

2023 Adopted Budget



Introduction

The Thurston Public Utility District's budget reflects the strategic goals developed by the PUD Commissioners and provides a blueprint for water services for 2023. The budget not only serves as a financial plan, but also as a tool for accountability.

Thurston PUD Mission and Strategic Goals

Mission: Provide safe, reliable, affordable, and sustainable utility services to our customers.

Strategic Goals

1. **Effectiveness:** Strive to be an effective organization.
2. **Sustainability:** Provide sustained efficient utility services to our customers and serve the citizens of Thurston County.
3. **Stewardship:** Be good stewards of the District's resources.
4. **Partnerships:** Continue to build good relationships and partnerships with Thurston County, other counties, neighboring cities, other PUDs, Port Districts, Tribes, other water purveyors, and state agencies.
5. **Growth:** Work toward steady growth in customers through the acquisition of systems with good value and periodically evaluate new lines of business to determine if entry is feasible and makes good financial sense.

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Recommendations, Goals and Background

Recommendations

Budget recommendations are suggestions and proposals by the District's Management Team to the PUD Board of Commissioners as the best course of action that considers District priorities, available resources, established costs, spending limitations and Commissioner guidelines.

- The Proposed 2023 Budget option was presented to PUD Commissioners on November 15, 2022 and November 22, 2022 and to consider for adoption.
 - The Proposed Budget:
 - Requires an overall rate revenue increase of 8.90% to fund the ongoing operations and maintenance for 279 water systems.
- District staff is proposing one (1) Rates, Fees, Charges and Surcharges schedule for all PUD customers effective January 1, 2023.
 - The Proposed Budget allows for all newly acquired water system customers to transition to standard rates as originally planned and discussed with customers as their water system joined the District.
- The Capital Improvement surcharge is recommended to increase \$1.00 from \$10.00 to \$11.00 per Equivalent Residential Unit (ERU) for 2023.
- The General Facility Charge (GFC) is recommended to increase by \$500, from \$4,500 to \$5,000. Our GFC is lower than other like utilities in surrounding areas.

Goals

Budget goals help the District's Management Team prioritize resource allocations to ensure that they are in alignment with the District's Vision, Mission and Goals.

- Meet the revenue requirement to operate and maintain 279 water systems serving 9,771 customers in six (6) counties.
- Meet our payment obligations for existing bonds and loans and debt coverage ratio.
- Provide funding for water system projects identified in the Asset Management Plan.
- Provide funding for emergency preparedness for water systems, employees, and buildings.
- Provide funding for employee merit increases and training.
- Develop a rate design that would improve revenue stability and not rely heavily on unpredictable weather conditions.

Background

The 2023 Thurston Public Utility District Operating Budget incorporates operating expenses to serve 9,771 customers in the following counties:

<i>TOTAL CUSTOMERS</i>	<i>9,771</i>	<i>%</i>
Thurston County	7,529	77.05%
Pierce County	1,423	14.56%
Lewis County	678	6.94%
King County	76	0.78%
Grays Harbor County	37	0.38%
Kitsap County	28	0.29%

Figure 1: Thurston PUD Customers by County

2023 Adopted Operating Budget

Adopted Operating Budget

PUD Management presented proposed budgets to the PUD Commissioners for their consideration for adoption on November 15, 2022 and November 22, 2022. The Proposed 2023 Operating and Capital Budgets were approved for adoption by resolution on November 22, 2022

The adopted budget funds the following:

- a. Ongoing operations and maintenance for water systems. Requires increased funding for recurring expenses and those due to projected inflation rates.
- b. The current level of District staffing and the addition of a new Field Operations position.
- c. The vehicle, equipment and building replacement reserves to ensure the capital is available when repairs are needed. The total cost to fund the replacement reserves is \$161,258.
- d. Emergency Preparedness for water systems, employees, and District-owned buildings.

The Adopted Budget requires an overall revenue rate increase of **8.90%**.

Adopted Operating Budget Summary – Revenues

Interest Income is an estimate based on historical interest income received.

The Ad Valorem Assessment for General Fund was approved at one percent (1%) of the annual property assessment levy certified by the Assessor's Office.

Water Revenue forecasts for the 2023 rate level includes:

1. An overall rate revenue increase of 8.90%.
 - a. The water rate revenue requirement for all customers was modified to improve revenue stability in the base rate and lower tiers of the consumption charges. The higher consumption charges cannot be relied on for revenue during a cold season (spring/summer).
 - i. Pattison, Coppermill, Glen Alder and Country Club Estates water system customers were on Transitional Rates in 2021 and 2022. In 2023, these water system customers will experience higher rate increases as they complete the transition to standard rates.
2. The Capital Improvement Surcharge was approved to increase from \$10.00 to \$11.00 per Equivalent Residential Unit (ERU) per month per customer for 2023. Customers with larger meter sizes are billed a multiplier based on the meter size comparable to the ERU.

Revenue Requirement and Stability Improvement

The revenue requirement refers to the amount of money that must be collected to pay for the administrative and operational expenses of the utility including the costs to operate and maintain 279 water systems.

The District relies on base rates and consumption charges to collect the revenue requirement. The base rate is a fixed amount billed monthly to each customer based on the meter size that services their home, business, or property. Consumption charges are billed based on the customer's actual water usage using a 5-tiered rate schedule.

In 2022, overall customer water usage patterns in spring and summer were not comparable to 2021 based on the abnormal weather conditions. This year (2022), spring and summer were cold and wet compared to the warmer weather in spring and summer 2021. The unusual weather in 2022 had a direct and negative impact to our revenue, it created a significant shortfall of up to \$350,000 as customers were not using water comparable to the prior year. Customers usage increased in September and October 2022, which reduced the shortfall but not completely. To cover the remaining shortfall and to pay for ongoing administrative and operational expenses, the District's Board of Commissioner:

1. Approved a one-time transfer of \$50,000 from the General Fund to the Water Revenue Reserve Fund.
2. Approved an interfund loan up to \$350,000 from the Capital Surcharge Account to the Water Operating Reserve, through December 31, 2023. The Capital Surcharge Account has a balance sufficient to absorb this interfund loan transfer, with a repayment term beginning in fiscal year 2024, with final repayment within seven years.

This revenue shortfall brought awareness to District staff that the reliability of customer water usage required a reassessment analysis. While there are no changes to the 5-tier water usage levels schedule, the Adopted Budget revenue requirement does not rely on the projected revenue from the 4th and 5th tiers of the consumption charges. The revenue requirement is relying on base rates, and the revenue from the first three tiers of the consumption charges. Below is a table of the current Base Rate and 5-tier Consumption Charges rate schedule.

Base Rate (per month)				Consumption Charges (per hundred cubic feet)				
Meter Size	¾"	1"	Flat Rate	0 - 500	501 - 2,100	2,101 - 3,600	3,601 - 7,000	7,000+

Figure 2: Thurston PUD Base Rates and Consumption Charges

Adopted Operating Budget Summary – Expenses

Salaries and Benefits

The 2023 Adopted Budget for Salaries and Benefits includes:

- Eligible employee salary merit increases.
- Planned Salary capitalization (\$84,827) from Water Fund for water system capital improvement projects performed by District staff.

Debt Service includes the cost of all bonds and loans including those assumed with the purchase of new water systems. In 2022, there will be an increase of \$100,739 in Debt Service.

All budgetary line items are expected to remain the same compared to the 2022 budget except the following:

Payroll Taxes will increase as a direct result of eligible salary merit increases.

