

# Public Hearing Presentation (GM)

- **2025 Proposed Budgets**
- **2025 Proposed Rates, Fees, Charges, and Surcharges**
- **2025 Proposed Ad Valorem Assessment**

**September 10, 2024 and September 17, 2024**



# Agenda

- Introduction of PUD Commissioners and Staff
- Participation Information
- Presentation on the 2025 Proposed Budget, Rates, Fees, Charges and Surcharges and Ad Valorem Assessment
- Public Testimony Rules
- Public Testimony

# PUD Board of Commissioners



**Linda Oosterman**  
**District 1**



**Russell E. Olsen**  
**District 2**



**Chris Stearns**  
**District 3**

# Senior Leadership Team

- John Weidenfeller, General Manager
- Julie Parker, Assistant General Manager
- TaSeana Tartt, Finance Director
- Kim Gubbe, Director of Planning and Compliance
- Jim Campbell, Director of Field Operations

# Support Staff

- Kurin Miller, Clerk to the Board (September 10<sup>th</sup>)
- Kalelia Gipson, Associate Clerk to the Board
- Mariah Montague, Customer Service Supervisor
- Cathy Wise, Customer Service Representative (September 10<sup>th</sup>)
- Blake Nylund, Planning and Compliance Specialist (September 17<sup>th</sup>)
- Sandy Furth, Administrative Assistant
- Aimee Morgan, Payroll Specialist

# Participation Information (Mariah)

- Follow along with us! This presentation is posted under “The Latest” on the front page of our website at [www.thurstonpud.org](http://www.thurstonpud.org)
- Regular Commission meetings and Public Hearings are recorded (audio only)
- Virtual attendees, your name and phone number may be visible to in-person attendees during the meeting
- We reserve the right to change your name in Zoom if we deem your selected name inappropriate, profane, or offensive

# 2025 Proposed Budgets

Julie Parker, Assistant General Manager

TaSeana Tartt, Finance Director



# 2025 Proposed Budgets Recommendations

## Ongoing Operations & Maintenance/ Staffing

- Overall rate revenue increase of two percent (2.00%)

## Water System Asset Management Projects

- Capital Surcharge increase to \$15.00 (from \$13.50)

## Replacement Funds

- Funded at \$527,580
  - Facilities and Fleet & Equipment



# 2025 Budget Goals

- Meet the financial need to operate and maintain 276 **separate** water systems
- Fund replacements for water system projects, fleet & equipment, and facilities projects identified in the Asset Management Plan (AMP)
- Funding for Emergency Preparedness (water systems and facilities)

# 2025 Budget Goals

- Meet our bond debt payment obligations and debt service coverage ratio
- Restructure of General Fund expenses to shift costs to Water Fund to maintain General Fund balance for future Board directives

# 2025 Proposed General Fund Budget

- The Proposed 2025 budget is \$322,198 and is 35 percent less compared to the current year budget
- Fund balance has decreased over the past few years
- To sustain fund balance above \$100,000, District staff recommends the following:
  - Repayment of 2022 Water Fund Transfer \$50,000 (Resolution 22-34)
  - Reallocation of administrative expenses to be fully funded by the Water Fund

# 2025 Proposed Water Fund Budget

- The projected 2025 expenses total is \$9,978,548 and is 8.6 percent more compared to the current year budget and requires the following:
  - An overall increase of two percent (2.00%), **and**
  - \$313,951 from fund balance reserves
- Includes one-time repayment of 2022 Water Fund Transfer \$50,000 (Resolution 22-34)
- Includes the reallocation of administrative expenses previously funded partially by the General Fund

# 2025 Proposed Operating Budget - Expenses

\*Consumer Price Index (CPI) for Seattle-Tacoma-Bellevue, **increased 3.8 percent** for the fiscal year ending June 2024

## Known Increases

- General liability insurance - water system property values
- Website and IT support
- Election costs

## Projected Increases

- Parts and materials for general operations and maintenance
- Contractual - Legal Services

## Other Increases

- Wages and salaries
  - Includes funding for employee merit increases and training
  - Two new positions: Field Technician I and Administrative Assistant I
- Funding for PFAS testing

# 2025 Proposed Budgets

- **Operating Budget** – Total \$10,137,271
  - General - \$322,198
  - Water - \$9,815,073
- **Capital Budget** - Total \$30,079,519
- **Fleet & Equipment** – Total \$388,429
- **Facilities** – Total \$139,151
- **Debt Service** – Total \$2,098,521
- **Investment Consolidation** – \$500,000



# Proposed Rate Schedule and Bill Impact Scenarios

- A two percent (2.00%) **overall rate revenue increase**
  - One (1) rate schedule for all PUD customers
    - The Bill Impact Scenarios provide a comparison of current rates with 2025 Proposed Rates at different usage levels and represent an overall 2.00% increase at different usage levels
  - An increase for the monthly customer capital surcharge to \$15.00 per customer per month per ERU (2023 Rate - \$13.50)
    - The proposed increase will supplement the funding needed for capital replacement projects identified in the water system Asset Management Plans (AMPs) over the next 10 years

# Proposed Rate Schedule

- The Proposed General Facility Charge (GFC) is recommended to increase from \$6,000 to \$7,000
  - **Applies only to new water connections**
  - **Ensures growth pays for growth**
- All other fees and charges are recommended to remain the same compared to 2024
- Budget materials are posted to our website at [www.thurstonpud.org](http://www.thurstonpud.org)



