

HOTLINE

News From Your Public Power Utility • 1st Quarter 2014



Clockwise from upper left:

- Helping Customers in the Office
- Celebrating PUD Retirees
- Doug Nass on KONP Radio
- High Voltage Safety Demonstration
- Greeting Customers at the KONP Home Show
- Snowy Day at the PUD
- Larry Morris Talking Safety on KONP



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Clallam County PUD
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Port Angeles, WA 98362

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PUD Mission: Providing reliable, efficient, safe and low-cost utility services in a financially and environmentally responsible manner.

PUD's 2014 Strategic Plan



DOUG NASS

Dear Customers,

In December of 2013 the Clallam County Commissioners adopted the PUD's 2014 Strategic Plan. The plan was created with input from employees across the PUD, the Commissioners, and with the PUD's Mission Statement always in the forefront. It is the guiding tool for how the PUD's staff and Commissioners will conduct business in the interest of our valued customers.

This 2014 Strategic Plan includes the PUD's focus of broadly defined areas described as Strategic Objectives. It also contains associated Strategic Initiatives which are planned high-level actions that will support us in achieving and sustaining these objectives and thus our mission and vision.

The baseline for our efforts remains, as always, our mission – providing reliable, efficient, safe, and low cost utility services in a financially and environmentally responsible manner. The mission shapes our priorities and drives the Strategic Initiatives within these pages.

The PUD's Strategic Plan is available on our web site at: http://www.clallampud.net/uploadedFiles/2014_Strategic_Plan.pdf

The employees and Commissioners of the PUD take great pride in serving the citizens of Clallam County, and thank you for your continued support.

Doug Nass, General Manager

Contact PUD

PO Box 1090
Port Angeles, WA 98362
360-452-9771
Toll-free: (800) 542-7859
info@clallampud.net
www.clallampud.net



Your PUD's electricity comes from the following fuel mix:

Hydroelectric:	88.13%
Nuclear:	9.39%
Coal:	1.57%
Natural Gas:	0.63%
Wind:	0.12%
Biomass:	0.08%
Waste:	0.04%
Petroleum:	0.02%
Landfill Gases:	0.01%
Other:	0.01%

Commissioners

Clallam County Public Utility District #1 is directed by a three-member board of commissioners elected by the citizens of the county. Our Board holds public meetings most Mondays at 1:30 p.m. at our Port Angeles office, 2431 East Highway 101. Call (360) 565-3231 or (800) 542-7859, or visit www.clallampud.net, for more information.



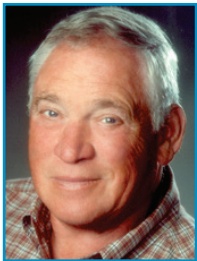
Hugh Haffner

President, District #2

Hugh Haffner has been Commissioner since 1994, when he was appointed to a two year term. He represents the 2nd District, which encompasses areas surrounding the City of Port Angeles. Commissioner Haffner has

been working with municipal, state and federal officials to bring fiber optic backbone to the county and researching and developing strategies for a county-wide fiber optic network. With real-time, two-way connections to our power stations and our customers we can regulate power flow and provide better, more economical service.

hughh@clallampud.net • 360-565-3521



Ted Simpson

Vice President, District #3

Ted Simpson was elected in 1985. He represents the 3rd District, which is the West part of the County. Commissioner Simpson is a proponent for safe, reliable, and affordable utility service for all PUD customers. "Our current challenge will be to integrate new renewable (Green) resources into our system at an affordable cost, while complying with State and Federal Laws".

teds@clallampud.net • (360) 565-3525



Will Purser

Secretary, District #1

Will Purser has served as District 1 PUD Commissioner since appointment in April 2001. He represents the 1st District, which is the Eastern part of the County. Commissioner Purser recognizes that the issues of energy, water, and waste disposal are critical to

the quality of life of Clallam County residents now and in the future. He also serves on the Energy Northwest Board of Directors' Executive Board. Energy Northwest is a Joint Operating Agency of 28 public utilities operating nuclear, hydroelectric, wind, and solar projects.

wepurser@clallampud.net • 360-565-3512



Springtime Safety Tips

By Larry Morris, PUD Safety Manager

Springtime is a great time to get out and enjoy the fresh air and sunshine. For many of us it is a time to get the yard back in order. Adding color to the home, removing shrubs and limbs that have not made it through the winter are some of the items we are all looking forward to. Here are some tips to help you get the job done safely while working around power lines.