Other Taxes is expected to increase by \$20,000 based on the projected inflationary increases to water system annual operating permits.

State Public Utility Tax is paid to the Department of Revenue on all revenue received; the expected increase is 5.029% of applicable revenue generated from water rates.

Interest on Bonds is expected to decrease by \$18,131. This expense includes bonds issued in 2021.

Interest on Loans is expected to decrease by \$3,095. This expense includes Drinking Water State Revolving Fund (DWSRF) and Public Works Trust Fund (PWTF) loans.

Water System Purchased Water is expected to increase by \$4,000 due to projected utility rate increases.

Water System Purchase Power is expected to increase \$26,174 due to projected utility rate increases.

Water System Materials & Supplies is expected to increase \$11,850 due to inflation and supply chain demand and delays.

Energy Efficiency Enhancements includes \$5,000 pursuant to board goals established in 2016.

Contractual Services – Accounting is expected to increase \$3,240 for the anticipated costs associated with the annual financial statement review by a Certified Public Accountant (CPA).

Contractual Services – Engineering is expected to increase \$17,000 based on the projected projects that will require engineering services.

Regulatory Water Quality Testing is expected to increase \$13,000 as a direct result of the increase in testing costs.

Contractual Services – Janitorial is expected to increase by \$2,400 compared to the 2022 budget.

Building Operations is expected to increase by \$65,330 compared to the 2022 budget and includes services required at the Field Operations building located in Olympia. In September 2022, the Field Operations team relocated from Tumwater to Olympia to the PUD owned building purchased in January 2020.

Transportation Expense is expected to decrease by \$12,100 compared to the 2022 budget.

1. Fuel – *Short Term Energy Outlook* (November 2022) published by the US Energy Information Administration predicts gasoline prices will decrease in 2023 to \$3.61 per gallon on average. The fuel expense 2023 estimate is an average of 2022 actual costs.
2. Repair Costs –There are 21 vehicles that will require maintenance and repairs estimated at \$40,000 (an average of \$2,000 per vehicle).
3. Includes funding the vehicle, equipment and building replacement reserves.

Insurance – General Liability is expected to decrease by \$22,826 compared to the 2022 budget. This is a preliminary estimate, actual cost will be available in January 2023. General Liability insurance provides insurance coverage for our vehicles and water systems.

Legal Advertisement is expected to increase by \$2,000 compared to the 2022 budget. Legal advertisements are placed for changes to public meetings, water system projects and open recruitments.

Bad Debt Expense are costs owed to the PUD by customers, but not received despite collection efforts. This expense is expected to increase to \$10,000 compared to \$5,000 in the 2022 budget.

Miscellaneous Expenses is expected to increase by \$29,678 compared to the 2022 budget.

Miscellaneous Expenses include the following types of expenses:

1. Office Supplies/Equipment
2. Moving/Relocating
3. Meeting Costs
4. Communication Software and Equipment
5. Association Dues and Publication Subscriptions
6. Information Technology (IT) Administration and Support
7. Water Conservation
8. Staff Training
9. Mailings - Printing and Postage
10. Electronic Payment Fees
11. Other expenses not categorized in another expense type

Effects of Adopted Operating Budget on Fund Reserve

The net result of the Adopted Budget is the General Fund expenses will exceed General Fund revenues. Approximately \$56,798 will be needed from the General Fund reserve. The General Fund reserve will have an estimated ending fund balance of \$151,871 which is above our current minimum reserve policy of 60 days.

The net result of the Adopted Budget is the Water Fund revenue will be just above anticipated water expenses. The reserve will have an estimated ending fund balance of \$1,178,016 which is below our current minimum reserve policy of 60 days. It is the District's intent to pull from other reserve funds to meet the minimum reserve policy of 60 days. The District's debt service coverage ratio is maintained at 2.33 which is above the District's bond covenant coverage requirement of 1.25.

2023 Adopted Operating Budget: General and Water Funds

Thurston PUD

General Fund Budget

	Actual	Budget	YTD	Projection	Adopted
	2021	2022	Jun-22	2022	2023
Estimated Beginning Fund Balance		258,458		258,458	208,669
Income					
419 · Interest Income	1,566	1,200	762	1,200	3,000
421 · Non-utility Income					
421.1 · Tax Levy Income	321,596	319,673	321,798	319,673	322,870
Total 421 · Non-utility Income	323,163	319,673	321,798	319,673	322,870
436 · Grant Revenue	-	40,062	40,062	40,062	-
Total 474 · Other Water Revenue	-	40,062	40,062	40,062	-
Total Income	324,729	360,935	362,621	360,935	325,870
Expense					
408.12 · Payroll Taxes	11,219	11,945	5,780	11,945	12,710
Total 408 · Taxes other than Income	11,219	11,945	5,780	11,945	12,710
601 · Salaries/Wages Employees	56,698	57,380	28,572	57,380	52,748
603 · Salaries - Commissioners	66,744	66,744	33,372	66,744	76,756
603.1 · Commissioner Meeting Compensation	21,312	23,552	10,560	23,552	27,085
603.2 · Watershed Planning	-	1,024	-	1,024	5,024
604 · Commissioner and Employee Pension & Benefits	12,657	53,131	20,639	53,131	53,146
631 · Contr. Svcs. - PS/Board Retreat	-	3,200	-	3,200	3,200
632 · Contr. Svcs. - Accounting	340	2,000	588	2,000	2,000
633 · Contr. Svcs. - Legal	25,316	15,000	7,425	15,000	15,000
635 · Contr. Svcs. - Other	27	15,000	13	15,000	15,000
637 · Contr. Svcs. - Janitorial	3,166	5,000	2,262	5,000	5,000
638 · Contr. Svcs. - State Auditor	6,368	8,000	1,974	8,000	8,000
639 · Contr. Svcs. - Broadband & Telecommunications	37,034	-	23,913	-	-
641 · Rental of Bldg/Real Prop.	3,683	2,873	1,910	2,873	-
643 · Building Operations	5,441	9,000	2,082	9,000	13,000
650 · Transportation Expense	56	1,400	-	1,400	1,400
657 · Insurance - General Liability	5,308	7,220	3,610	7,220	9,000
675.01 · Election Costs	31,160	40,000	-	40,000	40,000
675 · Miscellaneous Expenses	25,972	38,254	20,847	38,254	43,600
699 · Interfund Transfer	-	50,000	-	50,000	-
Total Expense	312,501	410,724	163,546	410,724	382,668
To (From) Reserves	12,228	(49,789)	199,075	(49,789)	(56,798)
Estimated Ending Fund Balance	258,458	208,669	199,075	208,669	151,871
Minimum Reserve Per Financial Policy (60 days)	51,370	67,516	26,884	67,516	62,904
Proposed Minimum Reserve Discussed (90 days)	77,055	101,274	40,326	101,274	62,904

