

## ***History of Clatskanie PUD***

by Deborah Steele Hazen

While war raged around the world in 1943, and the residents of Northwest Oregon mourned the loss of sons and brothers, the Clatskanie People's Utility District (PUD) fulfilled the promise it made three years previously. As of March 11, 1943 it was the first PUD in Oregon to become operational.

The Clatskanie PUD story is linked to the history of our nation, to the development of electricity, to the trust-busting public sentiment of the 1920s, and to U.S. President Franklin D. Roosevelt's "New Deal" of the 1930s.

As America struggled to recover from the Great Depression, among the huge federal programs aimed at creating jobs and improving lives were federally-financed hydroelectric projects in several of the nation's river basins, including the great river of the Pacific Northwest - the Columbia.

President Roosevelt himself played a key role in ensuring that Congress funded the construction of Bonneville Dam and used his authority under the National Recovery Act of 1933 to provide the initial appropriation for Grand Coulee Dam. Construction began on both dams in 1933. Bonneville was completed in 1938, followed by Grand Coulee in 1941.

As Bonneville began producing power, \$10.75 million from the Rural Electrification Administration of 1936 was obtained to build transmission lines. Oregon had passed a law in 1931 allowing the formation of PUDs. So, as the Bonneville Power Administration (BPA) began pumping out power and lines were built to carry it throughout the Pacific Northwest, the people - especially the people in the under-served rural areas - began to think seriously about PUDs.

The saga of the Clatskanie PUD began in late November of 1939 when a consulting engineer with the BPA spoke at a meeting in Clatskanie and urged a large crowd to form a PUD and enjoy the low rates being offered by the BPA. By mid-December the effort was officially underway to form a PUD embracing the city of Clatskanie and the outlying territory as far as the Clatsop County line.

The people behind the proposed Clatskanie PUD were not interested in the simultaneous effort to form a county-wide PUD, excluding the cities, which would become the Columbia River PUD. Clatskanie - then and now - has always had an independent streak. The formations of both the Clatskanie PUD and the Columbia River PUD were approved in the Nov. 5, 1940 election. But it was not until 1984 - 44 years later - that the Columbia River PUD began providing electricity.

The first board members of the Clatskanie PUD - J.W. Mickelson, George Minkoff, Henry Thompson, Fred Niemela and Jacob Jolma - got right to work. At their request, BPA official Paul Raver assisted in the negotiations for the PUD to buy the electrical systems owned by the West Coast Power Company and the Northwestern Electric Company in the Clatskanie area.

In an election held March 7, 1942, voters in the Clatskanie PUD area approved the issuance of \$237,000 in revenue bonds to finance the purchase of both systems by a whopping 700 in favor to 25 opposed. It took a year to get the financing in order and the deals completed.

On March 10, 1943, the Clatskanie PUD officially began providing power to the people when the last portion of the deal was finalized at the First National Bank in Portland where Clatskanie

builder, V.I. Shepard, by then president of the PUD board, logger/farmer J.L. Wright, secretary, and farmer J.W. Mickelson, treasurer, were handed the title to the West Coast Power Company system.

The PUD board was proud of the fact that the net interest cost to the district for the sale of the revenue bonds was 2.82 percent - significantly lower than the 4.05 percent the Cowlitz PUD was paying.

The local operators of the West Coast Power Company Alden Bailey and Arthur Holman were hired as the new PUD's manager and chief engineer. Both Bailey and Holman went on to serve the PUD for the next 26 years until 1969.

Much water has gone over the Columbia River dams since 1943. Many changes have taken place including the annexation of the City of Rainier into the Clatskanie PUD system in 1999. Thanks in large part to the huge amount of power purchased by the Georgia-Pacific Wauna Mill and other local industries, the Clatskanie PUD has grown from a tiny rural utility to one of the largest in the state in terms of power sold. It enjoys among the lowest rates in the nation.

Today, 80 years later, the customer/owners of the Clatskanie PUD benefit from the foresight and determination of those local leaders and voters in the early 1940s, as well as the wise decisions made by subsequent PUD boards of directors, management and staff throughout the years.

The first week in October is Public Power Week. Join us in celebrating the 80 years that the Clatskanie PUD has been powering our community, as well as the power it will bring to the future.