

2025 Proposed Budgets



Introduction

The Thurston Public Utility District's budgets reflect the strategic goals developed by the PUD Commissioners and provides a blueprint for water services for 2025. The budgets not only serve 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 2025 Proposed Operating Budget will be presented to PUD Commissioners at two (2) Public Hearings held on September 10 and September 17, 2024. The 2025 Proposed Operating Budget will be considered for adoption on October 1, 2024.
 - The Proposed Operating Budget:
 - Requires an overall rate revenue increase of 2.00% to fund the ongoing operations and maintenance for 276 water systems.
 - The Proposed Operating Budget includes the following supplemental proposed budgets:
 - Fleet & Equipment – requires funding of \$338,429 for fleet and equipment replacements.
 - Facilities – requires funding of \$139,151 for structural and operational repairs and replacements at the three (3) District owned buildings.
 - Debt Service – requires funding of \$2,098,521 for bond and loan repayments due in 2025.
 - Investment Consolidation – requires funding of \$500,000 to sustain PUD operations as the District strategically plans to consolidate water utility services in Thurston County.
- District staff is proposing one (1) Rates, Fees, Charges and Surcharges schedule for all PUD customers effective January 1, 2025.
- The Capital Surcharge is recommended to increase \$1.50 from \$13.50 to \$15.00 per Equivalent Residential Unit (ERU) effective January 1, 2025. This surcharge funds replacements of water system infrastructure identified in the Asset Management Plan (AMP).
- The General Facility Charge (GFC) is recommended to increase by \$1,000, from \$6,000 to \$7,000 effective January 1, 2025. The GFC is charged to new customers who want to connect to a PUD water system. Our GFC is lower than similar utilities in surrounding areas.
- District staff prepared a 2025 Proposed Capital Budget requiring funding of \$30,079,519.
- District staff recommends continuing existing capital surcharges billed monthly to customers on the Webster Hill, Glen Alder and Country Club Estates (CCE) water systems for repayment of the debt service the District incurred for the water systems improvements.

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 276 water systems serving 10,092 customers in six (6) counties.
- Meet our payment obligations for existing bonds and loans and debt coverage ratio.
- Develop rates that would improve revenue stability and not rely heavily on unpredictable weather conditions.
- Provide funding for capital projects identified in the water system Asset Management Plan.
- Provide funding for ongoing replacement needs as identified in the Facilities and Fleet & Equipment Asset Management Plans.
- Provide funding for additional staffing needs to support the upcoming addition of new capital improvement projects.

- Provide funding for emergency preparedness for water systems, employees, and buildings.
- Investigate strategic investment and provide funding for technology to enhance the efficiency of the staff.

Background

The 2024 Thurston Public Utility District Operating Budget incorporates operating expenses for 276 water systems serving 10,092 customers in the following counties:

<i>TOTAL CUSTOMERS</i>	<i>10,092</i>	<i>%</i>
Thurston County	7,835	77.64%
Pierce County	1,427	14.14%
Lewis County	689	6.83%
King County	76	0.75%
Grays Harbor County	37	0.37%
Kitsap County	28	0.28%

Figure 1: Thurston PUD Customers by County

2025 Proposed Operating Budgets

Proposed Operating Budgets

PUD Management will present proposed operating budgets to the PUD Commissioners for their consideration for adoption on October 1, 2024. Two (2) Public Hearings will be held on September 10, 2024, and September 17, 2024.

The proposed budgets fund the following:

- a. Ongoing operations and maintenance for water systems. Requires increased funding for recurring expenses and those due to projected inflation rates.
- b. An increase to the current level of District staff wages & salaries, benefits and related payroll taxes for two (2) additional positions needed to support the addition of new capital improvement projects.
- c. Fleet & Equipment replacements identified in the Asset Management Plan. The annual cost to fund the Fleet & Equipment Replacement Fund is \$338,429 over the next ten (10) years. The level of funding required will be analyzed annually.
- d. Facilities replacements and general maintenance identified in the Asset Management Plan. The annual cost to fund the Facilities Replacement Fund is \$86,651 over the next ten (10) years. The level of funding required will be analyzed annually.
- e. The Debt Service Fund addresses repayment of bonds and loans taken for water system acquisitions, building purchases and water system capital improvement projects. The total anticipated debt service payment is \$2,098,521 for 2025. This is an estimate, as the District has open loans to draw from as costs are incurred on open projects.
- f. A contribution to the Investment Consolidation Fund of \$500,000 as reserve funds to sustain PUD operations as the District consolidates water utility services in Thurston County.
- g. Emergency preparedness for water systems, employees, and District-owned buildings.

The Proposed 2025 Operating Budget requires an overall revenue rate increase of 2.00%.

Proposed Operating Budget Summary – Revenues

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

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

Water Revenue forecasts for the 2025 rate level includes:

1. An overall water rate revenue increase of 2.00% on the base rate and consumption charges.
 - a. The water rate revenue requirement is 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 276 water systems.
 - b. 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.
2. The Capital Surcharge is recommended to increase from \$13.50 to \$15.00 per Equivalent Residential Unit (ERU) per month per customer for 2025. Customers with larger meter sizes are billed a multiplier based on the meter size comparable to the ERU.

Proposed Operating Budget Summary – Expenses

All budgetary line items are expected to remain the same compared to the 2025 budget except the following:

Employee Salaries/Wages, Employee Pension & Benefits and Payroll Taxes

The 2025 Budget for Employee Salaries/Wages, Employee Pension & Benefits and Payroll Taxes includes:

- Eligible employee salary merit increases and two (2) new positions in the Field Operations and Planning & Compliance departments to support staff with the addition of new capital improvement projects including but not limited to the Prairie Ridge, Pattison and Tanglewilde water systems and the Per- and Polyfluoroalkyl Substances (PFAS) remediation projects.
- Group healthcare coverage (medical, dental, vision), group term life insurance, long-term disability coverage, accidental death and dismemberment coverage and State of Washington retirement plan.

Debt Service includes the cost of all bonds and loans repayments including those assumed with the purchase of new water systems. In 2025, Debt Service is expected to decrease by \$18,406.

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 \$23,941. This expense includes bonds issued in 2021.

Interest on Loans is expected to decrease by \$679. This expense includes Drinking Water State Revolving Fund (DWSRF) and Public Works Trust Fund (PWTF) loans.

Water System Purchased Water is expected to increase \$5,000 due to projected utility rate increases.

Water System Purchase Power is expected to increase \$12,600 due to projected utility rate increases.

Water System Materials & Supplies is expected to increase \$60,000 due to inflation and supply chain demand and delays.

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

Contractual Services – State Auditor is expected to increase by \$5,000 based on an estimate of the Accountability Audit performed every two years.

Building Operations is expected to increase by \$2,604 incorporating the reallocation of building expenses previously funded by the General Fund.

Transportation Expense is expected to increase by \$805 compared to the 2024 budget based on the additional vehicle to be used by the new Field Technician.

