

Transformers Sports Equipment Drive Fills a Need

Since their creation in the fall of 2014, the Grays Harbor PUD Transformers have been busy fulfilling their goal of community involvement. From helping with January flood relief to assisting with a Habitat for Humanity home building, the Transformers have found several avenues to give back to Grays Harbor. This spring, that included helping children participate in youth sports.

Over the past months the Transformers have collected sporting goods to donate to youth sports groups throughout Grays Harbor. Everything from baseball gloves and bats to cleats and soccer balls have been donated. The success of this effort is demonstrated by the response of the recipients of those donations.

"With businesses and people like you, we can provide opportunities to the kids that they would just not have otherwise," stated Hoquiam Youth Baseball Secretary Gerald Ford.

"There is a big need for this type of stuff," said Grays Harbor Youth Soccer's Travis Hoppe. "There have been several kids each year in need of gear to play. Often coaches have been buying these items with their own money so that the kids have the opportunity to play."

With its success, the Transformers plan to make the sporting goods drive an ongoing program so they can continue to support the youth of Grays Harbor.



PUD Customer Service Prepares for Online Upgrades

Your Grays Harbor PUD is proud to provide its customers with online account information and online bill pay features. These services allow customers the chance to view and settle their accounts from their home computers, tablets or smart phones.

Beginning on July 7, your PUD will adopt a new system to manage customer billing programs. To help ensure as smooth a transition as possible, the PUD customer service office will be closed Thursday, July 2 through Monday, July 6 as our staff prepares for the July 7 go-live date. During this closure, the PUD telephone switchboard will remain in operation, with staff ready to answer your questions.

With the new system, online account user names and passwords will remain the same as before, however customers with stored payment information will have to reenter that information upon signing in for the first time.

For more information on our new online bill pay system, call PUD Customer Service at 360 532-4220.



Reuse of Harbor Paper Materials Saves Tens of Thousands in Clean-up Costs

In spite of its demise and demolition, Hoquiam's Harbor Paper mill is benefitting several projects in Grays Harbor and surrounding counties. In fulfilling its clean-up and demolition responsibilities, the Grays Harbor Public



The last load of sand ash is removed from the Harbor Paper mill site.

Utility District has worked with state, county and city offices to find cheaper alternatives to the costly landfill disposal of thousands of tons of sand ash, a bark/rock mixture and the concrete remains of the mills wastewater treatment facility.

"This is an example of innovative thinking being used to work a problem and arrive at a solution benefiting multiple parties," said PUD General Manager Dave Ward. "Our Special Projects Manager John Pellegrini was asked to value engineer every portion of our clean-up work at Harbor Paper. As a result, we came up with beneficial uses for tons of materials that saved the PUD money and aided several other projects."

The alternative methods of disposal include over 15,000 tons of sand ash being used as a registered fertilizer, 20,000 tons of bark/rock mixture being used in a surface mine reclamation project and over 10,000 yards of concrete rubble being used by the City of Aberdeen as ballast on future projects.

Bond Refinancing Saves PUD \$3.1 Million

The Grays Harbor Public Utility District will save approximately \$3.1 million by refinancing a pair of 30 year bonds at a significantly lower interest rate. The PUD has announced that the bonds have been refinanced at a rate of 3.72%. That rate is down from 5% and the lowest interest rate the PUD has attained in any previous bond refinancing effort.

"I am very pleased that the PUD was able to attain such a low interest rate and save our customers millions of dollars," said PUD Chief Financial Officer Doug Streeter. "Given the status of the market, this is a great result and the most successful bond refinancing the PUD has experienced."

See Refinancing on page 4

Commission Meeting Dates

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

June 2015

Monday - June 1
Monday - June 15

July 2015

Monday - July 6
Monday - July 20

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) for updated information.

ON-LINE BILL PAYMENT

Want to pay your bill on-line?

Now you can pay your bill instantly without ever leaving home. Just go to ghpud.org, click the "Pay Bill" button on the bottom left hand side of the screen and follow the instructions. If you have any difficulties using the online service, please call Customer Service at 1-800-562-7726 or you may email customerservice@ghpud.org.



PUD, Port of Grays Harbor, WSU Partner for Savings

A partnership between the Grays Harbor Public Utility District Energy Services Department, Port of Grays Harbor and the Washington State University Extension Energy Program was celebrated at a presentation before the PUD Board of Commissioners.



Members of the PUD, Port of Grays Harbor and WSU staff meet to celebrate the partnership between the three organizations.

Working together, the three entities were able to reduce the run time of the jet array system that maintains the depth of the Port's Terminal 4. By reducing that average run time from 7.9 minutes to two minutes, the Port saw an energy savings of 1.38 million kilowatt hours. In addition to three year energy savings of over \$200,000, the reduced power usage earned the Port a \$176,810.00 rebate from the Bonneville Power Administration, through the PUD's Energy Services Department.