Thurston PUD

Water Fund Budget

	Actual	Budget	YTD	Projection	Adopted
	2021	2022	Jun-22	2022	2023
Estimated Beginning Fund Balance		1,316,089		1,316,089	1,149,320
Income					
419 · Interest Income	64,129	65,000	35,480	65,000	50,000
421 · Non-utility Income					
421.10 · Building Rental Income	95,011	71,000	48,856	71,000	45,890
Total 421 · Non-utility Income	95,011	71,000	48,856	71,000	45,890
460 · Unmetered Water Revenue					
460.1 · Residential	65,706	76,496	47,495	76,496	112,114
Total 460 · Unmetered Water Revenue	65,706	76,496	47,495	76,496	112,114
461 · Metered Water Revenue					
461.11 · Residential Base	3,210,131	3,417,074	1,750,005	3,417,074	4,940,906
461.12 · Residential Consumption	3,065,739	2,781,801	967,337	2,781,801	1,826,219
461.21 · Commercial Base	82,893	76,951	45,763	76,951	90,140
461.22 · Commercial Consumption	150,263	157,265	40,741	157,265	182,514
461.23 · Rec Center Contract Base	569	569	296	569	645
461.24 · Rec Center Contract Consumption	49	70	6	70	100
461.51 · Multifamily Base	109,950	133,125	59,730	133,125	134,694
461.52 · Multifamily Consumption	254,360	211,188	115,780	211,188	305,948
Total 461 · Metered Water Revenue	6,873,954	6,778,044	2,979,659	6,778,044	7,481,166
465 · Sales to Irrigation					
465.2 · Irrigation Base	65,246	17,482	8,741	17,482	19,888
465.3 · Irrigation Consumption	120,843	81,630	3,453	81,630	97,218
Total 465 · Sales to Irrigation	186,089	99,112	12,194	99,112	117,106
471 · Miscellaneous Svc Revenue					
471 · Misc Service Revenue	535,094	100,000	77,972	100,000	45,000
Total 471 · Miscellaneous Service Revenue	535,094	100,000	77,972	100,000	45,000
474 · Other Water Revenue					
469 · Service credits	(60,568)	(50,000)	(32,447)	(50,000)	(60,000)
474.1 · Surcharge Collection	68,477	3,700	28,210	3,700	3,700
474.1 · Capital Surcharge	1,101,804	1,103,656	571,953	1,103,656	1,236,616
Total 474 · Other Water Revenue	1,084,151	1,057,356	567,716	1,057,356	1,180,316
Total Budgeted Income with rate adjustment	8,904,134	8,247,008	3,769,373	8,247,008	9,031,592
Expense					
403 · Debt Service	2,265,829	927,879	462,740	927,879	1,028,618
408 · Taxes other than Income					
408.12 · Payroll Taxes	168,631	273,631	89,321	273,631	272,191
408.13 · Other Tax & License	44,326	34,000	31,107	34,000	54,000
408.2 · State Public Utility Tax	426,199	422,761	183,831	422,761	446,505
Total 408 · Taxes	639,156	730,392	304,259	730,392	772,695

Thurston PUD

Water Fund Budget

	Actual	Budget	YTD	Projection	Adopted
	2021	2022	Jun-22	2022	2023
427 · Interest Expense					
427.32 · Interest on Bonds	692,019	746,040	375,510	746,040	727,909
427 · Interest Expense - Loans	16,947	15,514	370	15,514	12,419
Total 427 · Interest Expense	708,967	761,554	375,879	761,554	740,328
... · Allocate Labor costs to capital projects		(82,173)		(82,173)	(84,827)
601 · Salaries/Wages Employees	1,966,913	2,301,351	1,065,551	2,301,351	2,289,242
604 · Emp Pension & Benefits	(25,105)	822,725	315,802	822,725	865,129
610 · Purchased Water	18,302	14,000	4,123	14,000	18,000
615 · Purchased Power	343,933	349,743	174,992	349,743	375,917
618 · Chemicals	79,727	85,000	34,099	85,000	85,000
620 · Materials & Supplies	209,269	237,000	103,684	237,000	248,850
625 · Energy Efficiency Enhancements	-	2,500	-	2,500	5,000
632 · Contr. Svcs. - Accounting	1,020	5,000	1,805	5,000	8,240
631 · Contr. Svcs. - Engineer	24,798.50	10,000	2,782	10,000	27,000
633 · Contr. Svcs. - Legal	68,790	48,000	15,300	48,000	48,000
635 · Contr. Svcs. - Other	15,916	32,000	3,041	32,000	32,000
636 · Regulatory Water Quality Testing	91,663	105,000	45,264	105,000	118,000
637 · Contr. Svcs. - Janitorial	8,475	28,650	6,053	28,650	31,050
638 · Contr. Svcs. - State Auditor	6,368	12,000	1,974	12,000	12,000
641 · Rental of Bldg/Real Property	69,971	54,425	36,281	54,425	-
642 · Rental Equipment	-	5,000	-	5,000	5,000
643 · Building Operations	32,955	60,000	21,802	60,000	125,330
680 · Transfer to Replacement Reserve Funds	-	161,258	-	161,258	161,258
650 · Transportation Expense	94,094	171,000	23,416	171,000	158,900
657 · Insurance - General Liability	100,848	137,185	68,592	137,185	114,359
660 · LegalAdv/Public Info Expense	11,033	6,000	2,817	6,000	8,000
670 · Bad Debt Expense	-	5,000	-	5,000	10,000
675 · Miscellaneous Expenses	393,588	487,623	226,400	487,623	517,301
699 · Interfund Transfer	-	(50,000)	-	(50,000)	-
Total Expense	7,126,508	7,428,111	3,296,655	7,428,111	7,720,390
To(From) Reserves	1,777,626	818,897	472,718	818,897	1,311,202
Capital Projects - From Reserve	(1,101,804)	(773,485)	(571,953)	(773,485)	(1,282,506)
To(From) Reserves	153,265	45,412	(99,236)	45,412	28,696
Estimated Ending Fund Balance	1,344,048	1,361,501		1,361,501	1,178,016
Minimum Reserve Per Financial Policy (60 days)	1,171,481	1,221,059		1,221,059	1,269,105
Proposed Minimum Reserve Discussed (90 days)	1,757,221	1,831,589		1,831,589	1,903,658
Debt Service Coverage (1.25 Minimum)	2.52	1.78			2.33

2023 Adopted Customer Rate Schedule

2023 Adopted Rate Schedule

- One (1) standard rate schedule for all PUD customers.

The 2023 Adopted Rate Schedule includes:

- An overall rate revenue increase 8.90%.
 - Pattison, Coppermill, Glen Alder and Country Club Estates water system customers on Transitional Rates in 2021 and 2022 will experience higher rate increases in 2023 as they complete the transition to standard rates.
- The Capital Surcharge increase from \$10.00 to \$11.00 per Equivalent Residential Unit (ERU), billed to each customer every month.

2023 Adopted Bill Impact Scenarios:

- Customers on water systems acquired before 2021
- Pattison and Coppermill water system customers
- Glen Alder water system customers
- Country Club Estates water system customers

On the subsequent pages are comparisons of the 2022 Rates and 2023 Adopted Rates.