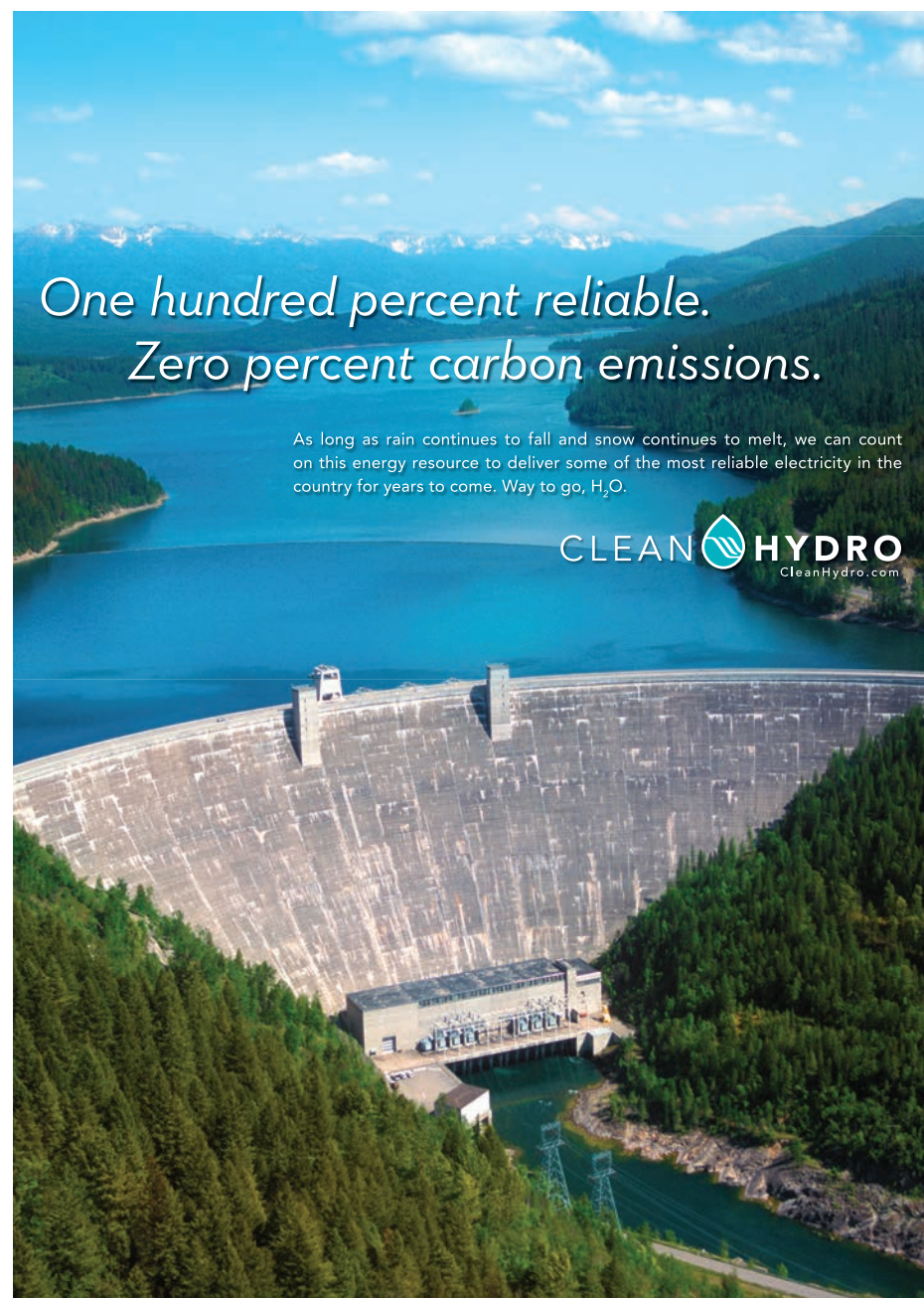
1. Look up and around before trimming those branches.
2. Watch overhead power lines when working or playing with long objects (such as ladders, antennas, snow rakes, fishing rods, boat mast, or tree trimmers).
3. Obey the 10-foot-rule — don't allow equipment, tools, or objects closer than 10 feet to an overhead power line.
4. Don't let anyone climb in trees near overhead power lines.
5. Do not plant trees near overhead power lines.
6. Downed power lines can kill. Don't guess; call your local electric utility.
7. Before digging, excavating, setting a mailbox, fence post or planting trees and shrubs, remember to call for a locate of underground utilities.



Know what's below.
Call before you dig.