1. Fuel – *Short Term Energy Outlook* (August 2024 published by the US Energy Information Administration) predicts national gasoline prices will decrease in 2025 to \$3.30 per gallon on average.
 - a. Note, American Automobile Association (AAA) reports Washington’s current (09/13/24) regular gas price is \$4.153 compared to \$4.226 last month and \$5.054 last year.

2. Repair Costs –There are 23 vehicles that will require maintenance and repairs estimated at \$140,000 (an average of \$6,087 per vehicle).

Insurance – General Liability is expected to increase by \$38,005 compared to the 2024 budget. This is a preliminary estimate, actual cost will be available in January 2025. General Liability insurance provides insurance coverage for District owned vehicles, water systems, and three (3) office buildings.

Miscellaneous Expenses is expected to increase by \$97,915 compared to the 2024 budget.

Miscellaneous Expenses include the following types of expenses:

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

Transfer to Fleet & Equipment Replacement Fund is expected to increase by \$20,000 compared to the 2024 budget based on the funding required for the next ten (10) years for fleet and equipment replacements as identified in the Asset Management Plan. For more information, see pages 27-29 for the Fleet & Equipment Budget.

Transfer to Facilities Replacement Fund is expected to remain the same as the 2024 budget at \$86,651 based on the funding required for the next ten (10) years for facilities replacements as identified in the Asset Management Plan. For more information, see pages 30-32 for the Facilities Budget.

Interfund Transfer from Water Fund to General Fund is a one-time interfund transfer for the repayment of the interfund loan in 2022 from the General Fund to the Water Fund authorized in Resolution 22-34, First Amended 2022 Operating Budget. The 2022 interfund loan (from the General Fund to the Water Fund) was needed to supplement the income needed to cover the operational water fund expenses as water fund actual revenue was lower than originally budgeted.

Effects of Proposed Operating Budget on Fund Reserve

The net result of the Proposed Budget is the General Fund revenues will fund the General Fund expenses. Approximately \$32,463 will be added to the General Fund reserves. The General Fund reserves will have an estimated ending fund balance of \$130,550 which is above our current minimum reserve policy of 60 days.

The net result of the Proposed Budget is the Water Fund revenue after adoption of the proposed rates will be below the projected water expenses. The District's Management Team does not recommend an adjustment to the proposed overall rate increase of 2.00%. Instead, the District's Management Team proposes to use approximately \$313,951 from Water Fund reserves to supplement funding for water expenses. The Water Fund reserves will have an estimated ending fund balance of \$3,394,589 which is above our current minimum reserve policy of 60 days. The District's debt service coverage ratio is maintained at 1.49 which is above the District's bond covenant coverage requirement of 1.25.

2025 Proposed Operating Budget: General and Water Funds

Thurston PUD

General Fund Budget

	Actual	Budget	YTD	Projection	Proposed
	2023	2024	Jun-24	2024	2025
Estimated Beginning Fund Balance	264,789	236,080		236,080	98,087
Income					
419 · Interest Income	3,598	5,000	2,675	5,000	5,000
421 · Non-utility Income					
421.1 · Tax Levy Income	327,119	336,199	335,734	346,199	349,661
Total 421 · Non-utility Income	330,717	341,199	338,409	351,199	349,661
Total Income	334,315	346,199	341,083	356,199	354,661
Expense					
408.12 · Payroll Taxes	11,780	22,271	6,477	22,271	17,619
Total 408 · Taxes other than Income	11,780	22,271	6,477	22,271	17,619
601 · Salaries/Wages Employees	48,553	72,638	25,769	72,638	33,511
603 · Salaries - Commissioners	66,744	84,765	42,102	84,765	84,765
603.1 · Commissioner Meeting Compensation	17,344	29,911	9,344	29,911	29,911
603.2 · Watershed Planning	-	5,024	-	5,024	5,024
604 · Commissioner and Employee Pension & Benefits	45,953	63,482	23,895	63,482	50,067
631 · Contr. Svcs. - PS/Board Retreat	-	3,200	-	3,200	3,200
632 · Contr. Svcs. - Accounting	722	2,000	358	2,000	-
633 · Contr. Svcs. - Legal	11,660	15,000	6,380	15,000	5,000
635 · Contr. Svcs. - Other	13,46	15,000	-	15,000	-
637 · Contr. Svcs. - Janitorial	8,854	5,000	4,654	5,000	2,500
638 · Contr. Svcs. - State Auditor	19,683	10,500	-	10,500	5,000
643 · Building Operations	5,663	13,000	3,307	13,000	5,000
650 · Transportation Expense	291.97	1,400	272	1,400	1,400
657 · Insurance - General Liability	9,433	14,000	6,777	14,000	9,000
660 · Legal Adv/Public Info Expense	862	1,200	162	1,200	1,200
675.01 · Election Costs	41,104	85,000	-	85,000	80,000
675 · Miscellaneous Expenses	29,724	50,800	22,646	50,800	39,000
699 · Interfund Transfer	-	-	-	-	(50,000)
Total Expense	318,383	494,192	152,145	494,192	322,198
To (From) Reserves	15,932	(147,993)	188,939	(137,993)	32,463
Estimated Ending Fund Balance	236,080	110,465	188,939	98,087	130,550
Minimum Reserve Per Financial Policy (60 days)	52,337	81,237	25,010	81,237	52,964
Proposed Minimum Reserve Discussed (90 days)	78,505	121,855	37,515	121,855	79,446