The 'cf' reference refers to cubic feet. **Note:** 1 cf = 7.48 gallons

Comparison of Water Rates: PUD Standard Rates
2022 Current to Adopted 2023
Public Utility District No. 1 of Thurston County

	2022	2023
Residential		
<u>Base Rates</u>		
Residential 3/4" Meter	\$ 33.70	\$ 45.20
Residential 1" Meter	\$ 61.90	\$ 75.35
Flat Rate	\$ 75.70	\$ 80.00
<u>Consumption Charges, per 100 cf</u>		
0 - 500 cf	\$ 3.00	\$ 3.25
500 - 2,100 cf	\$ 4.65	\$ 5.05
2,101 - 3,600 cf	\$ 5.55	\$ 6.05
3,601 - 7,000 cf	\$ 6.50	\$ 7.10
7,000+ cf	\$ 7.30	\$ 7.95
Non Residential		
<u>Base Rates</u>		
3/4" Meter	\$ 38.80	\$ 51.98
1" Meter	\$ 71.15	\$ 86.65
1 1/2" Meter	\$ 142.30	\$ 173.35
2" Meter	\$ 227.70	\$ 277.35
3" Meter	\$ 426.95	\$ 520.00
<u>Consumption Charges, per 100 cf</u>		
Nov - June	\$ 4.65	\$ 5.05
July - October	\$ 6.50	\$ 7.10
Irrigation	\$ 6.50	\$ 7.10
Tanglewilde Park		
1 1/2" Meter	\$ 49.35	\$ 53.75
<u>Consumption Charges, per 100 cf</u>		
Nov - June	\$ 1.50	\$ 1.65
July - October	\$ 2.20	\$ 2.40
Scattercreek Ranch Irrigation	\$ 1.15	\$ 1.25
Special Surcharge, monthly		
WH DWSRF	\$ 14.94	\$ 14.94
Capital Surcharges, monthly		
3/4" Meter	\$ 10.00	\$ 11.00
1" Meter	\$ 16.65	\$ 18.35
1 1/2" Meter	\$ 33.35	\$ 36.65
2" Meter	\$ 53.35	\$ 58.65
3" Meter	\$ 100.00	\$ 110.00
4" Meter	\$ 166.65	\$ 183.35

Figure 3: Adopted PUD Rates

Thurston PUD 2023 Adopted Rates - Bill Impact Scenarios

PUD Customers

Residential meter with 500 cubic feet of usage	2022	2023	Dollar Difference
Base Rate	\$33.70	\$45.20	\$11.50
Capital Surcharge	\$10.00	\$11.00	\$1.00
Consumption Charge, 500 cubic feet	\$15.00	\$16.25	\$1.25
	\$58.70	\$72.45	\$13.75
Residential meter with 750 cubic feet of usage			
Base Rate	\$33.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Consumption Charge, 750 cubic feet	\$26.63	\$28.88	\$2.25
	\$70.33	\$85.08	\$14.75
Residential meter with 1,000 cubic feet of usage			
Base Rate	\$33.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Consumption Charge, 1,000 cubic feet	\$38.25	\$41.50	\$3.25
	\$81.95	\$97.70	\$15.75
Residential meter with 1,500 cubic feet of usage			
Base Rate	\$33.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Consumption Charge, 1,500 cubic feet	\$61.50	\$66.75	\$5.25
	\$105.20	\$122.95	\$17.75
Residential meter with 2,000 cubic feet of usage			
Base Rate	\$33.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Consumption Charge, 2,000 cubic feet	\$84.75	\$92.00	\$7.25
	\$128.45	\$148.20	\$19.75
Residential meter with 2,500 cubic feet of usage			
Base Rate	\$33.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Consumption Charge, 2,500 cubic feet	\$111.60	\$121.25	\$9.65
	\$155.30	\$177.45	\$22.15
Residential meter with 3,000 cubic feet of usage			
Base Rate	\$33.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Consumption Charge, 3,000 cubic feet	\$139.35	\$151.50	\$12.15
	\$183.05	\$207.70	\$24.65
Residential meter with 3,500 cubic feet of usage			
Base Rate	\$33.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Consumption Charge, 3,500 cubic feet	\$167.10	\$181.75	\$14.65
	\$210.80	\$237.95	\$27.15

Thurston PUD 2023 Adopted Rates - Bill Impact Scenarios

PUD Customers

Residential meter with 4,000 cubic feet of usage	2022	2023	Dollar Difference
Base Rate	\$33.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Consumption Charge, 4,000 cubic feet	\$198.65	\$216.20	\$17.55
	\$242.35	\$272.40	\$30.05
Residential meter with 5,000 cubic feet of usage			
Base Rate	\$33.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Consumption Charge, 5,000 cubic feet	\$263.65	\$287.20	\$23.55
	\$307.35	\$343.40	\$36.05
Residential meter with 6,000 cubic feet of usage			
Base Rate	\$33.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Consumption Charge, 6,000 cubic feet	\$328.65	\$358.20	\$29.55
	\$372.35	\$414.40	\$42.05
Residential meter with 7,000 cubic feet of usage			
Base Rate	\$33.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Consumption Charge, 7,000 cubic feet	\$393.65	\$429.20	\$35.55
	\$437.35	\$485.40	\$48.05
Residential meter with 8,000 cubic feet of usage			
Base Rate	\$33.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Consumption Charge, 8,000 cubic feet	\$466.65	\$508.70	\$42.05
	\$510.35	\$564.90	\$54.55
Residential meter with 9,000 cubic feet of usage			
Base Rate	\$33.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Consumption Charge, 9,000 cubic feet	\$539.65	\$588.20	\$48.55
	\$583.35	\$644.40	\$61.05
Residential meter with 10,000 cubic feet of usage			
Base Rate	\$33.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Consumption Charge, 10,000 cubic feet	\$612.65	\$667.70	\$55.05
	\$656.35	\$723.90	\$67.55

Comparison of Water Rates: Pattison and Coppermill Customers
2022 Current to Adopted 2023
Public Utility District No. 1 of Thurston County

	2022	2023
Residential		
<u>Base Rates</u>		
Residential 3/4" Meter	\$ 26.70	\$ 45.20
Residential 1" Meter	\$ 51.90	\$ 75.35
Flat Rate	\$ 65.35	\$ 80.00
<u>Consumption Charges, per 100 cf</u>		
0 - 500 cf	\$ 2.55	\$ 3.25
500-2,100 cf	\$ 3.75	\$ 5.05
2,101 - 3,600 cf	\$ 4.60	\$ 6.05
3,601 - 7,000 cf	\$ 5.20	\$ 7.10
7,000+ cf	\$ 5.75	\$ 7.95
Non Residential		
<u>Base Rates</u>		
3/4" Meter	\$ 30.10	\$ 51.98
1" Meter	\$ 58.05	\$ 86.65
1 1/2" Meter	\$ 116.10	\$ 173.35
2" Meter	\$ 227.70	\$ 277.35
3" Meter	\$ 348.40	\$ 520.00
4" Meter	\$ 537.35	\$ 866.65
<u>Consumption, per 100 cf</u>		
Nov - June	\$ 3.65	\$ 5.05
July - October	\$ 5.20	\$ 7.10
Irrigation	\$ 4.90	\$ 7.10
<u>Capital Surcharges, monthly</u>		
3/4" Meter	\$ 10.00	\$ 11.00
1" Meter	\$ 16.65	\$ 18.35
1 1/2" Meter	\$ 33.35	\$ 36.65
2" Meter	\$ 53.35	\$ 58.65
3" Meter	\$ 100.00	\$ 110.00
4" Meter	\$ 166.65	\$ 183.35

