. Phase One

Continue fiber north of Hama Hama Seafood up to Mike's Beach Resort (2022)

2. Phase Two

Continue fiber north from Mike's Beach Resort to Forest Drive in Brinnon (2022)

3. Phase Three

NTIA grant for full buildout north of Forest Drive up to Walker Mt. (Schedule TBD)

4. Bonus Phase

Buildout of fiber to the home for Colony Surf (January 2022)



BROADBAND IS OUR NEW INITIATIVE NO. 1

PUD 1 has been serving the rural west side of the Hood Canal since 1935 as the first PUD in the state, thanks to Washington State Initiative No. 1, which created public utility districts. Private power companies didn't want to assume the expense to extend their lines out to rural farms and homes in the woods. Electricity was viewed as a luxury for rich urbanites, not an essential utility service to power our everyday lives. The Washington State Grange Association helped draft and pass Initiative No. 1 and the formation of community-owned public utility districts took off across the state, allowing these districts to access local, state and federal funding to build out electric infrastructure.

Fast forward 86 years, and broadband is the new Initiative No. 1. We find ourselves in a similar predicament where the cost to deploy broadband to homes and businesses in our rural communities is prohibitive for most private entities and even many of our PUDs. The pandemic has not only spotlighted the disparities of internet access between rural and urban homes and businesses, but it has solidified internet as an essential utility service for American households. It is essential for education, health, employment, economic development and to live our daily lives efficiently and on-par with our urban neighbors.

Which brings us to the west shore of the Hood Canal. PUD 1 has always been the one to step in and serve where needed. We serve into Jefferson County because Puget Sound Energy didn't want to build over Mt. Walker. We serve small end-of-the-line customers perched in the steep terrain along the national forest. These areas are heavily wooded, have narrow roadways to access them, and are expensive to build out

to, but we do it because that's why we're here- to serve.

For the last 10 years, we have had many of our customers ask us for help to get access to internet. Many only have HughesNet satellite internet, or cell phones, or sometimes nothing at all. Since PUD 1 is a power and water utility, we have always had to tell them that there wasn't anything we could do to help them, until now. Over the last six months, there has been a lot of movement on the broadband front. Federal funding has been coming in for broadband and pandemic relief. The Mason County Commission has funded two broadband expansion projects for Hood Canal Communications in Lilliwaup and Eldon. The West Canal Broadband Group, made up of local citizens and businesses, has reached over 100 active members and has stepped up their lobbying efforts on a local and state level. They realize, as we do, that this is our one shot at grant funding to build this infrastructure out to them and they're pressuring and supporting agencies, like PUD 1, to apply for these funds and implement a plan to serve.

While PUD 1 isn't a broadband provider, our status as a PUD makes us eligible for broadband funding, such as the CERB grant we just received, that some public agencies and the private companies can't access. We decided to step into this to fill this gap. We view it as our job as a utility service provider to find a way to serve, or to at least assist others in serving essential utilities to the home. Luckily we were successful getting our first CERB broadband grant in September to extend broadband along Highway 101.

One of my personal heroes, Morrison Pixley

of Union, was the champion who helped form our utility district and negotiate the purchase of electric assets from Hood Canal Telephone Company. His son, Clark Morrison Pixley, was PUD 1's first general manager. Morrison stepped in to lead the charge to provide essential utilities to his community. We see that there is a new role for PUD 1 to play in this Hood Canal utilities story in 2021 and we are willing and able to step up and play it. I also want to thank Mike Oblizalo at Hood Canal Communications for stepping up with a plan to serve and asking us to partner with him. PUD 1 and HCC have a long history of coordination and collaboration, going all the way back to 1934 when Pixley was trying to broker the PUD deal. It makes sense for us to now partner to create this broadband solution for the Hood Canal, just as Morrison Pixley created an electricity solution for the Hood Canal more than 86 years ago.

PUD 1 doesn't intend to become a wholesale or retail broadband provider, outside of this CERB-funded project. We simply aren't set up for it; we're too small and we have enough work on our plates with the power and water projects. That being said, our staff will continue to champion for broadband projects, assist with grant writing, and connect all the different players to get this essential service built out to our community. Stay tuned in 2022 for updates on our CERB projects.



Jack Janda
Commissioner, District 3

NEW ASSISTANCE PROGRAMS

American Rescue Plan Act & LIWAP

In September, PUD 1 signed an agreement with Mason County for a \$125,000 ARPA grant for customer account arrearages due to COVID financial hardships. After 18 months of a utility disconnection moratorium, and an economic recession due to the pandemic, we had hundreds of customers that were behind on their utilities. ARPA funding is a new program that is available for customers who either had a loss of income due to the pandemic or an increase in household expenses or medical bills due to the pandemic. Either would qualify a customer for assistance. To be eligible, customers must first apply to the Community Action Council or OlyCAP for LIHEAP and LIWAP assistance. They must show a pledge for assistance dollars or a denial letter before the PUD's ARPA funding would be applied to qualifying accounts. Customers may contact Shiane in credit & collections to find out more information on how to apply for ARPA bill assistance.

Additionally, the federal government approved a new LIWAP program, which is a Low Income Water Assistance Program to pay past-due water bills for qualifying customers. LIHEAP has been a longstanding program for energy assistance, but it took a lot of lobbying statewide and nationwide to get water covered under a federal program. All water customers, not just PUD 1 water customers, can apply for these funds through the CAC or through OlyCAP.

For customers who are also customers of Hood Canal Communications, HCC received an ARPA grant from the Mason County commission as well. They are offering a similar program for internet and phone customers whose accounts are in arrears due to COVID financial hardship. We share many of the same customers and would encourage people to reach out to HCC to learn how to apply: www.hcc.net or (360) 898-2481.

Our water customers who also are PUD 3 power customers can reach out to PUD 3 for information on their Project Share program, their senior and disabled discount program, their renter's assistance program (TRAP), and many more options for fiber and power. Their assistance page is located at: www.pud3.org or (360) 426-8255.

We had to work hard to bring these relief dollars home locally to Mason County and to PUD customers. We hope that all of our customers who are experiencing a financial hardship will make use of them and bring their accounts current. PUD 1 also will make payment arrangements with customers who call our office and speak with customer service.



Katie Arnold
Director of Business Services

Ductless Bonus Rebate Extended through 2022

\$800
+
\$500

BPA has extended the additional \$500 rebate for ductless heat pumps through March of 2022. This brings the total rebate available to \$1,300. For more information on how to qualify for the rebate, call the PUD.

The federal LIHEAP has also approved both heating and air conditioning as qualifying retrofits for their assistance program for qualifying low-income households. Customers who rely on wood or pellet heat or do not have air conditioning in their homes should reach out to the Community Action Council (Mason) or OlyCAP (Jefferson) to determine if they qualify for a ductless unit to be installed in their home. This is in addition to the weatherization they can provide for your home or apartment. Reach out today to see if you qualify!

Thank you for your years of service with PUD 1!

Joyce Gray
30 Years

Mike Rose
25 Years

Jack Janda
20 Years

Kristin Masteller
10 Years

Kyle Willey
5 Years

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.



www.mason-pud1.org

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