



Mason PUD No. 1

Oldest PUD celebrates 75 years serving Hood Canal communities

By Dean Boyer

Seventy-five years ago this fall, voters in a handful of counties across the state went to the polls to vote on whether to form their own community-owned electric utilities under what was then known as the Grange power bill.

Measures passed in three counties – Benton, Franklin and Mason – leading to the formation of the state's first public utility districts. But only one can claim to be the state's first operating PUD.

Mason PUD No. 1 is a small utility

initially formed to serve a couple hundred people living along Hood Canal on the Olympic Peninsula. It started operations in February 1935, just three months after the general elections, and years ahead of the other PUDs that received voter approval in 1934.

Mason No. 1 got the jump on the other PUDs by initially seeking to put a measure on the ballot in 1932, two years after voters in the state authorized formation of public utility district by approving Initiative No. 1. That measure was never voted on, but PUD backers were then ready to set up shop, taking over the

Hood Canal Mutual Co., when the measure was approved two years later.

Today, Mason No. 1 is one of 28 public utility districts in the state, 23 of which provide electric service to more than 900,000 customers. The others provide a combination of water, wastewater, and telecommunications services.

The process that would lead to the formation of Mason PUD No. 1 was put in motion in 1929, when the Washington State Grange, a populist agricultural organization,

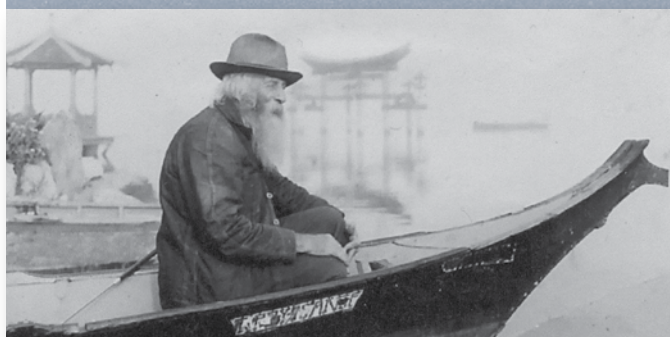
continued on page 18

Morrison F. Pixley:

the man behind Mason PUD No. 1

Homer T. Bone, the Tacoma attorney — and later, U.S. senator and federal appeals court judge — who drafted the Grange bill giving voters in Washington the right to create public utility districts, is often referred to as the “father of public power” in the Pacific Northwest.

But for Mason PUD No. 1, that local honor could go to a quirky Californian, Morrison F. Pixley, who originally dreamed of building an enlightened, high society art colony along the shores of Hood Canal.



Pixley was a land developer and the nephew of Frank M. Pixley, the celebrated founder of *The Argonaut*, one of the most influential publications in California in the late 1800s. He came to Washington after the great San Francisco earthquake in 1906, purchasing land along Hood Canal — including the land platted for Union City — from lumberman John McReavy, whose own vision of a new “Venice of the Pacific” dissolved with the depression of 1893.

In 1916, Pixley moved his family from California to their new estate on Hood Canal, just west of where Alderbrook Resort now sits, which he had named “Yacht Haven.” According to Orre Nobles, a local artist who became a fast friend, the family’s arrival was a momentous occasion. “One of the big events was the arrival of the Pixley’s bag and baggage,” he later told *The Shelton Journal*, including a Steinway piano, printing presses, blacksmith forges and “acres of books.”

Pixley — or Pix as he was called by his friends — encouraged local artists and became known for his wide-ranging Saturday morning talks with visitors to Yacht Haven. By 1932, the *Hood Canal Courier* could report, “More each year it becomes appar-

ent that Hood Canal is becoming a center for talented artists, writers, musicians and general literary students.”

By 1932, Pixley had also become involved in the effort to create a public utility district that would take over the Hood Canal Mutual Co., which then provided electricity to the area. Pixley became the movement’s spokesman. He was involved in the critical negotiations to draw boundaries for the new PUD, excluding powerful timber interests who were not interested

in being served by a public utility with taxing powers. And it was Pixley who brought suit against the Mason County Board of Election in 1934 in an effort to keep Mason PUD No. 3 off the