Figure 4: Adopted PUD Rates - Pattison and Coppermill Customers

Thurston PUD 2023 Adopted Rates - Bill Impact Scenarios

Pattison & Coppermill Customers

Residential meter with 500 cubic feet of usage	2022	2023	Dollar Difference
Base Rate	\$26.70	\$45.20	\$18.50
Capital Surcharge	\$10.00	\$11.00	\$1.00
Consumption Charge, 500 cubic feet	\$12.75	\$16.25	\$3.50
	\$49.45	\$72.45	\$23.00
 Residential meter with 750 cubic feet of usage			
Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Consumption Charge, 750 cubic feet	\$22.13	\$28.88	\$6.75
	\$58.83	\$85.08	\$26.25
 Residential meter with 1,000 cubic feet of usage			
Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Consumption Charge, 1,000 cubic feet	\$31.50	\$41.50	\$10.00
	\$68.20	\$97.70	\$29.50
 Residential meter with 1,500 cubic feet of usage			
Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Consumption Charge, 1,500 cubic feet	\$50.25	\$66.75	\$16.50
	\$86.95	\$122.95	\$36.00
 Residential meter with 2,000 cubic feet of usage			
Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Consumption Charge, 2,000 cubic feet	\$69.00	\$92.00	\$23.00
	\$105.70	\$148.20	\$42.50
 Residential meter with 2,500 cubic feet of usage			
Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Consumption Charge, 2,500 cubic feet	\$91.15	\$121.25	\$30.10
	\$127.85	\$177.45	\$49.60
 Residential meter with 3,000 cubic feet of usage			
Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Consumption Charge, 3,000 cubic feet	\$114.15	\$151.50	\$37.35
	\$150.85	\$207.70	\$56.85
 Residential meter with 3,500 cubic feet of usage			
Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Consumption Charge, 3,500 cubic feet	\$137.15	\$181.75	\$44.60
	\$173.85	\$237.95	\$64.10

Thurston PUD 2023 Adopted Rates - Bill Impact Scenarios

Pattison & Coppermill Customers

Residential meter with 4,000 cubic feet of usage	2022	2022	Dollar Difference
Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Consumption Charge, 4,000 cubic feet	\$162.55	\$216.20	\$53.65
	\$199.25	\$272.40	\$73.15
 Residential meter with 5,000 cubic feet of usage			
Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Consumption Charge, 5,000 cubic feet	\$214.55	\$287.20	\$72.65
	\$251.25	\$343.40	\$92.15
 Residential meter with 6,000 cubic feet of usage			
Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Consumption Charge, 6,000 cubic feet	\$266.55	\$358.20	\$91.65
	\$303.25	\$414.40	\$111.15
 Residential meter with 7,000 cubic feet of usage			
Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Consumption Charge, 7,000 cubic feet	\$318.55	\$429.20	\$110.65
	\$355.25	\$485.40	\$130.15
 Residential meter with 8,000 cubic feet of usage			
Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Consumption Charge, 8,000 cubic feet	\$376.05	\$508.70	\$132.65
	\$412.75	\$564.90	\$152.15
 Residential meter with 9,000 cubic feet of usage			
Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Consumption Charge, 9,000 cubic feet	\$433.55	\$588.20	\$154.65
	\$470.25	\$644.40	\$174.15
 Residential meter with 10,000 cubic feet of usage			
Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Consumption Charge, 10,000 cubic feet	\$491.05	\$667.70	\$176.65
	\$527.75	\$723.90	\$196.15

Comparison of Water Rates: Glen Alder Customers
2022 Current to Adopted 2023
Public Utility District No. 1 of Thurston County

	2022	2023
Residential		
<u>Base Rates</u>		
Residential 3/4" Meter	\$ 26.70	\$ 45.20
Residential 1" Meter	\$ 51.90	\$ 75.35
Flat Rate	\$ 65.35	\$ 80.00
<u>Consumption Charges, per 100 cf</u>		
0 - 500 cf	\$ 2.55	\$ 3.25
500-2,100 cf	\$ 3.75	\$ 5.05
2,101 - 3,600 cf	\$ 4.60	\$ 6.05
3,601 - 7,000 cf	\$ 5.20	\$ 7.10
7,000+ cf	\$ 5.75	\$ 7.95
Non Residential		
<u>Base Rates</u>		
3/4" Meter	\$ 30.10	\$ 51.98
1" Meter	\$ 58.05	\$ 86.65
1 1/2" Meter	\$ 116.10	\$ 173.35
2" Meter	\$ 227.70	\$ 277.35
3" Meter	\$ 348.40	\$ 520.00
4" Meter	\$ 537.35	\$ 866.65
<u>Consumption, per 100 cf</u>		
Nov - June	\$ 3.65	\$ 5.05
July - October	\$ 5.20	\$ 7.10
Irrigation	\$ 4.90	\$ 7.10
<u>Special Surcharge, monthly</u>		
Glen Alder DWSRF	\$ 85.78	\$ 85.78
<u>Capital Surcharges, monthly</u>		
3/4" Meter	\$ 10.00	\$ 11.00
1" Meter	\$ 16.65	\$ 18.35
1 1/2" Meter	\$ 33.35	\$ 36.65
2" Meter	\$ 53.35	\$ 58.65
3" Meter	\$ 100.00	\$ 110.00
4" Meter	\$ 166.65	\$ 183.35

Figure 5: Adopted PUD Rates – Glen Alder Customers

Thurston PUD 2023 Adopted Rates - Bill Impact Scenarios

Glen Alder Customers

Residential meter with 500 cf of usage	2022	2023	Dollar Difference
Base Rate	\$26.70	\$45.20	\$18.50
Capital Surcharge	\$10.00	\$11.00	\$1.00
Glen Alder DWSRF	\$85.78	\$85.78	\$0.00
500 cf usage	\$12.75	\$16.25	\$3.50
	\$135.23	\$158.23	\$23.00
 Residential meter with 750 cf of usage			
Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Glen Alder DWSRF	\$85.78	\$85.78	
750 cf usage	\$22.13	\$28.88	\$6.75
	\$144.61	\$170.86	\$26.25
 Residential meter with 1,000 cf of usage			
Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Glen Alder DWSRF	\$85.78	\$85.78	
1,000 cf usage	\$31.50	\$41.50	\$10.00
	\$153.98	\$183.48	\$29.50
 Residential meter with 1,500 cf of usage			
Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Glen Alder DWSRF	\$85.78	\$85.78	
1,500 cf usage	\$50.25	\$66.75	\$16.50
	\$172.73	\$208.73	\$36.00
 Residential meter with 2,000 cf of usage			
Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Glen Alder DWSRF	\$85.78	\$85.78	
2,000 cf usage	\$69.00	\$92.00	\$23.00
	\$191.48	\$233.98	\$42.50
 Residential meter with 2,500 cf of usage			
Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Glen Alder DWSRF	\$85.78	\$85.78	
2,500 cf usage	\$91.15	\$121.25	\$30.10
	\$213.63	\$263.23	\$49.60
 Residential meter with 3,000 cf of usage			
Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Glen Alder DWSRF	\$85.78	\$85.78	
3,000 cf usage	\$114.15	\$151.50	\$37.35
	\$236.63	\$293.48	\$56.85