Why are these tips important?

- **Fire Safety:** Trees in contact with high voltage power lines can act as an ignition source of fire.
- **Public Safety:** To prevent injury to people climbing adjacent to power lines.
- **Reducing Outages:** Trees represent one of the largest causes of power outages in Western Washington, be aware of trees leaning or that have fallen on to power lines. These trees could be energized and could cause bodily harm or death.



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32nd Annual
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February 22-23 (Sat-Sun)
www.thekonphomeshow.com

April 5-6, 2014
**BUILDING
& REMODELING
ENERGY
EXPO**
Presented by the NPBA
www.sequimexpo.com



Facilities Plan

Clallam PUD is on track for upgrading its aging facilities and improving operational efficiency by consolidating departments in the Carlsborg area and implementing a comprehensive facilities plan.

The current PUD facilities are aging and will require significant expenditures to bring them up to current industry standards. The Port Angeles headquarters building, for example, was constructed in the 1960s.

Hugh Haffner, President of the PUD Commission, is a proponent of the facilities plan and need to build a new headquarters specifically. "With a real need, the favorable interest rates, decreased commodity prices, and competitive construction costs, this is a good time to build," suggests Haffner. "Many of the facilities we currently operate out of simply need to be replaced or upgraded and because they have exceeded their economic viability."

"The reality is that the PUD is committed to its customers and we are here to serve the area for years to come," explains Doug Nass, General Manager.

"We respect the current difficult economic climate, however the 50 year old facilities need to be replaced." Bringing the old facility up to code and expanding to allow one stop customer service for electric, water, and sewer would cost the same as a new headquarters on property we already own in Carlsborg.

The construction of a new facility is expected to have a minor impact on utility rates. "Our primary rate impacts right now are BPA wholesale rate increases, aging infrastructure, and the projected impact of the Washington Energy Independence Act (formerly known as I-937)" explains Nass.

The facility planning / upgrading process really began in 2007 when the PUD consulted with an architect firm. The firm recommended that the PUD's

facilities be centralized in the Eastern part of the county for better efficiency and to move closer to the center of our existing and future customer base.

The PUD then purchased the old Costco property in Carlsborg in 2008. The old Costco building was converted to the PUD's Central Warehouse Facility and the property was identified as the ideal location for a new headquarters building.

In May 2013 year the PUD Commission approved contracting with an architecture firm, Lawhead and Associates out of Bellevue, to study and design a possible headquarters facility. As staff and Commissioners developed a long term strategic plan, the 2014 budget, and a 5 year financial projection, it became apparent that the right time to begin the next steps of the comprehensive facilities plan is now.



New Engineering addition is added building on the right

A brief overview of the comprehensive facilities plan for the PUD is:

- **2nd Quarter 2014** - Begin construction of a new Substation Shop at the current Carlsborg Operations Center
- **2014 - Sequim Customer Office** – This building was approved for surplus. The PUD will be removing this building but will retain the property.
 - The Sequim building needs to be razed because of problems with the existing structure that would make it more costly to bring up to code than build a new building. At this time there are no plans to rebuild it.
- **2014 - Coastal View Building** – This building, located adjacent to the PUD's Central Warehouse Facility in Carlsborg was approved for surplus and will be removed. Removal is needed to create additional space for the proposed new headquarters building.



New administration building

- **2014** – In 2013 the PUD purchased property in the Forks Industrial Park. A small storage area for equipment, vehicles, and supplies, including a pole yard, will be developed.
- **March 2014** – Begin permitting process for a new Headquarters facility adjacent to the PUD's Central Warehouse Facility in Carlsborg and for the expansion of the Carlsborg Operations center to house the Engineering Department.
- **June/July 2014** – Begin construction of the new Headquarters and Engineering Operations Center addition.
 - Construction time estimates are 14-18 months
 - The Port Angeles Headquarters and adjacent water maintenance shop will be placed for sale.
- **Additional tentative plans:**
 - 5+ years – Construct a new Operations Center in Forks on the Industrial Park property
 - 5+ years – Construct a new Auto Shop (currently housed at the Port Angeles Airport area) at the Carlsborg Operation Center.

“The Commission has directed staff to develop and implement a cost effective facilities plan that will serve the interests of the customers and community in the most efficient manner possible,” says Haffner. “We have also expressed an interest in maintaining a customer service presence in all of our communities and will be looking at the best way to do that as we move forward.”

Stay tuned to the PUD's web site and Facebook page for updates and photos as they become available.

Why Energy Efficiency?



