



Skokomish River

THE CONNECTOR WINTER 2025

COMMISSIONER ARTICLE

Reflecting on the Positives this Year

At Mason PUD 1, we are constantly striving for excellence in our work and maintaining affordable rates. We have a great Board of Commissioners who always put you, the ratepayer, first in all decisions. We also have an outstanding management team at the helm that works hard every day to keep the utilities that we all rely on in tiptop conditions and affordable. The maintenance and construction are kept up to date by the excellent crews on the electric and water utilities and we have a team of customer service staff that go the extra mile to help our customers and bring new programs and services to our PUD. You have a team of utility professionals working at a high level daily, because they like their work environment, the people, and leadership style.

Being one of the smaller PUDs, yours is one of the most well-oiled machines I have ever been affiliated with, and I see it every day. Strong relationships matter and we have those with local agencies and partners, like the Skokomish Tribe, Hood Canal Communications, neighboring utilities, and the local fire districts, just to name a few. We also work hard to keep in communication with our state legislators and members of Congress, along with the local EDC and Chambers of Commerce. We also work closely

with our county commission and port districts to partner on projects and grant applications. These partnerships result in better public service overall to Mason County and Brinnon. Your PUD management team has made huge strides and improvements in the last few years. In the financial arena, the team has brought in \$40 million in grants and low interest loans, as of the end of 2025. This facilitates numerous improvements, such as the new Manzanita Substation to replace the outdated Union sub on Dalby Road. Next to the new Manzanita sub are the two new water reservoirs that are under construction. The new Vuecrest water system reservoir was just finished. There will be a new substation up the Hood Canal by Jorstad Creek to help supply dependable electricity on the north side of the district. Work starts on that sub next year. A large water project was finished at Lake Arrowhead recently and one is currently under construction in Shelton at Shadowood, paid for by the grants and low interest loans that help to keep rates as low as possible. There is also a lot more going on at the PUD, this is just a snapshot.

PUD 1 is represented regionally at the WPUA (Washington Public Utility Districts Association), the PPC (Public Power Council), Northwest RiverPartners, NWPPA (Northwest Public Power Association), and Energy Northwest (Columbia Generating Station), and your General Manager is often requested by these associations to represent public power in the Pacific Northwest because your PUD is recognized as being a high performing utility in our industry. Small, but "Mighty"!

The PUD has stayed in budget and on task for 2025, with a positive net operating margin. The long-term debt is down to 25% and unrestricted cash on hand stays around 70-75 days (with a goal of 90 days). This effort is made by every employee who helps make informed decisions on what to buy, how to save money, and how to take care of things we have to make them last longer. It truly is a culture of stewardship from top to bottom.

The line and water crews have plenty of projects ahead of them, and they move like a coordinated, organized machine daily. A BIG THANK YOU to those guys for keeping our lights on and the water flowing in the worst of conditions sometimes.

Hopefully you were able to attend the Customer Appreciation Event back in October, where over 550 folks stopped by to help us celebrate our 90th anniversary. That's what this is all about- service to the community. Thanks to my fellow commissioners, Ron Gold and Jack Janda, for the outstanding working relationship we have with each other, and thanks to all of you for allowing me to be the PUD commissioner, representing the Union area. Here's to 2026 and another great year at Mason PUD 1!



Mike Sheetz,
District 1 Commissioner

ROUND UP for the Canal Comfort Fund!



The Canal Comfort Fund is a utility assistance program that is funded entirely by generous donations from PUD 1 customers. Customers can make one-time or monthly donations, or they can simply elect to round up their utility bill, and the change goes into the Fund.

The PUD accepts the donations and disburses them to qualifying PUD customers in need. This month, we also received a generous \$5,000 donation from a customer who wished to help those in our community that need extra support this winter. That's the largest donation the Canal Comfort Fund has ever received, and we are extremely grateful to her for supporting the Fund and her community.

In 2025, the PUD issued \$8,700.00 in Canal Comfort Funds assisting 58 households in need. If you are able, please consider rounding up your payment and applying the change to the Canal Comfort Fund. Every little bit helps (and is tax-deductible)! Your neighbors in need will greatly appreciate it. You can do this online through SmartHub or on your paper remittance slip. You can set up ongoing monthly donations or one-time gifts as well.

Thank you for your compassion and generosity!

Lisa Cates
Credit & Collections Specialist



GENERATOR SAFETY

PREVENTING AVOIDABLE TRAGEDIES

It should be obvious since gas-powered generators are loud and smelly that the odor they are omitting is not just unpleasant but is also in the form of a poisonous gas. Despite these harsh effects of an operating gas generator, people still use them in enclosed spaces including garages, campers and sheds close to humans and pets. Carbon monoxide poisoning from generators causes thousands of illnesses and deaths every year, despite pleas from the news media and health officials urging people to use them safely and properly. Even if you can't smell the fumes, carbon monoxide can still be

permeating your home and cause serious injury or even death.