Thurston PUD 2023 Adopted Rates - Bill Impact Scenarios

Glen Alder Customers

Residential meter with 4,000 cf of usage	2022	2023	Dollar Difference
Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Glen Alder DWSRF	\$85.78	\$85.78	
4,000 cf usage	\$162.55	\$216.20	\$53.65
	\$285.03	\$358.18	\$73.15
 Residential meter with 5,000 cf of usage			
Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Glen Alder DWSRF	\$85.78	\$85.78	
5,000 cf usage	\$214.55	\$287.20	\$72.65
	\$337.03	\$429.18	\$92.15
 Residential meter with 6,000 cf of usage			
Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Glen Alder DWSRF	\$85.78	\$85.78	
6,000 cf usage	\$266.55	\$358.20	\$91.65
	\$389.03	\$500.18	\$111.15
 Residential meter with 7,000 cf of usage			
Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Glen Alder DWSRF	\$85.78	\$85.78	
7,000 cf usage	\$318.55	\$429.20	\$110.65
	\$441.03	\$571.18	\$130.15
 Residential meter with 8,000 cf of usage			
Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Glen Alder DWSRF	\$85.78	\$85.78	
8,000 cf usage	\$318.55	\$429.20	\$110.65
	\$441.03	\$571.18	\$130.15
 Residential meter with 9,000 cf of usage			
Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Glen Alder DWSRF	\$85.78	\$85.78	
9,000 cf usage	\$376.05	\$508.70	\$132.65
	\$498.53	\$650.68	\$152.15
 Residential meter with 10,000 cf of usage			
Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Glen Alder DWSRF	\$85.78	\$85.78	
10,000 cf usage	\$433.55	\$588.20	\$154.65
	\$556.03	\$730.18	\$174.15

Comparison of Water Rates: Country Club Estates Customers
2022 Current to Adopted 2023
Public Utility District No. 1 of Thurston County

	2022	2023
Residential		
<u>Base Rates</u>		
Residential 3/4" Meter	\$ 26.70	\$ 45.20
Residential 1" Meter	\$ 51.90	\$ 75.35
Flat Rate	\$ 65.35	\$ 80.00
<u>Consumption Charges, per 100 cf</u>		
0 - 500 cf	\$ 2.55	\$ 3.25
500-2,100 cf	\$ 3.75	\$ 5.05
2,101 - 3,600 cf	\$ 4.60	\$ 6.05
3,601 - 7,000 cf	\$ 5.20	\$ 7.10
7,000+ cf	\$ 5.75	\$ 7.95
Non Residential		
<u>Base Rates</u>		
3/4" Meter	\$ 30.10	\$ 51.98
1" Meter	\$ 58.05	\$ 86.65
1 1/2" Meter	\$ 116.10	\$ 173.35
2" Meter	\$ 227.70	\$ 277.35
3" Meter	\$ 348.40	\$ 520.00
4" Meter	\$ 537.35	\$ 866.65
<u>Consumption, per 100 cf</u>		
Nov - June	\$ 3.65	\$ 5.05
July - October	\$ 5.20	\$ 7.10
Irrigation	\$ 4.90	\$ 7.10
<u>Special Surcharges, monthly</u>		
Country Club Estates Loan	\$ 25.49	\$ 25.49
Country Club Estates DWSRF	\$ 48.35	\$ 48.35
<u>Capital Surcharges, monthly</u>		
3/4" Meter	\$ 10.00	\$ 11.00
1" Meter	\$ 16.65	\$ 18.35
1 1/2" Meter	\$ 33.35	\$ 36.65
2" Meter	\$ 53.35	\$ 58.65
3" Meter	\$ 100.00	\$ 110.00
4" Meter	\$ 166.65	\$ 183.35

Figure 6: Adopted PUD Rates – Country Club Estates Customers

Thurston PUD 2023 Adopted Rates - Bill Impact Scenarios

Country Club Estates Customers

Residential meter with 500 cf of usage	2022	2023	Dollar Difference
Base Rate	\$26.70	\$45.20	\$18.50
Capital Surcharge	\$10.00	\$11.00	\$1.00
Country Club Loan	\$25.49	\$25.49	\$0.00
Country Club DWSRF	\$48.35	\$48.35	\$0.00
500 cf usage	\$12.75	\$16.25	\$3.50
	\$123.29	\$146.29	\$23.00
Residential meter with 750 cf of usage			
Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Country Club Loan	\$25.49	\$25.49	
Country Club DWSRF	\$48.35	\$48.35	
750 cf usage	\$22.13	\$28.88	\$6.75
	\$132.67	\$158.92	\$26.25
Residential meter with 1,000 cf of usage			
Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Country Club Loan	\$25.49	\$25.49	
Country Club DWSRF	\$48.35	\$48.35	
1,000 cf usage	\$31.50	\$41.50	\$10.00
	\$142.04	\$171.54	\$29.50
Residential meter with 1,500 cf of usage			
Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Country Club Loan	\$25.49	\$25.49	
Country Club DWSRF	\$48.35	\$48.35	
1,500 cf usage	\$50.25	\$66.75	\$16.50
	\$160.79	\$196.79	\$36.00
Residential meter with 2,000 cf of usage			
Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Country Club Loan	\$25.49	\$25.49	
Country Club DWSRF	\$48.35	\$48.35	
2,000 cf usage	\$69.00	\$92.00	\$23.00
	\$179.54	\$222.04	\$42.50
Residential meter with 2,500 cf of usage			
Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Country Club Loan	\$25.49	\$25.49	
Country Club DWSRF	\$48.35	\$48.35	
2,500 cf usage	\$91.15	\$121.25	\$30.10
	\$201.69	\$251.29	\$49.60
Residential meter with 3,000 cf of usage			
Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Country Club Loan	\$25.49	\$25.49	
Country Club DWSRF	\$48.35	\$48.35	
3,000 cf usage	\$114.15	\$151.50	\$37.35
	\$224.69	\$281.54	\$56.85

Thurston PUD 2023 Adopted Rates - Bill Impact Scenarios

Country Club Estates Customers

Residential meter with 4,000 cf of usage

Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Country Club Loan	\$25.49	\$25.49	
Country Club DWSRF	\$48.35	\$48.35	
4,000 cf usage	\$162.55	\$216.20	\$53.65
	\$273.09	\$346.24	\$73.15

Residential meter with 5,000 cf of usage

Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Country Club Loan	\$25.49	\$25.49	
Country Club DWSRF	\$48.35	\$48.35	
5,000 cf usage	\$214.55	\$287.20	\$72.65
	\$325.09	\$417.24	\$92.15

Residential meter with 6,000 cf of usage

Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Country Club Loan	\$25.49	\$25.49	
Country Club DWSRF	\$48.35	\$48.35	
6,000 cf usage	\$266.55	\$358.20	\$91.65
	\$377.09	\$488.24	\$111.15

Residential meter with 7,000 cf of usage

Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Country Club Loan	\$25.49	\$25.49	
Country Club DWSRF	\$48.35	\$48.35	
7,000 cf usage	\$318.55	\$429.20	\$110.65
	\$429.09	\$559.24	\$130.15

Residential meter with 8,000 cf of usage

Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Country Club Loan	\$25.49	\$25.49	
Country Club DWSRF	\$48.35	\$48.35	
8,000 cf usage	\$376.05	\$508.70	\$132.65
	\$486.59	\$638.74	\$152.15

Residential meter with 9,000 cf of usage

Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Country Club Loan	\$25.49	\$25.49	
Country Club DWSRF	\$48.35	\$48.35	
9,000 cf usage	\$433.55	\$588.20	\$154.65
	\$544.09	\$718.24	\$174.15

Residential meter with 10,000 cf of usage

Base Rate	\$26.70	\$45.20	
Capital Surcharge	\$10.00	\$11.00	
Country Club Loan	\$25.49	\$25.49	
Country Club DWSRF	\$48.35	\$48.35	
10,000 cf usage	\$491.05	\$667.70	\$176.65
	\$601.59	\$797.74	\$196.15

2023 Adopted Capital Budget

Adopted 2023 Capital Budget Summary

The 2023 Adopted Capital Budget includes ongoing projects the District is working towards completing as well as projects identified in the Asset Management Plan (AMP), a plan adopted and used as a guiding instrument for the District in 2014.