By Mattias Jarvegren
Utility Services Advisor II

Saving energy, increasing efficiency and conservation are all terms used to describe ways we can reduce our overall energy consumption. It might seem obvious why we do it for our homes and business; to save money by reducing our electrical bill. But why is it important for Clallam County PUD, a community owned organization dependent on electrical sales for its revenue, to conserve energy?

At first glance, it seems ridiculous for a company to encourage its customers to use less of its product. Does General Motors urge us to carpool and keep our cars longer? Does Pizza Hut tell us to eat more vegetables and fruits and avoid fatty cheeses and meats?

Electric utilities are different. If you don't like one brand of stereos, you can always buy another. But if you don't like your local utility, you have to move outside its service area to be able to buy electricity from another entity. Because of utilities' monopoly status, they are regulated by state agencies, public utility commissions or, like Clallam County PUD, by local elected governing boards.

Over the years utilities have learned that we can meet future energy needs not only by building new power plants but also by reducing energy demand. For this reason, energy efficiency can be viewed as a resource for meeting future energy needs by reducing customer demand. The cost-effectiveness of energy efficiency resources can be evaluated using the same tests that are used to evaluate building new power plants. The reality is that new power plants are expensive. The costs of building and operating plants only increase with the likelihood of new federal regulations. The least expensive way to control costs over the long term is to reduce waste by building energy efficiency resources.

By acquiring energy efficiency resources, utilities can reduce fuel costs, increase system reliability and reduce regulatory risk.

Community Partnerships

In addition, reducing customer energy bills and creating business opportunities around energy efficient products and services, energy efficiency programs keep dollars in the community, supporting job creation and other local economic development benefits. And that's just what energy efficiency is about for us at Clallam County PUD. It's a means to work collaboratively with our customers to help reduce the effects of price increases that are outside of our control.

Duct Testing and Sealing

Whether you have an electric furnace or heat pump, leaky ductwork is the equivalent of throwing hard-earned cash out the window. A majority of the homes, regardless of age, have duct systems that waste energy and money.



That's why Clallam County PUD is running a duct testing and sealing program. Fixing leaky ductwork can save you around \$90 a year. If you have the testing and duct sealing done by an approved PUD contractor, we will pay up to \$500 of the cost. Often Clallam County PUD's incentive covers the full cost of the duct sealing and testing.

Ductless Heat Pumps



Are you thinking about upgrading from your old electric baseboards or wall cadets? Or are you thinking of replacing an electric furnace with an efficient heat pump? Clallam County PUD can now pay up to \$800 in incentives to help cover the cost of installing a ductless heat pump. You could save up to 50 percent of the energy used to heat your home.

ENERGY STAR® Appliances

When it comes to shopping for and comparing energy-efficient appliances and home electronics, look for the ENERGY STAR® and EnergyGuide labels.



The ENERGY STAR labels appear on appliances and home electronics that meet strict energy efficiency criteria established by the U.S. Department of Energy and U.S. Environmental Protection Agency. The ENERGY STAR labeling program includes most home electronics and appliances except for stove ranges and ovens.

The conservation staff at Clallam County PUD is always looking for ways to make more programs available, as well as finding the most efficient methods to get those programs out to the most people.

Most importantly, we want all of Clallam County PUD's customers, residential, commercial and industrial alike; to know that we are here to help you with conservation planning and questions. Please go to our website, www.ClallamPUD.net or call us — (360) 565-3249 or (800) 542-7859 x249.



2431 E. Highway 101 • PO Box 1090 • Port Angeles, WA 98362

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Grants for Energy Efficiency and Renewable Energy to cover 25% of project costs

Clallam County PUD conservation staff was recently contacted by USDA Rural Development, who is now accepting applications for grant and loan support for Energy efficiency and Renewable Energy projects through the Rural Energy for America Program (REAP) to help rural small business and farmers/ranchers.



This is a great opportunity for our small business customers to get assistance with funding to reduce your energy bills; eliminate energy costs; or generate and sell power to the grid as an added income stream. A REAP grant along with other incentives and rebates offered by Clallam County PUD can save you money, make your business better and improve your balance sheet.

REAP Grants can cover up to 25 percent of purchase and installation costs up to a maximum \$500,000 grant limit; however grant applications of \$20,000 or less are most competitive. USDA selects projects for funding on a competitive basis. Eligible projects with the greatest technical merit, greatest amount of energy created or saved, and other factors will receive priority for funding.