Another inherent danger from generator use that gets far less attention, but is equally as deadly, is electricity back feed from generators that puts electrical line workers at risk of injury and death. Many homeowners plug generators in without even considering that they are pushing generated power back onto the electrical grid. When line workers come to your home or neighborhood to work on the power lines, they undergo a series of checks to ensure that the lines are deenergized from the utility's side of the power source, but they have



no idea if the lines are suddenly energized from a homeowner firing up a generator without proper safeguards. In September of 2021, two line workers were killed in Alabama due to electrical back feed from a portable generator. They were part of a mutual aid crew that responded to the devastation of Hurricane Ida. This was an avoidable tragedy- one we certainly want to avoid at Mason PUD 1.

All of these injuries and deaths are avoidable if people use generators safely and responsibly.

SAFE GENERATOR USE FOR HOMEOWNERS SHOULD INCLUDE THINGS LIKE:



DO NOT plug your generator directly into your home outlets!



Install a transfer switch at the panel to help prevent back feed of electricity through the home and onto the power grid



If there's no transfer switch, shut the main breaker to the whole house off at the panel and plug freezers or electrical equipment directly into the generator



A well-ventilated space for the generator to operate that is at least 20 feet away from the house



Keep the generator dry under an elevated tarp or pop-up tent



Don't overload the generator- rotate the appliances you need to use on a schedule such as freezers and refrigerators overnight and tv time and lights during awake hours



Install CO2 alarms in your home and if you start to feel sick, dizzy, or weak while using a generator, get to fresh air RIGHT AWAY - DO NOT DELAY!



Have your generator inspected regularly to ensure it's working properly

Our line workers and water techs already go out in the worst weather conditions. They put their lives at risk to ensure that our community has essential utility services 24/7. It is paramount that homeowners do what they can to help protect the men and women out there working for them. Please put these tips into practice and share them with family and neighbors. The more education we do around generator safety, the more we can help save lives.



HONORING A 90 Year Legacy of Public Power in Mason County



Morrison Pixley

This year, Mason County PUD No. 1 celebrates 90 years of public service. For nearly a century, our customer-owned utility has been committed to providing safe, reliable utility services to residents along the Hood Canal and across Mason County. All the while, never losing sight of the small-town customer service model that makes our PUD unique. As your locally elected board of commissioners, we are grateful to the generations of customers, employees and community partners who have supported PUD 1 since its formation in 1934.

The history of PUD 1 is rooted in the larger story of public power in Washington. In 1930, voters approved the Washington Public Utility District Act, which gave communities the ability to form their own locally controlled utilities. It was a bold move that reflected the belief that electricity is an essential service that should be made widely available to the public and not just serve urban areas and private interests. Across the state, and with the help of the Washington State Grange Association, communities organized, voted and worked tirelessly to bring reliable electric service to rural areas that had long been neglected by investor-owned utilities and received pushback from private corporate interests.

In Mason County, that vision took hold in 1934, when voters approved the creation of PUD 1. The following year, in February 1935, the district assumed operation of the Hood Canal Mutual Company's existing electric distribution system. From those modest beginnings, Mason

PUD 1 has grown into a trusted provider of electric and water services (in addition to one wastewater system and one broadband project) to 9,000 meters on the Hood Canal and throughout Mason County. Our formation was about ensuring that rural Mason County families, farms and businesses had access to the same opportunities as our urban neighbors.

Morrison Pixley, local founder of public power

No reflection on our history would be complete without honoring Morrison Pixley, widely regarded as the champion of public power in Mason County. Pixley was an early advocate who understood the transformative influence of electricity in what was then called Union City, and the surrounding rural communities. He understood the importance of community ownership over essential public services.

His vision, leadership and persistence laid the foundation for what would eventually become Mason County PUD No. 1, and his son, Clark Morrison Pixley, even served as the PUD's first general manager.

Pixley's legacy continues to guide us today. He believed that public power should be more than just a utility service. He believed it should be a promise to put people first, to invest locally, and to ensure that every family and business had access to reliable energy at the lowest reasonable cost to deliver. That vision remains at the core of everything we do.

A legacy of service and value

Over the past nine decades, Mason PUD 1 has grown alongside the communities we serve. From the early days of extending service lines down rural unpaved roads along the Hood Canal, to modern investments in substations, community solar, water systems, and even a small broadband partnership with Hood Canal Communications, our mission has remained constant: to deliver value to our customer-owners. That value is measured in many ways, including increasing our power grid's resilience during storms, ensuring safe drinking water from our 77 community water systems, and of course, the hallmark of PUD 1 service- incredibly quick response times during outages and friendly customer service when you call us. The value is not only measured in the feedback we get from our customers, but it's also measured in the investments we've

made to strengthen the grid, support economic development in our county and prepare our infrastructure for the next 50-plus years.