Implemented in 2015, the capital surcharge has been collected and placed in a reserve account to be used only for projects identified in the AMP. Any reserve will carry over to the following year's Capital Budget to be used as appropriated by the Board of Commissioners. Due to critical replacements identified in the AMP, the District obtained capital financing through the issuance of bonds to address these needs. The District uses capital surcharge monies to repay those loans.

The figure below details the capital improvement surcharges collected in the given year and the cost of all AMP projects completed in the same year.

Surcharge Utilization		
January 2015 to September 2022		
Year		Amount
2015	Collected Amount	40,272
2016	Collected Amount	121,513
	AMP Completed Projects	<u>(185,749)</u>
		(23,964) Ending Surcharge balance as of 12/31/2016
2017	Collected Amount	235,492
	AMP Completed Projects	<u>(215,587)</u>
		(4,059) Ending Surcharge balance as of 12/31/2017
2018	Collected Amount	631,558
	AMP Completed Projects	<u>(264,243)</u>
		363,256 Ending Surcharge balance as of 12/31/2018
2019	Collected Amount	618,561
	AMP Completed Projects	<u>(570,825)</u>
		410,992 Ending Surcharge balance as of 12/31/2019
2020	Collected Amount	838,039
	AMP Completed Projects	<u>(291,792)</u>
		957,239 Ending Surcharge balance as of 12/31/2020
2021	Collected Amount	1,091,472
	AMP Completed Projects	<u>(213,558)</u>
		1,835,152 Ending Surcharge balance as of 12/31/2021
2022	Collected Amount	877,787
	AMP Completed Projects	<u>(304,532)</u>
		2,408,407 Balance as of 09/30/22

Figure 7: 2015 - 2022 Capital Improvement Surcharge Utilization

The figure below reflects the annual cost for AMP completed projects by the type of work performed.

Asset Management Plan (AMP) Work Completed by Year to 09/30/2022					
	2019	2020	2021	2022	Total
CI-41 Isolation Valves	-	-	1,752	-	\$ 1,752
CI-44 Pumphouse	27,075	2,627	-	9,423	\$ 39,125
CI-62 Treatment Replacement/Upgrades	151,639	28,370	26,505	1,447	\$ 207,961
CI-65 Pressure Tanks	22,089	27,821	17,869	28,082	\$ 95,861
CI-66 System Upgrades	109,467	45,691	56,674	128,348	\$ 340,180
CI-68 Wells	-	-	-	99,437	\$ 99,437
CI-71 Electrical Replacements	15,571	6,590	-	-	\$ 22,161
CI-75 Service/Source Meters	140,880	48,686	23,221	7,145	\$ 219,931
CI-76 Pump Replacements	104,105	132,008	122,080	130,087	\$ 488,279
Totals	\$ 570,825	\$ 291,792	\$ 248,101	\$ 403,969	\$ 1,514,688

Figure 8: 2019 - 2022 AMP Completed Projects

In October 2022, the District's Planning and Compliance team updated the AMP for all 279 water systems. The District's AMP forecasts are the best estimates available for the replacement costs for major components of the water system. It is the District's policy to run most assets to failure in order to get the most value out of every water system component.

The District's Finance and Accounting team is currently reviewing the updated AMP. The preliminary findings indicate the District's future capital needs for the next 20 years are severely underfunded. Over the next 5 years (2023 – 2027), there are major components of our water systems requiring replacement at an estimated value of \$25.5 million.

After review of the current financial plan, District staff recommended the 2023 Capital Surcharge is increased from \$10.00 to \$11.00 per Equivalent Residential Unit (ERU).

District staff will continue to annually review the financial plan to determine the capital surcharge needed in the future.

Thurston PUD
2023 Adopted Capital Budget

Project Code	Water System PUD Number	Project Description	2023 Adopted Capital Budget
Capital Improvements			
CI-41	multiple	Isolation Valve Maintenance	100,000
CI-44	multiple	Rebuild Pumphouses (PW)	294,805
CI-62	multiple	Treatment Systems Upgrade/Media	115,000
CI-65	multiple	Replace Plumbing/Pressure Tanks	40,000
CI-66	multiple	Multiple System Upgrades	150,000
CI-71	multiple	Electrical Controls Upgrades	50,000
CI-75	multiple	Source and Service Meter Replacement	100,000
CI-76	multiple	Well and Booster Pump Replacement	250,000
CI-89	215	Deschutes Glen Reservoir Replacement	75,000
CI-96	multiple	Sampling Stations	70,000
CI-98	multiple	New Meter Installation	150,000
CI-100	multiple	Combine 4 Grp A water systems in Thurston Co (DWSRF)	973,945
CI-102	239	Tolmie Consolidation	1,500,000
CI-103	662	Boots and Saddles New Treatment	60,000
CI-104	610	Webster Hill New Treatment	50,000
CI-105	multiple	Water Systems Emergency Preparedness	150,000
CI-106	500	Pattison Infrastructure Replacement and Upgrades	3,141,500
CI-107	521	Country Club Estates DWSRF loan	756,400
CI-108	522	Glen Alder DWSRF loan	517,480
CI-109	351	Lazy Acres PFAS Treatment	812,500
CI-110	690	Meadows Generator and Two Portable Generators	210,000
CI-111	680	Green Cove Culvert Replacement	670,000
		20% contingency on asset management plan estimates	180,000
Subtotal - Capital Improvements			10,416,630
Water System Management			
WM-1	NA	Acquisitions and Disposal of Water Systems	50,000
WM-4	NA	Water System Plan - Part B	40,000
WM-14	NA	Fleet	150,000
WM-29	NA	Building Improvements and Upgrades	100,000
WM-33	NA	Easements	30,000
WM-38	NA	Geographic Information System (GIS) Program	10,000
WM-39	NA	Emergency Preparedness - Facilities and Staff	20,000
Subtotal - Water System Management			400,000
Total - Capital Improvement Program			10,816,630
Funding			
		Transfer from Vehicle/Equipment Replacement Fund	150,000
		Transfer from Facilities Reserve Fund	25,000
		Transfer from Capital Surcharge Funding	1,120,000
		Water Revenue Bond 2020	686,347
		General Facilities Charge Fund	50,000
		PWTF Loans 2018	224,805
		DWSRF Loan/Grant - 4 Group A's Thurston County	973,945
		FEMA Grant - Water System Generators	188,653
		DWSRF Loan/Grant - Pattison Consolidation and Replacement	3,141,500
		DWSRF Loan/Grant - Country Club Estates Consolidation and Replacement	756,400
		DWSRF Loan/Grant - Glen Alder Consolidation and Replacement	517,480
		DWSRF Loan, Grant, Bond or Additional Funding Needed	2,982,500
Total Other Funding			10,816,630
TOTAL CIP FUNDING FROM RATES (TO RESERVES)			\$ -

2023 Capital Project Code Explanations

CI-41 Isolation Valve Maintenance: Project to ensure all isolation valves are in working order so that when needed the main can be shut down in sections to do repairs. This reduces the number of customers affected by any planned or emergency repair on the mainline or service connections. Project identified in the Asset Management Plan, funded by capital surcharges.

CI-44 Rebuild Pump Houses: Project to rebuild pump houses that are at the end of their useful lives. Asset Management Plan. Public Works Trust Fund Loan was obtained; this line item includes five pump house projects (Brown South Prairie, Garden Acres 1, Marshall, Nisqually Vista, and Olin for three years (2021 – 2023)).

