



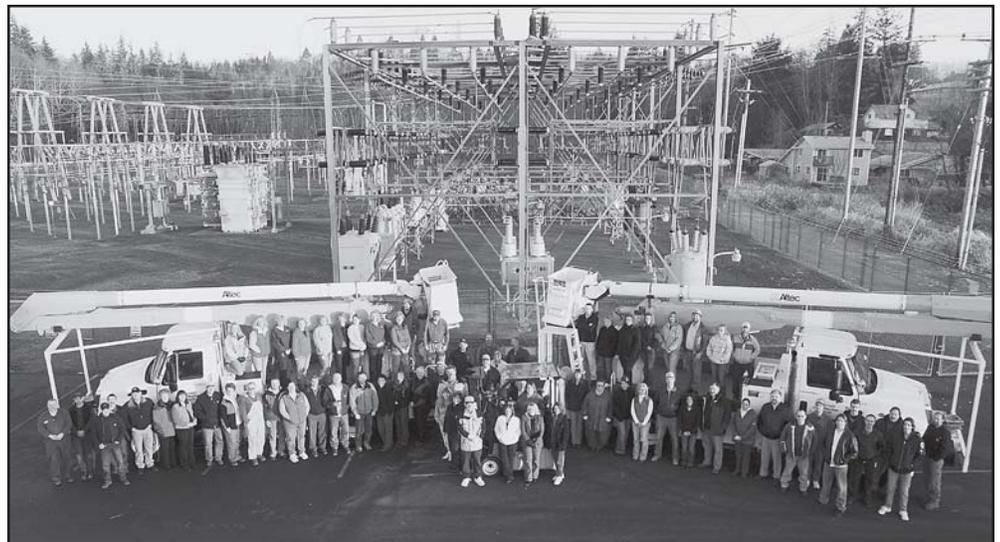
## PUD Commissioners Formally Adopt Strategic Plan

The Grays Harbor PUD Board of Commissioners have adopted a new vision of the PUD's future. On Monday, the commissioners adopted the District's first strategic plan, outlining the goals and steps the PUD will take in the coming years to improve several areas of internal and external service.

"It's a big moment and one that was achieved by tapping the minds of our employees," said Commission President Russ Skolrood. "We all have ideas about how we can improve as a district, but for the first time, the people that work at the Grays Harbor PUD were asked to be involved in the creation of that vision. That is significant."

Over the last five months, employee groups have been meeting to discuss the PUD's development and future plans in six areas:

- Customers
- Finance
- Employees
- Safety and Reliability
- Process and Performance Improvements
- Stewardship



The sub-groups were made up of PUD employees from across the district, from line crewmen to customer support staff. Meetings involved discussing PUD strengths and weaknesses in those sub-areas, identifying both short-term and long-term goals and planning the steps needed to achieve those goals. Those goals included:

- Improved internal and external outreach and communication.
- Providing stable rates and responsible budgeting.
- Maintaining system safety and reliability.
- Addressing employee pride, retention and development.
- Improved processes and organizational performances.
- Long-term facilities plans and asset management.

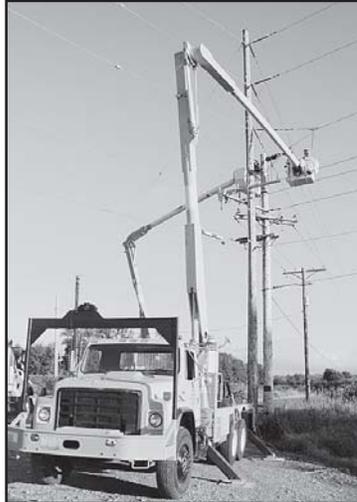
The plan will be reviewed quarterly to ensure that established goals are being met and that updates are made to keep up with the times.

"I am very proud of this milestone moment for the employees and customers of the Grays Harbor PUD. This is not the vision of one person or one department but of the entire PUD," said General Manager Dave Ward. "In placing such a high emphasis on staff involvement, we have produced a plan that is a true representation of the PUD's goals and desire to move toward a bright future."