Thurston PUD

Water Fund Budget

	Actual	Adopted	YTD	Projection	Proposed
	2023	2024	Jun-24	2024	2025
Estimated Beginning Fund Balance	2,054,187	3,231,886		3,231,886	3,545,066
Income					
419 · Interest Income	260,897	200,000	199,311	259,311	270,000
421 · Non-utility Income					
421.10 · Building Rental Income	45,881	47,369	31,347	45,890	48,790
Total 421 · Non-utility Income	45,881	47,369	31,347	45,890	48,790
460 · Unmetered Water Revenue					
460.1 · Residential	69,951	56,088	23,944	47,889	47,173
Total 460 · Unmetered Water Revenue	69,951	56,088	23,944	47,889	47,173
461 · Metered Water Revenue					
461.11 · Residential Base	4,848,737	4,951,535	2,491,312	4,951,535	5,098,732
461.12 · Residential Consumption	3,816,416	3,202,305	1,267,581	3,202,305	3,097,110
461.21 · Commercial Base	122,092	106,194	65,541	106,194	135,439
461.22 · Commercial Consumption	234,314	192,272	68,766	192,272	208,333
461.23 · Rec Center Contract Base	645	658	331	658	674
461.24 · Rec Center Contract Consumption	1,650	848	563	848	1,256
461.51 · Multifamily Base	195,814	205,948	113,811	205,948	227,396
461.52 · Multifamily Consumption	333,855	307,651	138,744	307,651	338,483
Total 461 · Metered Water Revenue	9,553,523	8,967,411	4,146,647	8,967,411	9,107,423
465 · Sales to Irrigation					
465.2 · Irrigation Base	27,870	23,452	15,777	23,452	31,957
465.3 · Irrigation Consumption	194,399	114,462	19,583	114,462	129,254
Total 465 · Sales to Irrigation	222,270	137,914	35,359	137,914	161,211
471 · Miscellaneous Service Revenue					
471 · Miscellaneous Service Revenue	139,344	110,000	91,658	130,000	130,000
Total 471 · Miscellaneous Service Revenue	139,344	110,000	91,658	130,000	130,000
474 · Other Water Revenue					
469 · Service Credits	(131,386)	(100,000)	55,519	(100,000)	(100,000)
Total Budgeted Income with Proposed Rate Adjustment	10,160,480	9,338,782	4,583,787	9,488,415	9,664,597
Expense					
403 · Debt Service	1,063,745	1,117,223	651,713	1,117,223	1,098,817
427 · Interest Expense					
427.32 · Interest on Bonds	730,302	703,426	354,894	703,426	679,485
427 · Interest Expense - Loans	15,951	22,941	-	22,941	23,620
Total 427 · Interest Expense	746,254	726,367	354,894	726,367	703,105
Transfer to Debt Service Fund					
408 · Taxes other than Income					
408.12 · Payroll Taxes	185,103	323,682	121,648	323,682	350,935
408.13 · Other Tax & License	44,291	56,700	56,729	56,700	56,700
408.2 · State Public Utility Tax	583,859	459,324	295,372	459,324	466,922
Total 408 · Taxes	813,253	863,673	473,750	839,705	874,558
601 · Salaries/Wages Employees	2,213,424	2,722,302	1,489,604	2,722,302	2,951,516
604 · Emp Pension & Benefits	747,945	952,628	360,771	952,628	1,049,343
610 · Purchased Water	18,024	20,000	17,735	20,000	25,000

Thurston PUD

Water Fund Budget

	Actual	Adopted	YTD	Projection	Proposed
	2023	2024	Jun-24	2024	2025
615 · Purchased Power	406,316	420,000	199,604	420,000	432,600
618 · Chemicals	104,930	115,000	60,291	115,000	140,000
620 · Materials & Supplies	350,505	400,000	230,167	400,000	460,000
625 · Energy Efficiency Enhancements	-	5,000	-	5,000	5,000
632 · Contr. Svcs. - Accounting	1,816	5,000	1,075	5,000	5,000
631 · Contr. Svcs. - Engineer	-	27,000	-	27,000	27,000
633 · Contr. Svcs. - Legal	32,768	48,000	18,487	48,000	89,800
635 · Contr. Svcs. - Other	6,538	15,000	5,427	15,000	15,000
636 · Regulatory Water Quality Testing	86,358	128,000	44,562	128,000	128,000
637 · Contr. Svcs. - Janitorial	13,195	24,000	7,206	24,000	24,000
638 · Contr. Svcs. - State Auditor	19,683	25,000	-	25,000	30,000
642 · Rental Equipment	340	5,000	2,293.19	5,000	5,000
643 · Building Operations	63,627	162,396	55,031	162,396	165,000
650 · Transportation Expense					
650.1 · Fuel	137,081	169,196	66,786	169,196	170,000
650.2 · Vehicle Licensing, Tolls & Monitoring Services	26,488	50,000	2,603	50,000	50,000
650.3 · Mileage	2,742	2,000	146	2,000	2,000
650.4 · Repairs & Maintenance	119,841	140,000	25,787	140,000	140,000
650 · Transportation Expense	286,151	361,196	95,322	361,196	362,000
657 · Insurance - General Liability	179,236	258,019	257,537	257,537	295,542
660 · Legal Adv/Public Info Expense	8,927	9,000	1,211	9,000	9,000
670 · Bad Debt Expense	-	10,000	-	10,000	10,000
675 · Miscellaneous Expenses	528,999	625,740	281,316	632,338	730,253
680.2 · Transfer to Fleet & Equipment Replacement Fund	131,258	318,429	98,650	318,429	338,429
680.3 · Transfer to Facilities Replacement Fund	30,000	86,651	-	86,651	86,651
699 · Interfund Transfer					
General Fund	-	-	-	-	50,000
Total Expense	8,603,293	9,363,973	4,706,645	9,175,236	9,815,073
To(From) Reserves	1,557,187	(268,938)	(122,858)	313,179	(150,476)
To(From) Reserves	1,511,305	(268,938)	(122,858)	313,179	(150,476)
Estimated Ending Fund Balance	3,565,492	2,638,878		3,545,066	3,394,589
Minimum Reserve Per Financial Policy (60 days)	1,414,240	1,579,351		1,508,258	1,613,437
Proposed Minimum Reserve Discussed (90 days)	2,121,360	2,369,027		2,262,387	2,420,155

2025 Proposed Rate Schedule

2025 Proposed Rate Schedule:

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

The 2025 Proposed Rate Schedule includes:

- An overall water rate revenue increase of 2.00% on the base rate and consumption charges.
- The Capital Surcharge increase from \$13.50 to \$15.00 per Equivalent Residential Unit (ERU), billed to each customer every month.
- The General Facility Charge increase from \$6,000 to \$7,000. This charge is billed for new development, developers or customers who want to connect to a PUD owned water system.

2025 Proposed Bill Impact Scenario:

- A comparison of the 2024 Rates and 2025 Proposed Rates at different water usage levels (consumption). The document is not a bill, it is a comparison provided to customers to use for budgetary purposes only.

On the subsequent pages are comparisons of the 2024 Rates and 2025 Proposed Rates. The 'cf' reference refers to cubic feet. **Note:** *1 cf = 7.48 gallons*