CI-62 Treatment Systems Upgrade/Media: Annual program to upgrade treatment systems or replace critical equipment needed for treatment on existing water systems. Project identified in the Asset Management Plan, funded by capital surcharges.

CI-65 Replace Plumbing/Pressure Tanks: Annual program to replace pressure tanks and plumbing in the pump houses. Project identified in the Asset Management Plan, funded by capital surcharges.

CI-66 Multiple Systems Upgrade: Annual program to upgrade water systems to enhance the life of the asset or solve issues identified by DOH as they come up. We can't always project where the failures will be. We analyze historical costs to determine the average cost and use this for miscellaneous projects. Project identified in the Asset Management Plan, funded by capital surcharges.

CI-71 Electrical Controls Upgrades: Annual program to resolve issues with pumping controls and electrical wiring in pump houses. Project identified in the Asset Management Plan, funded by capital surcharges.

CI-75 Source and Service Meter Replacement: Annual program to replace service and source meters as needed. Project identified in the Asset Management Plan, funded by capital surcharges.

CI-76 Well and Booster Pump Replacement: Annual program to replace well and booster pumps. Project identified in the Asset Management Plan, funded by capital surcharges.

CI-89 Deschutes Glen Reservoir Replacement This project includes replacing reservoir and pump house. Project identified in the Asset Management Plan, funded by capital surcharges.

CI-96 Sampling Stations: Project to install sampling stations on water systems to make it more efficient and accurate to take required water samples.

CI-98 New Meter Installation: Project to install meters at customer services where there was not previously a meter and where the customer has been paying the higher unmetered rate.

2023 Capital Project Code Explanations, continued

CI-99 ROM Upgrades (DWSRF) This project includes installing source and service meters. Upgrades to reservoir to improve flow of water from well to distribution. Drinking Water State Revolving Fund Loan (DWSRF) and Grant funding was obtained to complete this project.

CI-100 Combine 4 Group A water systems in Thurston County (DWSRF) This project includes the combining of four Group A water systems to include a new reservoir, booster pumps and mainline. Drinking Water State Revolving Fund Loan (DWSRF) and Grant funding was obtained to complete this project.

CI-101 Timberline Village Upgrades (DWSRF) This project includes updating the Water System Plan, installing service meters and fixing leaks. Drinking Water State Revolving Fund Loan (DWSRF) and Grant funding was obtained to complete this project.

CI-102 Tolmie Consolidation: This project includes the combining of three Group A water systems. District staff is pursuing external funding sources.

CI-103 Boots and Saddles New Treatment This project includes the installation of treatment to remove iron and manganese. This is new infrastructure, funded by bond proceeds.

CI-104 Webster Hill New Treatment: This project includes the installation of treatment to remove iron and manganese. This is new infrastructure, funded by bond proceeds.

CI-105 Water System Emergency Preparedness: This project includes the installation of water trees and an earthquake early warning system. This is new infrastructure, funded by bond proceeds.

CI-106 Pattison Infrastructure Replacement and Upgrades (DWSRF) This project includes installing a new well, booster pump stations, and reservoir. Drinking Water State Revolving Fund Loan (DWSRF) and Grant funding was obtained to complete this project.

CI-107 Country Club Estates (DWSRF) This project includes replacement of water mains, service meters, and upgrading the existing treatment system. Drinking Water State Revolving Fund Loan (DWSRF) and Grant funding was obtained to complete this project. The customers on this water system are being charged a special capital surcharge for their water improvements identified prior to PUD ownership.

CI-108 Glen Alder (DWSRF) This project includes replacement of water mains, service meters, and installing a permanent generator. Drinking Water State Revolving Fund Loan (DWSRF) and Grant funding was obtained to complete this project. The customers on this water system are being charged a special capital surcharge for their water improvements identified prior to PUD ownership.

CI-109 Lazy Acres PFAS Treatment: This project includes the installation of treatment to remove Per- and polyfluoroalkyl substances (PFAS). This is new infrastructure; District staff is pursuing external funding sources.

2023 Capital Project Code Explanations, continued

CI-110 Meadows Generator and Two Portable Generators: Project to acquire two (2) portable generators and install one (1) permanent generator at the Meadows Water System to reduce the delay in restoring power to operate water systems during an emergency. Federal Emergency Management Agency (FEMA) Hazard Mitigation grant was obtained.

CI-111 Green Cove Culvert Replacement: Thurston County Public Works has determined the culvert carrying Green Cove Creek under Country Club Road NW is collapsing. This project may require a temporary water main is installed during construction to maintain service as well as installation of a new, permanent water main after construction is complete. District staff is pursuing external funding sources.

Contingency: This line item is reserved for contingency.

WM-1 Acquisition and Disposal of New Water Systems: Line item reserved to provide funding to evaluate water systems for acquisition.

WM-4 Water System Plan – Part B: Line item to track the cost of updates to the water system plans or small water system management plans for individual water systems.

WM-14 Fleet: Line item authorizes the replacement of two (2) of our field vehicles. Project funded by the vehicle and equipment replacement fund.

WM-29 Building Upgrades: This line represents projects to replace the roof on the Administrative Building on Ruddell Road and to remodel the field office at 6800 Meridian Road. Project funded by bond proceeds, and a transfer from the vehicle, building and equipment replacement fund.

WM-33 Easements: Line item for expenditures associated with the negotiation and recording of new easements for the District's water system infrastructure. Project funded by bond proceeds.

WM-34 Audio/Visual Technology: This project includes the installation of Audio/Visual Technology in the Commissioner Meeting Room to enable the use of technology supporting remote attendance at Board meetings. Project is funded by bond proceeds.

WM-38 Geographic Information System (GIS) Program: This line item is for the purchase of equipment needed for the District's GIS Program. Project funded by bond proceeds.

WM-39 Emergency Preparedness – Facilities and Staff: This line item is for items needed to prepare the District for emergencies. Project funded by bond proceeds.

2023 Capital Budget Funding Sources

After projects are identified, it is the District's guiding principle for funding to first determine if the project should be funded with District reserves including capital surcharges, general facility charges, vehicle, facility and replacements and water rate revenue. Next, District staff will research available funding through state agencies. As a last resort, the District will use available bond proceeds to fund projects.

Transfer from Vehicle/Equipment Replacement Fund: Amounts held in reserve for vehicle and equipment replacements.

Transfer from Capital Surcharge Funding: Amounts held in reserve from previous surcharge collection.

Transfer from Water Fund Reserve: Amounts held in reserve from water revenues.

Water Revenue Bond 2020: Amounts obtained from financing in January 2020 to use for acquisitions and capital funding.

General Facilities Charge (GFC) Fund: The GFC is paid by customers for new services. The GFC is \$5,000 effective January 1, 2023.

PWTF Loans 2018: District was awarded and has accepted three (3) loans from the Public Works Trust Fund to drill new wells, rebuild pump houses and decommission old unused wells.

DWSRF Loans/Grant: The District was awarded and accepted loans with loan forgiveness from the Drinking Water State Revolving Fund for water system improvements.

FEMA Hazard Mitigation Grant: The District was awarded and has accepted a grant from the Federal Emergency Management Agency to install a generator at the Meadows, Group A water system and purchase two trailer mounted generators in preparation for water outage emergencies.

Proposed Additional Loan/Grant Funding Needed: The District will pursue outside sources of funding to complete this portion of the capital budget.