# Capital Budget Projects



## **Asset Management Plan Projects:**

- Isolation valve maintenance
- Pressure tanks replacements
- Meter replacements
- Water system upgrades
- Sampling stations
- Treatment replacement

# Capital Budget: Funding Sources

- 1) Capital Surcharge monies are used **only** for existing infrastructure replacements and funds approximately 45 percent of capital replacement project costs
- 2) Drinking Water State Revolving Fund (DWSRF) grants and loans
- 3) Public Works Trust Fund (PWTF) grants and loans
- 4) General Facility Charges (GFC) on **new** development
  - **Growth pays their fair share for infrastructure**
- 5) Proceeds from the Water Revenue Bond

# Capital Improvement Project Tracking

- District staff track capital improvement projects expenses for 276 water systems
- Display boards are shown around the Public Meeting Room for customers to view
  - **Board 1** – Shows cost estimates for Capital Improvement Projects needed between 2025 and 2030 (based on water system AMPs)
  - **Board 2** – Shows actual costs for **completed projects** from 01/01/24 to 06/30/24
- If you have questions on your specific water system, please get the attention of one of our staff members after the Public Hearing so we can review your water system's **Asset Management Plan**

# 2025 Proposed Ad Valorem Assessment

- Staff proposes a **one percent (1%)** Ad Valorem property assessment
- Ad Valorem funding supports Thurston County county-wide activities and election expenses
- In 2024, the PUD is expected to receive \$336,199 from the property assessment levy

# Open the Public Hearing

## PUD Commissioner Oosterman

Would you like to open the Public Hearing?

***Customer Service Supervisor Mariah Montague will provide instructions for public testimony***

# Public Testimony Rules

- **PUD Commissioners listen to public testimony but do not normally comment or respond during a Public Hearing**
  - **PUD staff is happy to answer any questions or concerns you may have, following the meeting**
- You may not promote or oppose any candidate for public office or any ballot proposition
- You may not use this time to advertise

# Public Testimony Rules (Continued)

- Speakers who disturb the orderly conduct of the meeting may forfeit their right to address the panelists and be removed from or muted throughout the meeting
- The District and its moderators reserve the right to mute you, if your conduct is considered disorderly or abusive
- Based on the number of people requesting to speak, your time to speak may be limited to three minutes

# Order for Public Testimony

Members of the public will be called to testify or provide comment in the following order:

- 1) In-person attendees
- 2) Virtual attendees (by computer) and phone attendees (calling in, audio only)
- 3) Chat or Q&A

Testimony may be limited to three minutes per speaker - a timer will be shown for in-person and virtual attendees



# How to Deliver Testimony (In-Person)

- The Board will call on you from the sign-in sheets - if you need to sign in, please let us know
- Please come up to the podium to address the PUD Commissioners or let us know if you need assistance
- You must state your full name, address, and water system (if known) for the record
- Note: Members of the public testifying in-person will be shown on video

# How to Deliver Testimony (Virtually)

- When the Moderator calls for public testimony, **click on "Raise Hand"** if you wish to participate
  - The "Raise Hand" option is located on the bottom of your screen
- Mute all other audio before speaking - using multiple devices can cause audio feedback
- You must state your full name, address, and water system (if known) for the record
- **Please contact the moderators using the "Chat" option if you have any issues - the "Chat" option is located at the bottom of your screen**
- Note: Members of the public will not be shown on video

# How to Deliver Testimony (By Phone)

- When the Moderator calls for public testimony, press \*9 to raise your hand in Zoom - this indicates that you want to deliver public comment
- We will call on you using the last four digits of the number from which you are calling
  - Example: If your phone number is (360) 555-1234, your meeting name will be "Attendee 1234"
- Press \*6 to unmute and speak
- You must state your full name, address, and water system (if known) for the record

# Calling for Public Testimony

- You will be called in the order that you raise your hand to testify to the Commissioners after in-person testimony is received
- Note: Commissioners and staff will not answer questions during Public Testimony
- If you have questions, please use the “Chat” or “Q&A” feature in Zoom or contact the PUD by phone or email so that staff can follow up with you
- We ask that you now use the “Raise Hand” feature (by phone or by personal device) to indicate if you wish to provide comment or testimony

**Public  
Testimony on:  
2025  
Proposed  
Budgets,  
Rates, Fees,  
Charges,  
Surcharges,  
and Ad  
Valorem Tax  
Assessment**

- **You must state your full name, address, and water system (if known) for the record**
- For those attending on a personal device (like a computer, cell phone, or tablet), select the “Raise Hand” feature to indicate if you’d like to testify - you will need to unmute yourself once you’re called on
- For those attending by phone audio only, press \*9 to raise your hand to speak - you will need to unmute yourself by pressing \*6 once you’re called on
- Mute all other audio before speaking - using multiple devices can cause audio feedback

# Thank you for your testimony! Do you have additional comments about the budget and rates?

**We Want to Hear From You!**

**Submit written testimony to our office by Friday, September 27, 2024**

Main: (360) 357-8783

Toll-Free: (866) 357-8783

Fax: (360) 357-1172

Website: [www.thurstonpud.org](http://www.thurstonpud.org)

Email: [PUDCustomerService@thurstonpud.org](mailto:PUDCustomerService@thurstonpud.org)

# Close the Public Hearing

## PUD Commissioner Oosterman

Would you like to close the Public Hearing?