Through all of these changes, the one thing that has remained unchanged is our commitment to providing excellent service to the public. We know most of our customers by name, many of our employees grew up and still live in Mason County, we treat each outage call with urgency and each service call as an opportunity to be of assistance, we intentionally partner with local agencies and businesses to strengthen services and community bonds, and we commit to making decisions about your PUD with transparency and accountability.

Looking forward

As we mark our 90th anniversary, we also look ahead to the future. The challenges of today, like wildfire risk, changing weather patterns, shifts in our economy and the need to replace much of our aging infrastructure to be more resilient, require the same spirit of innovation and determination that inspired our founders. We are committed to continuing investments that keep our systems safe, reliable, and affordable while preserving the values that define Mason County PUD 1 these past 90 years.

We are also mindful that we are merely stewards of this tremendous public asset. The legacy of public power belongs not just to the commissioners, employees, or managers of the PUD. It belongs to you, our customer-owners. Every meter on our system represents a household, a business, or a family that relies on us each day and we take that responsibility seriously.

Gratitude to the community

On behalf of the board of commissioners, we want to thank the people of Mason and south Jefferson counties for entrusting us with this responsibility for 90 years. Your support has enabled us to grow and thrive. From the days of Morrison Pixley's early advocacy to the present, our success has always been rooted in community partnership. We look forward to the next 90 years and thank you all for the opportunity to serve.

Ron Gold, President

Mike Sheetz, Vice President

Jack Janda, Secretary

Power & Water Rates Increase in 2026

Although lower than originally planned



Following a public budget workshop and rate hearing, the PUD commission passed the 2026 budget on December 09, 2025, and revised the resolutions for power and water rates.

The overall electric revenue requirement is \$15.2 million, which includes power costs, operation and maintenance, general and administrative expenses, as well as paying down long-term debt, funding the District's reserve accounts for future capital infrastructure projects, and the annual cash-on-hand goal. For the electric division, the previously approved 2026 rate increase was 4.75%, as recommended by the PUD's Cost-of-Service Analysis and approved by board resolution; however, because of the grant funding the District has secured, staff was able to reduce that rate increase to 3% for 2026, for the second year in a row. Aside from funding ongoing capital projects, long-term debt payoff, and increased costs from outside services, one of the main contributing factors for the rate increase is due to the significant power and transmission rate increases from

BPA. BPA announced in July a 4% increase in Tier 1 power rates, with an additional 2% Reserve Fund Surcharge, and an 11.7% increase to transmission rates. The new PUD electric rate takes effect April 1, 2026.

For the water division, the PUD reviewed its Cost-of-Service Analysis (COSA) to ensure the revenue requirement covers the cost to provide service to its ratepayers. The originally planned rate increase of 7% was reduced to 5% through 2025 because of the success staff has had in securing grant funding to pay for the large capital projects that would otherwise be paid through long-term debt and/or rates. Staff was able to reduce the 2026 rate increase even further down to 3.5%. Over the last 5 years, the District has secured over \$10 million in grant funding to pay for water infrastructure projects. This has helped tremendously at reducing the projected rate increases. The new PUD water rates take effect on January 1, 2026.

For our sewer division, the District is not increasing rates for 2026. Over the last five years, the smaller rate increases helped to

build the sewer division's reserve account back up to support any major emergency repairs, and residents have done an outstanding job maintaining their grinder pumps. Instead of replacing three or more grinder pumps a year, in 2025, the crews only replaced one! This leveled the maintenance of the system to the point that a rate increase isn't required for 2026. Sewer's COSA will be reevaluated in 2027.

For customers who would like more information on the budget and rates, there are two links on the PUD homepage at www.mason-pud1.org called "2026 Electric Rate FAQ" and "2026 Water Rate FAQ". We can email or mail copies as well and they are available at the front counter. You also are welcome to reach out to me if you have any questions.



Katie Arnold
District Treasurer and Director of Business Services



Remembering Julie Gray

Julie Gray worked for Mason PUD 1 for 36 years before her retirement in 2023. Julie ran the PUD's credit & collections department and administered the Community Solar and Rooftop Solar programs, among many other responsibilities over the

course of more than three decades. Even after retiring, she continued to fill in at the PUD when people were on leave and planned our annual customer appreciation event. For any of you who enjoyed that event the last 8 years, it was Julie who produced that event for you all, including this October, when she volunteered to coordinate it for something to do to keep her mind off battling cancer. We are devastated

that Julie did not get to enjoy the retirement she worked so long for, and we are incredibly grateful to have had her in our lives. We will miss her terribly. Our thoughts and prayers go out to her husband Oliver and her children Jeremy, Lissa and Trevor, as well as her grandchildren and extended family.

May she rest in peace.

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.



www.mason-pud1.org

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