2025 PROPOSED RATES, FEES AND CHARGES

Effective January 1, 2025

Residential Base Rates	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+
	Monthly Rate	\$47.27	\$78.80	\$83.65	\$3.41	\$5.30	\$6.32	\$7.44	\$8.31
Other Base Rates	Base Rate (per month)							Consumption Charges (per hundred cubic feet)	
	Meter Size	¾"	1"	1 ½"	2"	3"	4"	Nov-Jun	Jul-Oct
	Commercial and Multifamily	\$54.40	\$90.65	\$181.20	\$290.35	\$543.65	\$906.10	\$5.30	\$7.45
	Irrigation	\$54.40	\$90.65	\$181.20	\$290.35	\$543.65		\$7.45	\$7.45
Tanglewilde Parks & Recreation	\$56.20							\$1.73	\$2.50
Service Charges				Capital Surcharges (Monthly Per ERU*)					
New Account Service Charge		\$35.00		¾" Meter		\$15.00			
New Account Non-Related Tenant		\$5.00 each tenant		1" Meter		\$25.00			
Late Payment Fee		\$5.00		1 ½" Meter		\$50.00			
Return Check Charge		\$30.00		2" Meter		\$80.00			
General Facility Charge		\$7,000.00		3" Meter		\$150.00			
Non-compliant Customer First		\$50.00		4" Meter		\$250.00			
Non-compliant Customer Second		\$110.00		Webster Hill DWSRF		\$14.94			
Local Taxes & Fees				Glen Alder DWSRF		\$68.10			
Street Light Fee (Conifer, Cooperfield, Quail Run)		\$3.15 per month		Country Club Estates DWSRF		\$27.40			
Scattercreek Ranch Irrigation		\$1.32		Country Club Estates Loan		\$25.49			
City of Gig Harbor B&O Tax – Quail Run Only		5%		Refundable Deposits					
Service Fees				Green Report		\$0.00			
Water Availability Letter - Residential		\$55.00		Yellow Report		\$75.00, or highest bill in the last 12 months, whichever is highest			
Water Availability Letter - Non-Residential		\$250.00		Red Report		\$150.00 or 2 times the highest bill in the last 12 months, whichever is highest			
Water Availability Letter - Accessory Dwelling U		\$250.00		Temporary Service Deposit		\$1,500.00			
Lender Letter		\$55.00		Service Connection Charges					
Hydrant Use Fee		Apply 1 1/2 Metered Rate		Residential Service Line Performed by PUD Staff		\$1,550.00			
Meter Test		\$100.00		Residential Service Line Performed by Contract		Costs at 20% markup and time to install			
Cross Connection Survey		\$45.00		Commercial Service Line		Materials at 20% markup and time to install			
Back Flow Test		Time and materials		¾" Meter Install		\$300.00			
Reconnection Fees				1" Meter Install		\$400.00			
Business Hours		\$50.00		1 ½" Meter Install		\$650.00			
After Hours		\$135.00		2" Meter Install		\$900.00			
Holiday/Weekend		\$210.00		Fire Meter Install		\$1,562.00			
Meter Tampering Charge		\$200.00							

*Equivalent Residential Unit (ERU)

**Comparison of Water Rates: PUD Standard Rates
2024 Current to 2025 Proposed***
Public Utility District No. 1 of Thurston County

	2024	2025
Residential		
<u>Base Rates</u>		
Residential 3/4" Meter	\$ 46.35	\$ 47.27
Residential 1" Meter	\$ 77.25	\$ 78.80
Flat Rate	\$ 82.00	\$ 83.65
<u>Consumption Charges, per 100 cf</u>		
0 - 500 cf	\$ 3.35	\$ 3.41
500 - 2,100 cf	\$ 5.20	\$ 5.30
2,101 - 3,600 cf	\$ 6.20	\$ 6.32
3,601 - 7,000 cf	\$ 7.30	\$ 7.44
7,000+ cf	\$ 8.15	\$ 8.31
Non Residential		
<u>Base Rates</u>		
3/4" Meter	\$ 53.30	\$ 54.40
1" Meter	\$ 88.85	\$ 90.65
1 1/2" Meter	\$ 177.65	\$ 181.20
2" Meter	\$ 284.65	\$ 290.35
3" Meter	\$ 533.00	\$ 543.65
4" Meter	\$ 888.35	\$ 906.10
<u>Consumption Charges, per 100 cf</u>		
November - June	\$ 5.20	\$ 5.30
July - October	\$ 7.30	\$ 7.45
Irrigation	\$ 7.30	\$ 7.45
Tanglewilde Park		
1 1/2" Meter	\$ 55.10	\$ 56.20
<u>Consumption Charges, per 100 cf</u>		
November - June	\$ 1.70	\$ 1.73
July - October	\$ 2.45	\$ 2.50
Scattercreek Ranch Irrigation		
	\$ 1.30	\$ 1.32
Special Surcharge, monthly		
WH DWSRF	\$ 14.94	\$ 14.94
Glen Alder DWSRF	\$ 85.78	\$ 68.10
Country Club Estates Loan	\$ 25.49	\$ 25.49
Country Club Estates DWSRF	\$ 48.35	\$ 27.40
Capital Surcharges, monthly		
3/4" Meter	\$ 13.50	\$ 15.00
1" Meter	\$ 22.50	\$ 25.00
1 1/2" Meter	\$ 45.00	\$ 50.00
2" Meter	\$ 72.00	\$ 80.00
3" Meter	\$ 135.00	\$ 150.00
4" Meter	\$ 225.00	\$ 250.00

*2025 Recommended Revenue Rate increase is 2.00%

Figure 3: Comparison of 2024 and 2025 Proposed PUD Rates

Thurston PUD 2025 Proposed Rates - Bill Impact Scenarios

PUD Residential Customers

	2024	2025	Dollar Difference (\$)
Residential meter with 500 cubic feet of usage			
Base Rate	\$46.35	\$47.27	\$0.92
Consumption Charge, 500 cubic feet	\$16.75	\$17.05	\$0.30
Total Water Charges	\$63.10	\$64.32	\$1.22
Capital Surcharge	\$13.50	\$15.00	\$1.50
Total Bill with Capital Surcharge	\$76.60	\$79.32	\$2.72

Residential meter with 750 cubic feet of usage			
Base Rate	\$46.35	\$47.27	\$0.92
Consumption Charge, 750 cubic feet	\$29.75	\$30.30	\$0.55
Total Water Charges	\$76.10	\$77.57	\$1.47
Capital Surcharge	\$13.50	\$15.00	\$1.50
Total Bill with Capital Surcharge	\$89.60	\$92.57	\$2.97

Residential meter with 1,000 cubic feet of usage			
Base Rate	\$46.35	\$47.27	\$0.92
Consumption Charge, 1,000 cubic feet	\$42.75	\$43.55	\$0.80
Total Water Charges	\$89.10	\$90.82	\$1.72
Capital Surcharge	\$13.50	\$15.00	\$1.50
Total Bill with Capital Surcharge	\$102.60	\$105.82	\$3.22

Residential meter with 1,500 cubic feet of usage			
Base Rate	\$46.35	\$47.27	\$0.92
Consumption Charge, 1,500 cubic feet	\$68.75	\$70.05	\$1.30
Total Water Charges	\$115.10	\$117.32	\$2.22
Capital Surcharge	\$13.50	\$15.00	\$1.50
Total Bill with Capital Surcharge	\$128.60	\$132.32	\$3.72

Residential meter with 2,000 cubic feet of usage			
Base Rate	\$46.35	\$47.27	\$0.92
Consumption Charge, 2,000 cubic feet	\$94.75	\$96.55	\$1.80
Total Water Charges	\$141.10	\$143.82	\$2.72
Capital Surcharge	\$13.50	\$15.00	\$1.50
Total Bill with Capital Surcharge	\$154.60	\$158.82	\$4.22

This is **not** a bill. This document is provided as a tool for customers to use for budgetary purposes.