Interested applicants should contact Carlotta Donisi, Business Program Specialist at 360-704-7724 or email: Carlotta.donisi@wa.usda.gov for detailed instructions on application submittal and funding availability.

Water Conservation tips



With the arrival of Spring and the renewed attention to lawn care, here are a few Lawn Care Water Conservation tips from our partner at "Water Use It Wisely"

- Adjust your lawn mower to the height of 1.5 to 2 inches. Taller grass shades roots and holds soil moisture better than short grass.
- Leave lawn clippings on your grass, this cools the ground and holds in moisture.
- If installing a lawn, select a lawn mix or blend that matches your climate and site conditions.
- Aerate your lawn periodically. Holes every six inches will allow water to reach the roots, rather than run off the surface.
- Avoid overseeding your lawn with winter grass. Ryegrass needs water every few days, whereas Dormant Bermuda grass needs water monthly.
- While fertilizers promote plant growth, they also increase water consumption. Apply the minimum amount of fertilizer needed.
- Catch water in an empty tuna can to measure sprinkler output. 3/4 to 1 inch of water is enough to apply each time you irrigate.
- Check your sprinkler system frequently and adjust sprinklers so only your lawn is watered and not the house, sidewalk or street.
- Don't water your lawn on windy days when most of the water blows away or evaporates.
- Remember to periodically check your sprinkler system valves for leaks, and to keep sprinkler heads in good shape.

For more water conservation tips, visit www.wateruseitwisely.com

Take the "Water Use It Wisely" Howe Water Audit: <http://wateruseitwisely.com/100-ways-to-conserve/home-water-audit/>



BE SAFE THIS SPRING - CALL BEFORE YOU DIG!

Practice safety this Spring!

If you have landscaping or other outdoor projects in mind, remember to **Call Before You Dig** to have underground power or other utilities located and marked for safety.

It's easy! Simply dial "811" a few days prior to digging and tell the operator about your plans and in a few days they'll send a locator out!



Know what's below.
Call before you dig.



www.clallampud.net

Neighbors Helping Neighbors Donate to the Neighborly Assistance Program



By donating a few dollars a month, you can help keep the lights on for a growing number of needy families and seniors. Through our Neighborly Assistance Program, you can bring light and warmth to your Clallam County neighbors through one-time or recurring donations to any or all of the following agencies: Sequim Community Aid,

Sequim St. Vincent de Paul, and Olympic Community Action Programs. It's simple! Just complete the form below, enclose it with your bill payment and/or drop it off at a PUD office. The form is also available online:

www.clallampud.net/customer_service/NeighborlyAssistance.pdf

Neighborly Assistance Program

Name: _____ Acct. No.: _____

Address: _____ Phone No.: _____

My choices for participation in the Neighborly Assistance Program are indicated below. This replaces any previous pledges.

☐ I prefer to be billed, beginning with my next statement, as follows:

☐ Please bill \$ _____ for _____ months.

☐ Please bill \$ _____ every month until I contact the PUD to cancel.

☐ I prefer a one-time contribution of \$ _____

I want my one-time or monthly contribution of: \$ _____ to Sequim Community Aid

\$ _____ to Sequim St. Vincent de Paul

\$ _____ to go to Olympic Community Action Programs

Signature: _____ Date: _____



Be sure to LIKE the PUD on
Facebook at
www.facebook.com/ClallamPUD



PUD Offers Convenient Payment Options

• **Cash.** If you like to do business in cash, you can make your payment at any area PUD office.

• **Check or Money Order.** Pay by mail using the return envelope provided with your electric bill to enclose your check or money order, or use the handy drive-up drop box provided at any PUD office.

• **Credit & Debit Cards.** We also take payments by VISA, MasterCard or Discover either in person or by phone. You can also arrange for automatic payments by credit and debit cards.

• **Automatic Payment by Electronic Funds Transfer (EFT).** Authorize your bank to automatically release funds from your checking or savings account to pay your PUD bill.

Visit www.clallampud.net to learn more.



PUD eServices Center

The PUD eService Center offers you the ability to access and pay your bill online through the PUD website. This service saves you time and money over driving to your local PUD office to pay your bill in person, or of writing out a check and mailing your payment. To sign up for eService, have a copy of your statement available and type in the address for the PUD homepage into your internet browser: www.clallampud.net



- No More Paper Clutter
- Free Cloud Storage
- Access Anywhere

Another way to Go Paperless with Clallam County PUD on doxo.

doxo is a digital file cabinet where you can receive, pay and store bills from multiple companies, all in one place.

Clallam PUD - Your Partner in Conservation!



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