## PUD Crews Complete Work in Cedarville-Oakville

Six months of preparation and planning came to a head over a 12 hour span on July 24-25 as Grays Harbor PUD crews completed maintenance work on the power infrastructure around Cedarville and Oakville. The planned outage to 1600 customers allowed four PUD line crews and two substation crews to replace over a dozen aging power poles and carry out maintenance work at the Cedarville and South Elma substations. The completed work strengthens the PUD infrastructure in the area and allows the PUD to meet it's goal of providing safe and reliable power to it's customers.



## Commission Meeting Dates

Meetings are held in the Nichols Building, 220 Myrtle Street, Hoquiam.

### August 2014

Monday - August 4  
Monday - August 18

### September 2014

Monday - Sept. 1  
(No Meeting-Holiday Closure)  
Monday - Sept. 15  
Monday - Sept. 29

**Regular business meetings are scheduled to begin at 4:30 pm.** A one hour workshop (3:30 to 4:30 pm) will precede each business meeting, unless otherwise noted. The public is welcome to attend all commission meetings, special meetings, workshops and public hearings. **Public comment periods are included at the open and close of every meeting.**

Commission meetings may be cancelled and special meetings may be scheduled. Please visit our website ([www.ghpud.org](http://www.ghpud.org)) for updated information.

## Commissioners Vote Support for the Relay for Life of Grays Harbor

The Grays Harbor PUD is once again lending its support to the battle against cancer. On July 21, the PUD Board of Commissioners unanimously approved a Gold Level Sponsorship of the Relay for Life of Grays Harbor.

"This is something that impacts everyone," said Commissioner Arie Callaghan.

In addition to the financial backing, PUD staff will also be joining the fight. After a two year hiatus, the PUD's Kilowatt Kids relay team is being restarted under the leadership of co-captains Bonny Dempnock and Jacob Henry.

The nationally renowned Relay for Life of Grays Harbor will be held at Hoquiam's Seabreeze Oval in May of 2015.

## ON-LINE BILL PAYMENT

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## Message from the Manager

I've always thought the term "business as usual" was a little troubling. Just because it's the way its always been done, doesn't always mean that's the way it SHOULD be done.

In December, the PUD Commissioners approved a 2014 budget that included an immediate 3.75% increase and a projected summer increase of 1.75%. The increases were driven by the rising cost of electricity charged by the Bonneville Power

Administration and in the past those increasing costs were adopted in January when the yearly budget becomes effective. At that same time, winter heating costs are up and families are recovering from the expenses of the holiday season. Hardly the most convenient time to increase our customers costs. So rather than add to our customers list of bills, the PUD split the increase: 3.75% in January and 1.5% in August. Not only does this provide a small break to those we serve (the average residential customer will see a \$1.70 increase in their monthly bill), it begins the process of moving the PUD off it's schedule of introducing increases in the winter and shifts it to the summer. Just because it's been done a certain way, doesn't mean it should stay that way.

No one at the Grays Harbor PUD wants to raise the cost charged to our customers. At the PUD, we judge success by our ability to provide safe and reliable energy at the lowest practical cost. Unfortunately, the majority of that cost is not determined by the Grays Harbor PUD.

While the budgets for county, state and city operations are mostly driven by the men and women who make up the work force, 70% of the PUD budget is driven by the electricity it provides to its customers. The majority of that electricity is provided by the Bonneville Power Administration, a federal agency which sells the electricity produced by the dams on the Columbia and Snake Rivers; dams that provide clean energy to the customers of the Pacific Northwest. The cost for providing that electricity is constantly shifting upwards, meaning the price they charge to their customer utilities is shifting up. As their costs go up, so does the cost to the Grays Harbor PUD.

The men and women who work at the Grays Harbor PUD live in the communities they serve. Their children attend Grays Harbor schools. Their families work in Grays Harbor businesses. The Grays Harbor PUD is owned by the citizens of Grays Harbor County. Success for the Grays Harbor PUD is driven by delivering safe and reliable power to those customers at the lowest practical cost. We don't take pleasure in increasing our rates, but we do take pride in working to ensure that our customers get the best possible service and value. That's the way it should always be done.