Thurston PUD 2025 Proposed Rates - Bill Impact Scenarios

PUD Residential Customers

	2024	2025	Dollar Difference (\$)
Residential meter with 3,000 cubic feet of usage			
Base Rate	\$46.35	\$47.27	\$0.92
Consumption Charge, 3,000 cubic feet	\$155.75	\$158.73	\$2.98
Total Water Charges	\$202.10	\$206.00	\$3.90
Capital Surcharge	\$13.50	\$15.00	\$1.50
Total Bill with Capital Surcharge	\$215.60	\$221.00	\$5.40

Residential meter with 4,000 cubic feet of usage			
Base Rate	\$46.35	\$47.27	\$0.92
Consumption Charge, 4,000 cubic feet	\$222.15	\$226.41	\$4.26
Total Water Charges	\$268.50	\$273.68	\$5.18
Capital Surcharge	\$13.50	\$15.00	\$1.50
Total Bill with Capital Surcharge	\$282.00	\$288.68	\$6.68

Residential meter with 5,000 cubic feet of usage			
Base Rate	\$46.35	\$47.27	\$0.92
Consumption Charge, 5,000 cubic feet	\$295.15	\$300.81	\$5.66
Total Water Charges	\$341.50	\$348.08	\$6.58
Capital Surcharge	\$13.50	\$15.00	\$1.50
Total Bill with Capital Surcharge	\$355.00	\$363.08	\$8.08

Residential meter with 6,000 cubic feet of usage			
Base Rate	\$46.35	\$47.27	\$0.92
Consumption Charge, 6,000 cubic feet	\$368.15	\$375.21	\$7.06
Total Water Charges	\$414.50	\$422.48	\$7.98
Capital Surcharge	\$13.50	\$15.00	\$1.50
Total Bill with Capital Surcharge	\$428.00	\$437.48	\$9.48

Residential meter with 7,000 cubic feet of usage			
Base Rate	\$46.35	\$47.27	\$0.92
Consumption Charge, 7,000 cubic feet	\$441.15	\$449.61	\$8.46
Total Water Charges	\$487.50	\$496.88	\$9.38
Capital Surcharge	\$13.50	\$15.00	\$1.50
Total Bill with Capital Surcharge	\$501.00	\$511.88	\$10.88

This is **not** a bill. This document is provided as a tool for customers to use for budgetary purposes.

2025 Proposed Capital Budget

Proposed 2025 Capital Budget Summary

The 2025 Proposed Capital Budget includes ongoing projects the District is working toward 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 replacement of existing infrastructure, 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. The capital surcharges do not fully fund the water system projects identified in the water system AMP. District staff pursues state and federal programs to supplement the funding needed for water system projects.

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

Surcharge Utilization		
January 2015 to June 2024		
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>(248,101)</u>
		1,800,609 Ending Surcharge balance as of 12/31/2021
2022	Collected Amount	1,170,540
	AMP Completed Projects	<u>(504,358)</u>
		2,466,791 Ending Surcharge balance as of 12/31/2022
2023	Collected Amount	1,260,328
	AMP Completed Projects	<u>(358,618)</u>
		2,864,143 Ending Surcharge balance as of 12/31/2023
2024	Collected Amount	760,243
	AMP Completed Projects	<u>(336,365)</u> Estimate as of 06/30/2024
		2,929,403 Ending Surcharge balance as of 06/30/2024

Figure 4: 2015 - 2024 Capital 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 06/30/2024					
	2021	2022	2023	2024	Total
CI-41 Isolation Valves	1,752	-	-	-	\$ 1,752
CI-44 Pumphouse	-	9,423	16,564	13,432	\$ 42,046
CI-50 Mainline Replacement	-	-	-	48,519	\$ 48,519
CI-62 Treatment Replacement/Upgrades	26,505	9,898	32,742	208,348	\$ 305,863
CI-65 Pressure Tanks	17,869	23,881	13,134	29,438	\$ 112,143
CI-66 System Upgrades	56,674	157,876	43,027	-	\$ 303,269
CI-68 Wells	-	99,437	259	-	\$ 99,696
CI-71 Electrical Replacements	-	18,061	79,525	-	\$ 104,176
CI-75 Service/Source Meters	23,221	48,258	58,606	1,050	\$ 179,821
CI-76 Pump Replacements	122,080	137,522	94,178	35,579	\$ 521,366
CI-89 Deschutes Glen Rebuild	-	-	20,583	-	\$ 20,583
Totals	\$ 248,101	\$ 504,358	\$ 358,618	\$ 336,365	\$ 1,739,234

Figure 5: 2021 - 2024 AMP Completed Projects

In October 2022, the District’s Planning and Compliance team updated the AMP for all 276 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 reviewed the updated AMP. The preliminary findings indicate the District’s future capital needs for the next 20 years are severely underfunded. **Over the next 6 years (2025 – 2030), there are major components of our water systems requiring replacement at an estimated value of \$30.1 million. The capital surcharge collections fund approximately 45 percent of capital replacement project costs.**

After review of the current financial plan, District staff recommends the 2025 Capital Surcharge is increased from \$13.50 to \$15.00 per Equivalent Residential Unit (ERU). The recommended increase is necessary to ensure funding is available for major components on water systems that require immediate replacement.

District staff recommends the 2025 General Facility Charge is increased from \$6,000 to \$7,000. This charge is billed to new customers only.

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

**Thurston PUD
2025 Proposed Capital Budget**

			2025 Proposed Budget
Capital Fund Estimated Beginning Fund Balance			2,202,433
Capital Improvements			
Project Code	Water System	Project Description	
CI-41	multiple	Isolation Valve Maintenance	100,000
CI-44	multiple	Rebuild Pumphouses	100,000
CI-50	600	Tanglewilde Mainline Replacement (<i>Years 2025 - 2027</i>)	10,000,000
CI-62	multiple	Existing Treatment Replacements	125,000
CI-65	multiple	Replace Plumbing/Pressure Tanks	100,000
CI-66	multiple	System Upgrades	150,000
CI-68	multiple	Replace/Rehabilitate Wells	100,000
CI-71	multiple	Electrical Controls Upgrades	75,000
CI-75	multiple	Source and Service Meter Replacement	125,000
CI-76	multiple	Well and Booster Pump Replacement	200,000
CI-89	215	Deschutes Glen Reservoir Replacement	35,000
CI-96	multiple	Sampling Stations	10,000
CI-98	multiple	New Meter Installation	75,000
CI-100	multiple	Water System Consolidation (<i>Years 2025 - 2026</i>)	1,488,813
CI-105	multiple	Water Systems Emergency Preparedness	22,000
CI-106	500	Pattison Infrastructure Replacement and Upgrades	7,270,213
CI-109	multiple	PFAS/PFOA Treatment - 10 Water Systems (<i>Years 2025-2026</i>)	8,534,826
CI-111	679	Green Cove Culvert Replacement	1,041,667
CI-112	N/A	District Chlorine Plant (<i>Years 2025 - 2027</i>)	80,000
CI-114	multiple	Water Systems Chlorine Analyzers & Telemetry	100,000
		<i>20% Contingency on Asset Management Plan Estimates</i>	227,000
Subtotal - Capital Improvements			29,959,519
Water System Management			
WM-1	N/A	Acquisitions and Disposal of Water Systems	50,000
WM-4	N/A	Water System Plan - Part B	25,000
WM-33	N/A	Easements	30,000
WM-38	N/A	Geographic Information System (GIS) Program	15,000
Subtotal - Water System Management			120,000
Total - Capital Improvement Program			30,079,519
Funding Sources			
	Transfer from Capital Surcharges		1,387,000
	Water Revenue Bond Proceeds		2,518,526
	General Facility Charge (GFC) Collections		70,000
	PWTF Loan - Tanglewilde Mainline Replacement		10,000,000
	DWSRF Loan - Pattison Infrastructure Replacement and Upgrades		3,141,500
	DWSRF Loan - Water System Consolidation		1,463,813
	DWSRF Grants - PFOA/PFAS Treatment		5,621,437
	Developer Deposit - Pattison Reservoir Expansion		1,992,187
	Culvert Replacement - State Capital Budget Funding		166,667
	Culvert Replacement - Federal Funding		875,000
	Additional Funding Needed (Loan, Grant or Bond)		2,913,389
Total - Funding			30,149,519
Capital Fund Estimated Ending Fund Balance			\$ 2,272,433

