



Icy canal at Hama Hama Oyster Company.

THE CONNECTOR WINTER 2023

COMMISSIONER CORNER

BPA Refund Starting in 2023

In today's volatile economic environment, it is nice to have a positive result. PUD 1 is a preference customer of the Bonneville Power Administration. BPA is owned by the people they manage power for from the Columbia and Snake River federal hydroelectric system. We have the benefit in the Pacific Northwest of some of the lowest cost power in America. Not to say that it is "cheap power", but it is a lot more affordable and clean, by having this hydro system.

Over the years, BPA has struggled with their cost of power. Low water years, high maintenance on an aging system and environmental costs have put pressure on rates and operating costs. We, as citizens, have an obligation to be good stewards of the planet, so we pay through our power rates to supplement these fish and wildlife mitigation activities at the federal hydro system. We also understand that in order to maintain a strong, reliable power grid, we must invest in upgrading infrastructure.

In past years, there have been articles about the BPA not being financially solvent. However, this last year, BPA has really turned things around with their secondary sales. Secondary sales are sales of surplus power that is generated from the system and not needed to serve the BPA's regular subscribing customers. This year, thanks to a healthy secondary sales market, BPA is refunding a large portion of its \$625 million surplus revenues to its customers. 70% will be credits returned to utilities, 20% of the surplus will go toward paying down long-term debt for BPA, and 10% will augment fish and wildlife programs. So, BPA preference customers, like Mason PUD 1, are receiving a credit on our power bills from BPA over the next 10 months.

What this means for PUD 1 customers is that each electric customer will receive a credit on their billing statements over the next 10 months. These credits will be in the \$10/month range and vary depending

on the monthly credit amount. That's not a large amount, but something is better than nothing, especially in these difficult financial times. The PUD 1 board of commissioners and staff are pleased to be able to pass this refund through to our customers over the next 10 months.

I would like to personally thank John Hairston, the administrator for BPA. Since taking the helm in 2021, he has really tried to hold the rates steady and keep grid reliability up. I would also like to thank the employees of BPA for their parts in making this happen. \$120 or more each year makes a difference to families and businesses in our service area, and we appreciate their efforts.



Ron Gold
Commissioner, District 2



Water Projects

STARTING FOR 2023

We are only a couple of months into the new year, and some of our projects are starting to get underway. We're currently working on our generator installation and mainline replacement projects.

Harstene Retreat and Canyonwood Beach water systems, both located on Harstene Island, are on the 2023 generator install schedule. Bids went out in January with the goal to have the generators installed and running before storm season approaches. Manufacturer delay on parts, however, may hold up the process. We're hopeful we don't run into those supply chain

issues again this year. In 2024, we will go out to bid for another two generators to be installed on two more of our water systems, per our backup generation plan we implemented in 2021.

We are also scheduling our mainline replacement projects for the year. In late March, our water

crews will install new mainline along E. Westwood Lane W. in the Alderbrook water system. Once E. Westwood Lane W. is complete, we will schedule the next mainline replacement in our Union water system. For this project, we will reroute and collocate our mainline that runs between E. Tacoma Street and E. Port Townsend Street through Union Park with our existing line. The new mainline will be rerouted down E. Tacoma Street to E. 5th Street and down the west side of E. 5th Street and tie back into our existing water line at E. Port Townsend Street and E. 5th Street. These new water lines will replace our current Asbestos Cement water lines that were installed in the 1960s and 1970s, and both existing mainlines have had several leak repairs done. The new 6" mainlines will help

reduce our distribution leakage and make the water system more resilient. Later this summer in Union, our water crew will pick up where they left off from last summer's mainline project on E. Main Street and tap the new mainline and extend the current mainline on the west side of E. 2nd Street, where we have had property owners waiting for water connections for some time.

These mainline and generator projects are in addition to the construction projects that we've put out to bid for contractors to complete. There is a lot of stuff going on in the water department again this year. As always, we will do our best to communicate activities to the residents impacted by our construction and work as quickly and safely as we can to improve the water service and restore the sites.

If you have any questions about upcoming water construction projects, please give me a call.