## PUD Commissioners Approve 1.5% Rate Increase

The Grays Harbor PUD Board of Commissioners have approved an increase in customer rates. The 1.5% increase will go into effect on August 1.

The increase was approved in December as part of the 2014 budget. However, the commissioners agreed to postpone a portion of the increase to help move the District away from winter increases to the summer when bills are lower and household expenses are not as high.

"We understand that when bills go up it has a big impact on customers," said Commission President Russ Skolrood. "For that reason, we delayed a portion of this increase until August 1st, when electricity bills are not as high. The extra time also gave our staff a chance to make some adjustments and reduce the size of the increase."

The PUD had expected an increase of 1.75%, however those adjustments allowed the increase to be lowered by a quarter-percent. The need for the increase is driven by rising operational costs, especially an increase in power costs from the Bonneville Power Administration.



## What If?

By Dave Timmons, PUD Commissioner, District Two

Many times I lay awake at night thinking about different things that my mind has a hard time sorting out. This seems to be a good way of ensuring that I don't fall asleep very fast, and I can say without a doubt, it does work. As we look at a possible 1.5% rate increase (that none of us take any pleasure in even considering) I visualize 'what if'?

An article in the Seattle Times, May 9, 2006 stated, "The goal of I-937 is to help wean the state from fossil fuels by requiring utilities serving 25,000 or more customers to get at least 15 percent of their energy needs from renewable resources by 2020." Yet hydro was not considered a renewable source of energy. Northwest dams provide nearly 60% of the regions electricity under normal rain and snow conditions. About 2/3 of that comes from federal hydro generation on the Columbia and Snake Rivers. Northwest dams produce about 14,000 average megawatts of electricity every year or about enough to power 11 cities the size of Seattle. There are more than 100 dams in the Northwest United States with 31 owned by the federal government and the rest owned by private and public utilities. These dams provide us with clean renewable energy that easily meets our needs and produces *no carbon emissions*. It can't get much cleaner than that. Dams store the water from the rain and the melting winter snow which produces electricity as it passes through the turbines at the dams. This happens over and over and over again year after year. Compared to coal, natural gas or wind power Hydro is easily the most efficient form of electrical power generation converting about 90% of the available energy into electricity. Coal and natural gas are about 50% and *wind* is about 33% on a good day.

An article in the Seattle PI on August 14, 2007 stated, "Since the first hydroelectric dam was completed on the Spokane River in 1885, a steady flow of water has provided cheap, clean power to the state. This resource doesn't produce planet-warming pollution and renews itself each winter with snow and rain.

*But the region can't rest on its hydroelectric laurels alone. There are too many people, too many businesses, and too much demand for new juice.*

*Over the next two decades, energy demand could surge by 13 percent."*

Load growth may have increased by 13% in some communities, but certainly not in Grays Harbor County. Yet we (you and I) are still required to purchase I-937 renewable power (excluding hydro) at 3-4 times the cost.

Fifty-two percent of the voters thought I-937 was a good investment for Washington's residents and GHPUD has complied with the mandates. The implementation of I-937 was supposed to save the rate payers money. According to the policy section of the law, 'I-937 will stabilize electricity prices for Washington residents, provide economic benefits for Washington counties and farmers, create high-quality jobs in Washington, provide opportunities for training apprentice workers in the renewable energy field, protect clean air and water, and position Washington state as a national leader in clean energy technologies.' Other than being a national leader in clean energy technologies, I haven't seen the other 'benefits' to our ratepayer. I'm always suspicious of hidden motives. Maybe I am looking for answers in all the wrong places?

I would like to say I do support clean renewable energy. I just can't wrap my mind around why the creators of that initiative excluded hydro as a renewable resource. The end result is you and I are impacted and obligated to purchase higher priced renewable power, which without a doubt has impacted your PUD rates. This year I-937 requirements will cost our ratepayer/owners between \$5,000,000 and \$6,000,000. So as we consider a 1.5% rate increase I will continue to imagine, "what if?"



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