Proposed 2025 Capital Budget – Project Code Explanations

CI-41 Isolation Valve Maintenance: Project to ensure all isolation valves are in working order so that when needed, the mainline 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. Projects identified in the Asset Management Plan are funded by capital surcharges.

CI-44 Rebuild Pumphouses: Project to rebuild pumphouses that are at the end of their useful lives. Asset Management Plan. Projects identified in the Asset Management Plan are funded by capital surcharges.

CI-50: Tanglewilde Mainline Replacement: This project includes replacement of water mains, valves, hydrants, lateral lines, and meter boxes to the customers service line. Currently we have obtained a \$10 million-dollar Public Works Trust Fund (PWTF) loan which will replace approximately 10,000 linear feet of mainline and be completed in a multi-year project of 4 phases (2025 – 2027). Total replacement will require additional funding.

CI-62 Existing Treatment Replacements: Annual program to replace critical equipment needed for treatment on existing water systems. Projects identified in the Asset Management Plan are funded by capital surcharges.

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

CI-66 System Upgrades: Annual program to enhance the life of the asset or solve issues identified by DOH as they arise. 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. Projects identified in the Asset Management Plan are funded by capital surcharges.

CI-68 Replace/Rehabilitate Wells: Annual program to replace or rehabilitate existing wells which could include total replacement, drilling deeper, and/or scrubbing and cleaning well for better water production. Projects identified in the Asset Management Plan are funded by capital surcharges.

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

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

Proposed 2025 Capital Budget – Project Code Explanations, continued

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

CI-89 Deschutes Glen Reservoir Replacement: This project includes replacing the reservoir and pumphouse. This project is identified in the Asset Management Plan and will be 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. This is new infrastructure and will be funded by bond proceeds or other funding available for new infrastructure.

CI-98 New Meter Installation: Project to install meters at customer property where there was not previously a meter and where the customer has been paying the higher unmetered rate. This is new infrastructure and will be funded by bond proceeds or other funding available for new infrastructure.

CI-100 Water System Consolidations: The Prairie Ridge Consolidation project includes the combining of three Group A water systems. Drinking Water State Revolving Fund Loan (DWSRF) was obtained to complete this multi-year project (2025 -2026). Additionally, the Countrywood Estates & Talcott Ridge Consolidation project will be completed by District staff and funded with capital surcharges.

CI-105 Water System Emergency Preparedness: This project includes the installation of water trees. This is new infrastructure and will be funded by bond proceeds or other funding available for new infrastructure.

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 (DWSRF) Loan and Grant funding was obtained to complete this project. Separate from the DWSRF project, the reservoir at Pattison Water System is being upsized to provide water service for additional connections. This is new infrastructure, funded by bond proceeds and a community developer.

CI-109 PFOA/PFAS Treatment: This project includes the installation of treatment to remove Per- and polyfluoroalkyl substances (PFAS) at ten (10) water systems. These projects will require new infrastructure. Drinking Water State Revolving Fund (DWSRF) Grant funding for two (2) years (2025 – 2026) was obtained for six (6) water systems. District staff is seeking funding for PFAS Remediation on the remaining four (4) water systems.

Proposed 2025 Capital Budget – Project Code Explanations, continued

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 will require a temporary water main during construction to maintain service as well as installation of a new, permanent water main after construction is complete. The State Capital Budget has a Culvert Replacement fund allocation of \$1,000,000 to be shared among six (6) PUDs. Additionally, Congresswoman Strickland is providing federal funding up to 80% of the project costs.

CI-112 District Chlorine Plant: This multi-year (2025 – 2027) project includes the installation of a chlorine plant at the Pattison Christmas Tree and the Tanglewilde Thompson Place well sites. This is new infrastructure and will be funded by bond proceeds or other funding available for new infrastructure.

CI-114 Water Systems Chlorine Analyzers & Telemetry: This project includes the implementation of chlorine analyzers & telemetry system at water systems to allow District Management to monitor the chlorine residuals remotely. Adjustments to the chlorine levels will be performed in-person by the District’s Field Operations Team. This is new infrastructure, funded by General Facility Charges (GFCs).

Contingency: This line item is reserved for contingency on all Asset Management Plan project estimates.

WM-1 Acquisition and Disposal of New Water Systems: Line item reserved to provide funding to evaluate water systems for acquisition or disposal. Project funded by bond proceeds or other available funding sources.

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. Project funded by capital surcharges.

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 or other available funding sources.

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 or other available funding sources.

Proposed 2025 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 or 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 Capital Surcharges: Amounts held in reserve from previous surcharge collection.

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

General Facilities Charge (GFC) Fund: Current (2024) fee is \$6,000, paid by customers for new services. District Staff will recommend an increase to \$7,000 in 2025.

PWTF Loan: The District was awarded a loan from the Public Works Trust Fund for the Tanglewilde Mainline Replacement project.

DWSRF Loans and Grants: The District was awarded and accepted loans with loan forgiveness from the Drinking Water State Revolving Fund for water system improvements, consolidation and PFOA/PFAS Treatment.

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

2025 Proposed Fleet & Equipment Budget

Proposed 2025 Fleet & Equipment Budget Summary

The Proposed 2025 Fleet & Equipment Budget utilizes an Asset Management Plan (AMP) for fleet (vehicles) and equipment the District owns and must plan to replace when it is no longer operational. District staff estimate fleet replacement at seven (7) years for many of the District's vehicles. Equipment useful life is based on the manufacturer, retail company, industry standards or professional recommendations. Condition assessments are also used to proactively determine an approximate replacement timeframe.

District staff will continue to annually review the financial plan and AMP to determine the funding level required for fleet and equipment replacement needs in the future.

See pages 28-29 for the 2025 Proposed Fleet & Equipment Budget.