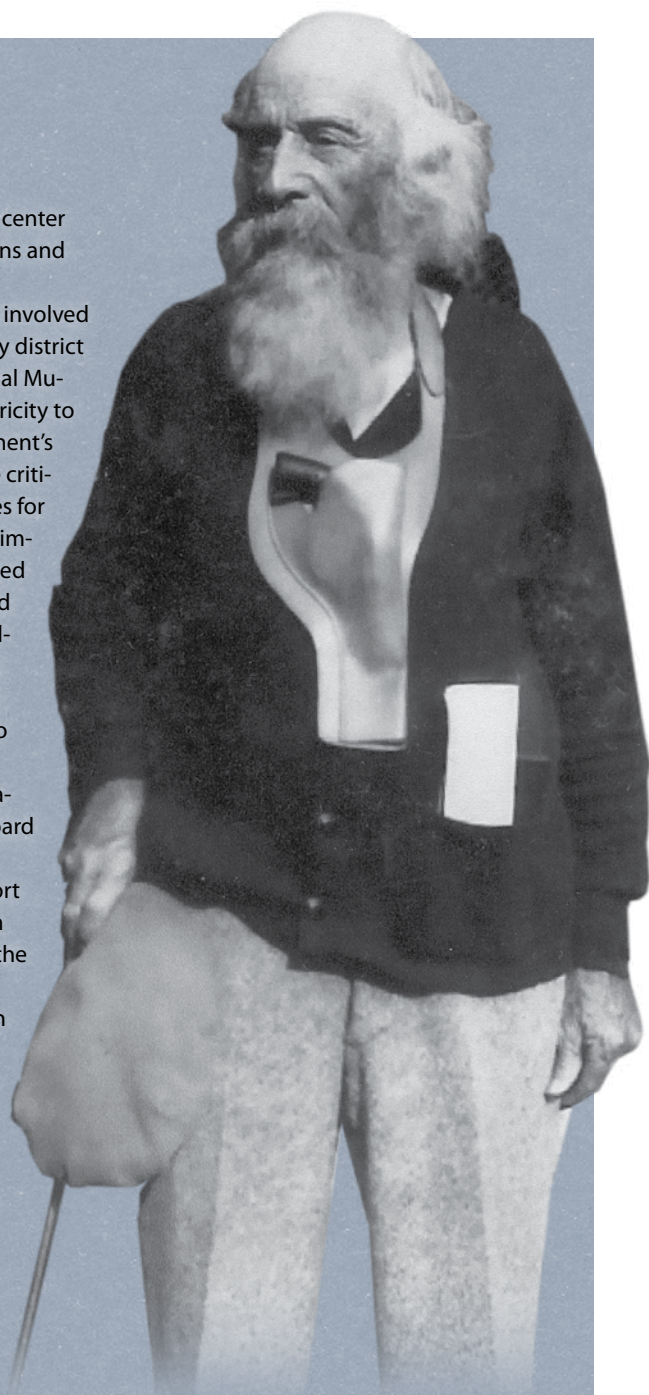
ballot opposite Mason PUD No. 1.

At the time, his son, Clark Morrison Pixley, who had been 10 when the family moved to Yacht Haven (born in Los Angeles two months after the San Francisco earthquake) was manager of the Hood Canal Mutual Co., having worked his way up from lineman. (He had also worked as a mechanic repairing mail planes for the Seattle Flying Service.) When Mason PUD No. 1 acquired the assets of the Hood Canal Mutual Co. in 1935, C.M. Pixley also became the PUD’s first manager.

In addition to being a force for public power, M. F. Pixley also found time, in 1934, to start the Hood Canal Telephone Co., with nine subscribers. For years, telephones in Union City were served by what was known as the Pixley exchange.

By the time he moved back to California in the 1950s, the unconventional M.F. Pixley — with his flowing white beard and floppy felt hat — was something of a local legend.

Immersed as he was in culture and the arts, Pixley nevertheless “loved revolvers,” and according to Nobles, “seldom was seen



without one or two of them festooned over his shoulder or draped around his neck.” Pixley was also a frequent contributor to the *Shelton Journal* using the pen name A. Wilder West.

When he died in 1959, at the age of 94, the *Shelton Journal* noted, “Among the many men who have contributed to the development of Hood Canal, none played a more colorful role and few a more important part” than had Pixley.

— Dean Boyer

submitted an initiative to the Legislature calling for adoption of a PUD law. When the Legislature failed to act on the initiative, the measure was automatically advanced to the statewide general election ballot in 1930, as provided for under the Washington Constitution. Identified on the ballot as Initiative to the Legislature No. 1, the Grange power bill passed 152,487 to 130,901.

The Hoodspout area was then served by the Hood Canal Mutual Co., but service was costly and local residents felt a public utility district would be more effective in extending service to other families in the rural area. With support from members of the cooperative, they petitioned the Mason County Commission to put a PUD measure on the ballot in the fall of 1932.

However, while popular with the people, the idea of public utility districts was not well received by investor-owned utilities, which campaigned against them in what became known across the state as the “power wars.”

In “People, Politics & Public Power,” Ken Billington, who served as executive director of the Washington Public Utility Districts Association from 1951 to 1978, noted that

local Granges sponsored petitions to put five countywide PUDs on the ballot that year and all five were defeated. In Mason County, a late challenge by private power interests questioning whether the County Commission had properly advertised a hearing involving the PUD’s petition kept Mason PUD No. 1 off the ballot.

Ironically, two years later, it was Mason PUD No. 1 supporters that tried to keep a countywide PUD measure off the ballot.

In July 1934, the County Commission approved a petition to put Mason PUD No. 3 on the ballot along with Mason PUD No. 1. Mason PUD No. 3 service territory would include the entire county, except for the five precincts covered by Mason PUD No. 1.

But after waiting patiently for another try at establishing a PUD – the law allows PUD measures only in even-number years – backers of Mason PUD No. 1 were

concerned that two PUD measures on the same ballot would confuse the voters. They filed for an injunction in Mason Superior Court, claiming PUD No. 1 should have priority because of the County Commission’s mistake in 1932.