Greater Grays Harbor Inc., PUD Partner for Economic Development

Using money dedicated to rural economic development, the Grays Harbor PUD has approved the transfer of \$50,000 to Greater Grays Harbor Inc. The funds will come from an account the PUD created in December of 2009, which will be dissolved and the balance granted to Greater Grays Harbor's Business Retention and Expansion Plan (BRE).

"This is a great partnership between two organizations dedicated to assisting and improving the business community of Grays Harbor," said PUD Board of Commissioners President Russ Skolrood. "This money has been sitting in an account for several years, waiting to be used to spur economic development. I am thrilled that we've finally found a use for it."

The Grays Harbor PUD Rural Economic Development Revolving Fund was adopted by the Board of Commissioners on Dec. 21, 2009, with the requirement that the funds be used for economic development purposes. However, when tax credit incentives meant to grow the account were no longer available, the account sat dormant until it came to the attention of Greater Grays Harbor Inc. Chief Executive Officer Dru Garson, who saw it as a perfect fit for the Greater Grays Harbor BRE.

"Attracting new jobs to the region is one of the goals of Greater Grays Harbor Inc., but so is growing and retaining the jobs that are already here. Working with the Grays Harbor PUD and other organizations, Greater Grays Harbor will spearhead a county-wide effort to keep those jobs and encourage growth and expansion of local business and industry" said Garson.

Using surveys and data collection, the first year of the BRE plan will involve identifying threats and challenges to business and employee retention and creating a strategic plan or advisory committee to develop a prioritized action plan. That plan will be implemented in the BRE's second year.



Harbor Paper - Lessons From the End of an Era

Arie Callaghan, District One Commissioner

Anyone who has driven through the Port area of Hoquiam has noticed the change at the site of the former I.T.T. Rayonier pulp and paper mill, more recently known as Grays Harbor Paper and Harbor Paper. As I pass by the facility, I am overcome by memories; memories of the many people who worked at the mill; memories of my time delivering logs; memories of the huge overhead crane and the contrast of sometimes unpleasant odors when the wind was blowing in a certain direction mixed with the sweet smell of vanilla that wafted from the vanillin plant. With these memories, also come questions. Many ask: why is the PUD involved in the first place? It's a fair question.

The PUD became involved in the Harbor Paper story when it purchased the biomass generation system located on the site. When operational, these turbines supplied the paper mill with enough electricity to run the facility and then sell the excess power back to the PUD. As we all know, the mill went into receivership and because the district was a party named on the lease agreement, it was responsible for the cleanup of a portion of the site. That clean-up is nearly complete and while I am disappointed that the PUD will have to absorb over \$3 million in clean-up costs, I am so proud of the work that was done by PUD staff to reduce that number from the original estimate of over \$10 million.

I am determined to treat this as a learning opportunity. Hindsight is always 20/20 and I can appreciate the fact that the decision to get involved at Harbor Paper was made with the best of intentions, but in the end it stepped away from the mission of the PUD. In the future it would be wise to leave the risk taking business ventures to others and let your PUD concentrate on the business of providing utility services to our customer owners in the safest and most cost effective way possible.



Printed on 100% post-consumer recycled paper. Please remember to recycle.

Refinancing contined from page 2

Much like a home mortgage refinancing, the lower interest rate will allow the PUD to pay less money in interest over the remaining life of the bonds. Currently the PUD owes \$12.6 million on the 2005 bonds and \$32.7 million on 2006 bonds.

In April, the PUD Board of Commissioners approved a resolution allowing Streeter to begin the refinancing process. After meetings with rating agencies Standard and Poors, Fitch Group and Moody's, the District received two "A" and one "A1" rating. This cleared the way for Streeter and PUD management to travel to New York in May for the sale of the bonds. In spite of a volatile market, the District, working with advisors from Piper Jaffrey and underwriters from Barclays and Key Bank, were able to price the sale at the lowest interest rate on any recent issue.

Money from the bonds is available for use on District capital projects and system maintenance work such as pole and wire replacement, transformer upgrades and improvement to District substations.

ENERGY, an informational newsletter, is published monthly for families and businesses energized by Grays Harbor PUD.

2720 Sumner Avenue
Aberdeen WA 98520

Customer Service 360-532-4220
Toll Free 800-562-7726
Fax 360-532-6085

Outage Numbers 360-537-3721
Toll Free 888-541-5923

Visit us at: www.ghpud.org

General Manager: Dave Ward
Editor: Ian Cope

Commissioners:

Arie Callaghan • 360-538-6514 • acallaghan@ghpud.org
Russ Skolrood • 360-538-6289 • rskolrood@ghpud.org
Dave Timmons • 360-538-6267 • dtimmons@ghpud.org