**Thurston PUD
2025 Proposed Fleet & Equipment Budget**

		2025 Proposed Budget
Fleet & Equipment Estimated Beginning Fund Balance		\$ 438,705
Project Code	Project Description	
VM-01	Fleet - Two Vehicles (1-New 1-Replacement)	\$ 99,225
EQ-01	Equipment - Replace Leak Detection Radar	\$ 35,000
EQ-01	Equipment - New Portable Sanican and Trailer	\$ 5,513
	20% Contingency on Asset Management Plan Estimates	\$ 47,793
Total		\$ 187,531
Funding Source		
	Transfer from Water Revenue Reserves Fund	\$ 338,429
Total		\$ 338,429
Fleet & Equipment Estimated Ending Fund Balance		\$ 589,603

2025 Proposed Fleet & Equipment Budget - Project Code Explanations

VM-01 Fleet: This line item represents replacement and new purchases for field vehicles based on District staff assessments, dealership recommendations or vehicle replacements anticipated based on the Vehicle Asset Management Plan. In 2025, the District expects one (1) vehicle to be replaced. Additionally, one vehicle will need to be purchased for the new position hired in 2024. Fleet replacements are funded by the Fleet & Equipment Reserves Fund, transfers from the Water Revenue Reserves Fund, and proceeds from the 2020 Water Revenue Bond.

EQ-01 Equipment: This line item represents replacement of equipment based on District staff assessments or as identified in the Equipment Asset Management Plan. In 2025, the District expects to replace the pipe detection radar equipment. Equipment replacements are funded by the Fleet & Equipment Reserves Fund, transfers from the Water Revenue Reserves Fund, and proceeds from the 2020 Water Revenue Bond.

Contingency: This line item is reserved for contingency for all fleet and equipment purchases and replacement cost estimates identified in the Asset Management Plan.

2025 Proposed Fleet & Equipment Budget - Funding Sources

After vehicle and equipment replacements are identified, it is the District's guiding principle to first determine if it should be funded by the Fleet & Equipment Reserves Fund. As a last resort, the District will use available bond proceeds to fund replacements. Note, District staff may research available funding through state agencies for applicable projects relating to state legislature initiatives.

Transfer from Water Revenue Reserves Fund: This is an annual contribution from the Water Revenue Reserves Fund.

Potential Surplus Proceeds: The District may transfer ownership of vehicles and equipment to the Washington State Department of Enterprise Services, other state agencies or community organizations for resale. Any resale surplus proceeds the District receives is transferred to the Fleet & Equipment Reserve Fund.

2025 Proposed Facilities Budget

Proposed 2025 Facilities Budget Summary

The Proposed 2025 Facilities Budget utilizes an Asset Management Plan (AMP) for the three (3) buildings owned by the District; an Administrative Building, Field Operations Building and Rental Office. The Facilities AMP specify all major building components that will require repair or replacement when it is no longer operational. District staff use condition assessments to proactively determine an approximate replacement timeframe for the various building components.

The Proposed 2025 Facilities Budget includes emergency preparedness for facilities to ensure District Staff can provide continuity of service to customers during and following an emergency event.

District staff will continue to annually review the financial plan and AMP to determine the funding level required for facilities repair and replacement needs in the future.

See pages 31-32 for the 2025 Proposed Facilities Budget.

**Thurston PUD
2025 Proposed Facilities Budget**

	2025 Proposed Budget
Facilities Estimated Beginning Fund Balance	\$ 288,056

Project Code	Project Description	
WM-29	Building Maintenance and Improvements	
	Administrative Building - 1230 Ruddell Rd	\$ 22,500
	Field Operations Building - 6800 Meridian Rd	\$ 36,931
	Rental Office Building - 1240 Ruddell Rd	\$ 10,000
WM-39	Emergency Preparedness - Facilities	\$ 40,000
	20% Contingency on Asset Management Plan Estimates	\$ 13,386
	Total	\$ 122,817

Funding Sources

	Transfer from Water Revenue Reserves Fund	\$ 86,651
	Water Revenue Bond Proceeds	\$ 52,500
	Total	139,151

	Facilities Estimated Ending Fund Balance	\$ 304,390
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2025 Proposed Facilities Budget - Project Code Explanations

WM-29 Building Maintenance and Improvements:

This line item represents replacement and repairs projects that are known based on District Staff assessments or projects anticipated based on the Facilities Asset Management Plan (AMP). The District owns three (3) office buildings, each building has an AMP that indicates building components, build dates, depreciation date and estimated replacement costs. The building maintenance and improvement projects are funded by the Facilities Reserves Fund, transfers from the Water Revenue Reserves Fund, and proceeds from the 2020 Water Revenue Bond.

Administrative Building – 1230 Ruddell Rd: Projects include general repairs and replacements, a new storage shed and an extended fence around the building.

Field Operations Building – 6800 Meridian Rd: Projects include new storage installation, and general repairs and replacements.

Rental Office Building – 1240 Ruddell Rd: Projects are for general maintenance.

WM-39 Emergency Preparedness – Facilities: This line item is for items needed to prepare the District’s Administrative Building located at 1230 Ruddell Rd for emergencies. Projects are funded by bond proceeds or other available funding sources.

Contingency: This line item is reserved for contingency on all Asset Management Plan project estimates.

2025 Proposed Facilities Budget - Funding Sources

After the facilities and emergency preparedness projects are identified, it is the District’s guiding principle to first determine if it should be funded by the Facilities Reserves Fund. As a last resort, the District will use available bond proceeds to fund projects. Note, District Staff may research available funding through state agencies for applicable projects relating to state legislature initiatives.

Transfer from Water Revenue Reserves Fund: This is an annual contribution from the Water Revenue Reserves Fund.

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

2025 Proposed Debt Service Budget

Proposed 2025 Debt Service Budget Summary

The Proposed 2025 Debt Service provides detailed information on the long term debt schedule for bonds and loans issued to the District for water system acquisitions, building purchases and water system capital improvement projects.

This budget includes 20% Contingency for the anticipated increase in payments for the additional draws the District will make in 2024 and 2025 that will be included in the debt service repayment calculation for 2025.

District staff will continue to annually review and update the long term debt schedule to determine the funding level required for the repayment of bonds and loans.

See pages 34-37 for the 2025 Proposed Debt Service Budget.

**Thurston PUD
2025 Proposed Debt Service Budget**

	2025 Proposed Budget
Debt Service Estimated Beginning Fund Balance	\$ 1,434,524
Long Term Debt Description	
Bonds	\$ 1,509,656
Public Works Trust Fund (PWTF) Loans	\$ 78,271
Drinking Water State Revolving Fund (DWSRF) Loans	\$ 345,436
20% Contingency on 2024 Loan Draws Estimates	\$ 32,034
Total	\$ 1,965,397
Funding Sources	
Transfer from Water Revenue Reserves Fund	\$ 1,920,000
Transfer from Loan Capital Surcharges (Webster Hill, CCE and Glen Alder)	\$ 41,746
Transfer from Asset Management Plan (AMP) Capital Surcharges ¹	\$ 136,775
Total	\$ 2,098,521
Debt Service Estimated Ending Fund Balance	\$ 1,567,649
Bond Covenant Reserve Requirement	\$ 1,241,969
Debt Service Estimated Ending Fund Balance after Bond Requirement	\$ 325,680

¹ This transfer is for projects completed from 2016 to 2021 that were funded with Water Revenue Bond Proceeds. For additional information, see page 38.