On Oct. 15 – less than a month before the election – Judge D.F. Wright agreed, ruling that the “plaintiff is entitled to have its proposition go on the ballot alone.” The County Commission and the Mason County Election Board immediately appealed to the state Supreme Court, which two weeks later reversed Wright’s ruling.

In the end it didn’t matter. Both measures were approved, no doubt helped by a very public state investigation of the West Coast Power Co., which then served the City of Shelton.

The investigation by the Department of Public Works found, among other irregularities, that West Coast – controlled

“Our little utility is geared to service. We haven’t wanted to get too big. Our customers have wanted us to stay small. They know our linemen and staff by name, and we know our community.”

JACK JANDA
Mason PUD No. 1 Commissioner

The Energy and Natural Resource Experts

EES Consulting provides economic, environmental, and engineering solutions for clients throughout the U.S. and Canada.

EES Consulting

- Strategic and utility financial planning
- Engineering design/construction management
- Energy and natural resource development and assessment
- Rates and cost of service studies
- Expert witness and legal support services
- Energy purchase and load aggregation

- Conservation and demand response
- Merger and acquisition analyses
- Educational seminars
- Forecasting and load profiling
- FERC hydro relicensing
- Environmental evaluation and mitigation
- Fish passage engineering

KIRKLAND, WASHINGTON
570 Kirkland Way, #200
Kirkland, WA 98033
saleba@eesconsulting.com
Telephone: 425.889.2700
Facsimile: 425.889.2725

BELLINGHAM, WASHINGTON
1155 N. State Street, #700
Bellingham, WA 98225
blum@eesconsulting.com
Telephone: 360.734.5915
Facsimile: 360.734.5918

PORTLAND, OREGON
2525 NW Raleigh Street
Portland, OR 97201
andersen@eesconsulting.com
Telephone: 503.223.5900
Facsimile: 503.827.8048

INDIO, CALIFORNIA
49-950 Jefferson, #130-333
Indio, CA 92201
saleba@eesconsulting.com
Telephone: 760.771.6775
Facsimile: 760.771.6344

www.eesconsulting.com



by an East Coast holding company – was buying electricity wholesale from a power plant operated by two local timber companies. The utility was then providing power to about two dozen timber company executives and shareholders in a sweetheart deal for ½-cent per kilowatt-hour – considerably less than it was charging its other Shelton customers.

In September 1934, just as the PUD campaigns were heating up, the state ordered West Coast to lower its rates.

Tacoma City Light also operated two hydroelectric dams on the Skokomish River in Mason County, offering the prospect of a ready source of power for the new PUDs.

Both Mason PUD No. 1 and Mason PUD No. 3, which purchased the Shelton-area assets of West Coast Power in 1939, would eventually buy power from the Cushman Hydroelectric Project for several years before signing contracts with the Bonneville Power Administration.

And then there was President Franklin Roosevelt's highly publicized visit in August 1934 to the future site of Grand Coulee Dam.

Bids on the dam had been opened two months earlier. And while the dam was originally conceived as a way to irrigate

the Eastern Washington drylands, Grand Coulee would eventually become the single largest power generating facility in the United States.

Roosevelt, of course, was a staunch proponent of public power, especially as a way to keep unresponsive investor-owned utilities in line.

With its 2-year wait to get on the ballot and a willing seller in the Hood Canal Mutual Co., Mason No. 1 was able to begin operations in February 1935. C. M. Pixley, who had managed the cooperative, became the PUD's first manager. E.S. Hart, John Hawk and Sam Moffett served as the PUD's first board of commissioners.

Despite its limited territory, Mason No. 1 now serves more than 5,000 customers and is far from the state's smallest electric PUD – that honor belongs to Wahkiakum PUD with about 2,400 accounts.

In 1946, Mason No. 1 also acquired the Union Water System and today it owns and operates 33 community water systems serving approximately 1,700 customers.

While its electric-service area is limited to the Hood Canal area, the PUD has an agreement with Mason PUD No. 3, signed in 1996, to operate water systems in its

counterpart's territory. An agreement signed in 2006 gives Mason No. 3 permission to provide telecommunications services in Mason No. 1 territory.

Earlier this year, in keeping with its small-town roots, Mason No. 1 hosted a barbeque for its customers at its district headquarters in Potlatch, along Highway 101, with PUD Commissioners Jack Janda and Karl Denison and Manager Steve Taylor cooking hamburgers and hotdogs for about 180 people who stopped by for the early 75th anniversary celebration. Most of the PUD's 22 fulltime employees were there as well to greet their customers and neighbors.

"In many ways – if not in all ways – we are still the small PUD we were back when we got started," said Janda, also retired from the U.S. Forest Service, who spent much of his career in the Hoodsport ranger district office not far from the PUD. "Our little utility is geared to service. We haven't wanted to get too big. Our customers have wanted us to stay small. They know our linemen and staff by name, and we know our community." ■

YOUR MESSAGE YOUR WAY

Ruralite Services. Not just a magazine.

Ruralite can fulfill all your communications needs from member magazines to brochures and handbooks, ad campaigns, Web sites and more.



Ruralite

Take the next step.
Call Russell Green.
(503) 357-2105