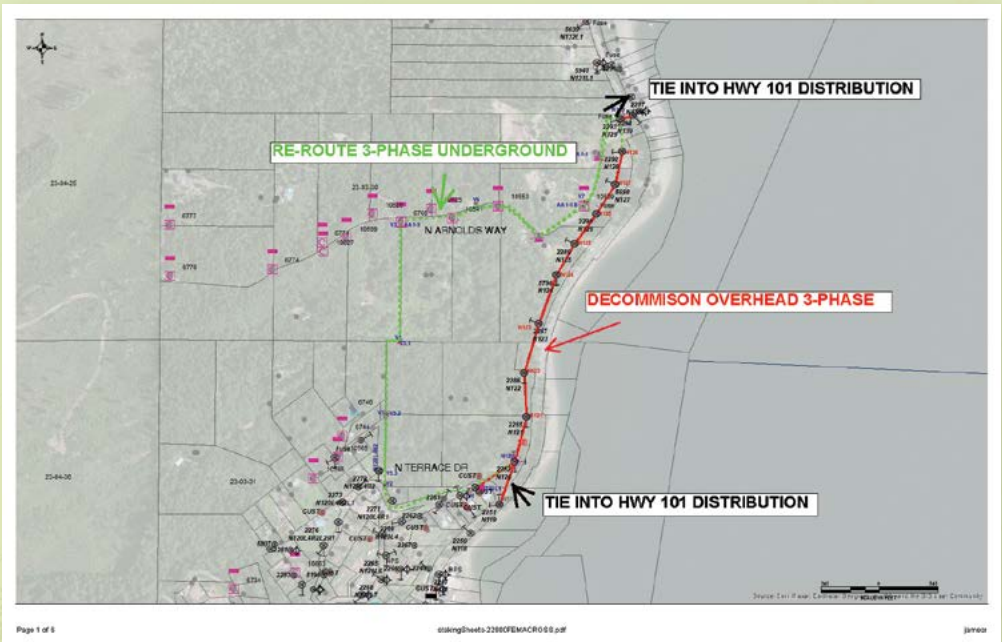
Brandy Milroy
Water Resource Manager

PUD 1 Receives FEMA Hazard Mitigation Grant for Relocating Power Lines

In 2020, the PUD applied for FEMA Hazard Mitigation Grant (HMG) funding to relocate a section of 3-Phase power lines off of U.S. Hwy 101 just north of Hoodport (near Octopus Hole, for the locals) and up to a new area on top of the hillside where they will run cross-country and then drop back down to 101 in a safer area. This mile or so of line is on a windy section of the highway with little to no shoulder and is vulnerable to slides and tree outages.

It took two years to get it pushed through, but finally the PUD Board of Commissioners were able to approve the contract for the \$1,020,312.30 grant. This project has already been designed and some very helpful property owners granted easements to run the line underground and on the top of the hill to protect it from the natural environment.

This project will be put out to bid this spring and work should begin in early summer, being completed by the end of 2023. This is one of several projects that the PUD has identified to make the electrical system



more resilient during wind and storm events and prevent outages. FEMA has tentatively approved an additional \$3 million in various electrical upgrades over the next few years. We are waiting for final approval of the award decision and contracts to get started on those.

The state FEMA officials have been fantastic to work with on this project and our other

projects, our grant applications, and our storm reimbursements. We want to recognize Tim Cook's team at the Emergency Management Division of Washington's Military Department for all their good work on behalf of our utility and our customers! These important projects wouldn't be achievable for us without these investments from the state and federal agencies to help ensure continuity of essential utility services.

BROADBAND

is Becoming a Reality for the West Hood Canal

In January, I was excited to attend a ribbon cutting with Hood Canal Communications for their wi-fi hotspot that they set up at the Eldon Store. As most of you know, we have ventured out of our comfort zone at PUD 1 and agreed to partner with HCC, the Mason County Commission and CERB to help HCC deploy rural broadband along U.S. Highway 101 from Eldon to Brinnon. We also partnered with them to build fiber out in Colony Surf when we replaced the underground power in Divisions 5 & 6 of that development last year.

The American Rescue Plan Act funding that HCC and PUD 1 received to replace 121 poles from just north of Hama Hama Seafood to Forest Drive on the Mason/Jefferson line not only facilitated the stringing of the fiber, but it also yielded a significant investment in utility pole infrastructure that will save our ratepayers money in the short and long term. There's still a lot of work to do though. After the last mile of fiber is attached to the poles, there's still a lot of splicing work that has to be done before HCC can actually serve homes and businesses with this high-speed internet. I have been getting a lot of calls and messages about which homes are going to be served with this first pass through and which will require eventual line extensions.

To help ascertain which homes and businesses are interested in subscribing to HCC's internet service, we need customers to sign up on their website at <https://www.hcc.net/residential/internet/#address>. Customers need to register their full address, name, and contact number to get on the Pre-Signup list. When we have more details, we will help coordinate the sharing of information so you know if your address is in the first pass through or how to request a line extension to your home.