2025 Proposed Debt Service Budget - Project Code Explanations

Long Term Debt: Includes bonds and loans awarded to the District to finance capital improvement projects. The tables below depict the long-term debt service repayments.

Repayment of Bonds: The District has four (4) Water Revenue Bonds.

Year(s)	Principal	Interest	Total
2025	\$ 830,171	\$ 679,485	\$ 1,509,656
2026	\$ 847,526	\$ 654,580	\$ 1,502,106
2027	\$ 960,102	\$ 629,154	\$ 1,589,256
2028	\$ 987,905	\$ 600,351	\$ 1,588,256
2029	\$ 1,025,942	\$ 566,864	\$ 1,592,806
2030-2034	\$ 6,333,967	\$ 2,283,965	\$ 8,617,932
2035-2039	\$ 6,509,305	\$ 1,253,701	\$ 7,763,006
2040-2042	\$ 2,380,000	\$ 203,650	\$ 2,583,650
Totals	\$ 20,672,948	\$ 7,575,177	\$ 28,248,125

Repayment of Public Works Trust Fund (PWTF) Loans: The District has two (2) closed PWTF loans and one (1) open loan.

The open loan is for a multi-year mainline replacement project, the loan may be closed in 2027 or 2028. Below are details for the open loan which will be added to the table below after the loan is closed and in repayment status.

Loan Amount: \$10,000,000

Loan Term: 20 years

Interest Rate: 1.72%

The table below only reflects repayments on actual draws on closed loans; it does not include repayment of future draws on the open loan.

Year(s)	Principal	Interest	Total
2025	\$ 22,242	\$ 5,169	\$ 27,411
2026	\$ 22,242	\$ 4,800	\$ 27,042
2027	\$ 22,242	\$ 4,431	\$ 26,672
2028	\$ 22,242	\$ 4,061	\$ 26,303
2029	\$ 22,242	\$ 3,692	\$ 25,934
2030-2034	\$ 111,209	\$ 12,922	\$ 124,131
2035-2039	\$ 88,967	\$ 3,692	\$ 92,659
Totals	\$ 311,384	\$ 38,767	\$ 350,152

2025 Proposed Debt Service Budget - Project Code Explanations, Continued

Repayment of Drinking Water State Revolving Fund (DWSRF) Loans: The District has 17 DWSRF loans; five (5) loans are open for the District to request draws.

The District anticipates closing one (1) of the open loans by December 2024, three (3) of the open loans in early 2025, and the remaining loan being closed in 2026 or 2027. Below are details for the open loans which will be added to the table below after the loans are closed and in repayment status.

Project: Tanglewilde Water System Plan Update and Preliminary Engineering (2024)
Loan Amount: \$390,660
Loan Term: 10 years
Interest Rate: 0.00%

Project: Hawley Hills Water System Consolidation (2 Loans) (2025)
Loan Amount: \$819,758
Loan Term: 20 years
Interest Rate: 1.75%

Project: Pattison Water System Consolidation and Replacement (2025)
Loan Amount: \$3,141,500 with 50% loan forgiveness
Loan Term: 20 years
Interest Rate: 1.25%

Project: Prairie Ridge Water System Consolidation (2026 or 2027)
Loan Amount: \$1,463,813
Loan Term: 20 years
Interest Rate: 2.25%

The table below only reflects repayments on actual draws on closed loans; it does not include repayment of future draws on the open loans.

Year(s)	Principal	Interest	Total
2024	\$ 238,535	\$ 15,736	\$ 254,271
2025	\$ 218,011	\$ 11,215	\$ 229,226
2026	\$ 210,745	\$ 9,896	\$ 220,641
2027	\$ 210,745	\$ 8,648	\$ 219,392
2028	\$ 210,745	\$ 7,399	\$ 218,144
2029-2033	\$ 377,532	\$ 23,129	\$ 400,661
2034-2038	\$ 140,950	\$ 11,556	\$ 152,506
2039-2043	\$ 69,233	\$ 4,244	\$ 73,476
2044-2045	\$ 11,487	\$ 254	\$ 11,741
Totals	\$ 1,687,981	\$ 92,075	\$ 1,780,057

Contingency: This line item is reserved for additional loan draws that will increase the debt service payments.

2025 Proposed Debt Service Budget - Funding Sources

The District maintains the required bond debt service covenant of \$1,241,969. The District's guiding principle is to fund long term debt service repayments with the Debt Service Reserves Fund with transfers from the Water Revenue Reserves Fund. Additionally, the District may access monthly capital surcharges for water system specific improvements for the duration of the loan.

Transfer from Water Revenue Reserves Fund: This is an annual contribution from the Water Revenue Reserves Fund.

Transfer from Loan Capital Surcharges: There are four (4) loan capital surcharges for water system improvement projects. On an annual basis, loan capital surcharges are transferred to the Debt Service Reserves Fund based on the debt service repayment amounts.

Transfer from Asset Management Plan (AMP) Capital Surcharges: Water System capital improvement projects from 2016 to 2021 were funded with bond proceeds. On an annual basis, the AMP Capital Surcharges for the completed projects will be transferred to the Debt Service Reserves Fund.

2025 Proposed Investment Consolidation Budget

Proposed 2025 Investment Consolidation Budget Summary

In 2024, the Board of Commissioners adopted Resolution, 24-04 Investment Plan for Consolidations that establishes the Investment Consolidation Fund. The Proposed 2025 Investment Consolidation Budget provides information on the consolidation expenditures and funding sources.

District staff will continue to annually review the revenue needed and funding sources to determine the appropriate level of funding.

See pages 39-40 for the 2025 Investment Consolidation Budget.

**Thurston PUD
2025 Proposed Investment Consolidation Budget**

	2025 Proposed Budget
Investment Consolidation Beginning Fund Balance	\$ 752,500
Consolidation Expenditures	\$ -
Total	\$ -
Funding Source	
Transfer from Water Revenue Reserves Fund	\$ 500,000
Total	\$ 500,000
Investment Consolidation Estimated Ending Fund Balance	\$ 1,252,500

2025 Proposed Investment Consolidation Budget - Project Code Explanations

Consolidation Expenditures: Thurston PUD Board of Commissioners adopted Resolution 24-04, Investment Plan for Consolidations establishing the Investment Consolidation fund. Expenditures costs may be incurred to ensure the continuity of and adequate funding for the District's utility operations.

2025 Proposed Investment Consolidation Budget - Funding Source

Transfer from Water Revenue Reserves Fund: Transfer contributions from the Water Revenue Reserves Fund may include rate revenue from new connections and growth, surplus funds during high water sales years, and proceeds from the sale of water systems that are out of county.