In other good news, HCC also received grants from the Washington State Broadband Office and National Telecommunications and Information Administration (NTIA) to



Ribbon Cutting for a Wi-Fi Hotspot at Eldon Store.

continue the fiber buildout through Brinnon and neighboring areas. Jefferson County Commissioner Greg Brotherton and the commission also approved a \$100,000 ARPA funding match for the pole replacements to help support the project.

In this second buildout, 158 additional utility poles will be replaced starting at the Mason/Jefferson County line and heading north. The pole replacement project is currently out to bid, and work should begin this spring. HCC is also putting the fiber construction work out to bid. As they update us with construction schedules, we will help communicate their work to all of you as well. The PUD has also applied for a \$2 million grant to the Washington State Broadband Office to replace additional poles and expand the scope of HCC's broadband buildout in Brinnon so more customers can connect sooner.

The takeaways here are: while this isn't moving at lightning speed, it is actually

happening; fiber is new to the PUD so we don't have all the answers right now but will do our best to communicate when we have new information for you; these fiber projects are a case study for how public-private partnerships are supposed to work to achieve good outcomes for our communities. We thank HCC, the Mason and Jefferson County Commissions, the State Broadband Office, CERB, Rep. Derek Kilmer, our state legislators from the 24th and 35th districts, the West Canal Community Broadband Group and countless other supporters for helping broadband become a reality for Mason PUD 1's customers. More to come!



Kristin Masteller
General Manager

Electric Operations Updates

The line crew has been busy already this year tackling system rebuild projects. They have spent most of 2023 so far rebuilding another 8 spans of poles and upgrading the wire on Bee Mill Road in Brinnon. This is a long and windy road that will take us a few years to complete, a section at a time.

Other projects in the queue this year include a project in partnership with Mason Conservation District and Mason County Public Works on "the dips" down Skokomish Valley Road, and rebuilds on Love Road, Four Wheel Drive Road, brushing out Seal Rock Road for eventual upgrades next year, and small tap line upgrades on Virginia Street, Mardell Lane, and the upper end of Finch Creek.

There is still some work to be done for the transmission line in preparation for the eventual Manzanita Substation in Union as well.

These are projects that we budget for

year-to-year to help reduce outages and increase reliability. With a small crew, there's only so much we're able to get done along with the other maintenance work that has to be completed. If you'd like to track the progress on these projects and other projects throughout the PUD, you can check out our strategic plan which is reported quarterly to the PUD commissioners and is online at www.mason-pud1.org under the "Meetings" tab.

Other big contracted projects that are scheduled to begin this year include moving a section of 3-Phase line off the highway in Hoodspport and undergrounding it in a new easement where the crew can safely access it, putting the Duckabush Utility Relocation project out to bid to prepare for the upcoming estuary restoration activities, and a large pole replacement project in Brinnon to support the upcoming broadband deployment. For a small utility, we have a lot going on!



Rebuild work on Bee Mill Rd.

You may have noticed that your recent bill has a new look! We've been working over the last several months to create a new bill format that's easy to read and still give our customers all of the important information they need to see. The new format gives us more room to provide important information in the messaging center, and even allows us the opportunity to include marketing images like energy saving rebates that are available, Canal Comfort Fund donation drives, and the Go Paperless campaign, among others. We are excited to hear from you and what you think of the new look!



Katie Arnold
Director of Business Services

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MASON COUNTY PUD
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Fax No: (360) 877-9274
Office Hours: Monday - Friday 8 a.m. to 5 p.m.
Please visit us at www.mason-pud1.org

CUSTOMER NAME PUD #1 OF MASON COUNTY
Bill Date: 01/26/2023
Account Number: 619700

EMAIL: customerservice@mason-pud1.org
Web: www.mason-pud1.org

Billing Summary
Prior Balance \$0.00
Payments Received - Thank you! -\$408.88

Service Summary

	Prior Balance	Current	Total
Electric Service	\$0.00	\$157.64	\$157.64

Total Charge \$157.64
Credit Balance a credit balance

Electric

Meter #	Location #	Services	From	To	Days	Previous	Readings	Present	Meter Multiplier	kWh Usage
344417666	6197		12/05/2022	01/04/2023	30	41602		42645	1.0	1043

Kilowatt Hours Monthly Use ☒ Avg Temperature ☐ Temp

Electric Usage 1,043 kWh @ 0.09041 \$94.30
Electric Basic Charge \$66.00
BPA RDC Credit -\$11.60
Privilege Tax \$3.18
State Utility Tax \$5.76
Electric Service Subtotal \$157.64

THE BOARD OF COMMISSIONERS regularly meet the 2nd and 4th Tuesday of each month at 1:00 p.m. Meetings are now held both in person and remotely. 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.

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www.mason-pud1.org

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