

Public Hearing Presentation

- **2026 Proposed Budgets**
- **2026 Proposed Rates, Fees, Charges, and Surcharges**
- **2026 Proposed Ad Valorem Assessment**

September 30, 2025



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Agenda

- Introduction of PUD Commissioners and Staff
- Participation Information (Kurin)
- Presentation on the 2026 Proposed Budget, Rates, Fees, Charges, Surcharges, and Ad Valorem Assessment
- Public Testimony Rules
- Public Testimony

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PUD Board of Commissioners



James Campbell
District 1

*(Appointment
Effective at Swearing-
in)*



Russell E. Olsen
District 2



Chris Stearns
District 3

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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
- David Gruver, Assistant Director of Field Operations

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Support Staff

- Kurin Miller, Clerk to the Board
- Kalelia Gipson, Associate Clerk to the Board
- Mariah Montague, Customer Service Supervisor
- Raven Thomas, Customer Service Representative
- Sandy Furth, Administrative Assistant

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Participation Information (Kurin)

- Follow along with us! This presentation is posted under "The Latest" on the front page of our website at www.thurstonpud.org
- Regular Commission meetings and Public Hearings are recorded (audio only)
- We reserve the right to change your name in Zoom if we deem your selected name inappropriate, profane, or offensive

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2026 Proposed Budgets

Julie Parker, Assistant General Manager

TaSeana Tartt, Finance Director



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Proposed 2026 Budgets Recommendations

Ongoing Operations and Maintenance/Staffing

- Overall rate revenue increase of three percent (3.00%)

Water System Asset Management Projects

- Monthly Capital Surcharge increase from \$15.00 to \$16.00 per month per customer

New Emerging Contaminants Surcharge

- New surcharge of \$1.78 per month billed to Group A water system customers only

General Facility Charge

- Increase from \$7,000 to \$8,000 (*applies only to new water connections*)

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Proposed 2026 Budgets Recommendation

Implementation of New Surcharge

EPA/WA State
Emerging
Contaminants
Remediation
Surcharge

- The PUD received **grant funding of \$6,967,721** for PFAS treatment plants at eight (8) water systems
- The annual operations, maintenance, and media replacement are estimated to cost \$173,523
- The annual cost to cover these expenses over 20 years is estimated at \$1.78 per month per customer
- Staff recommends this surcharge to be implemented on Group A water system customers (currently 9,100 customers)

See slides 16-25 for additional information

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2026 Budget Goals

- 1) Present a balanced budget that projects reliable revenue using conservative consumption projections
- 2) Funding for ongoing operations and maintenance for 271 water systems
- 3) Funding for Facilities and Fleet & Equipment Replacement Funds
- 4) Funding for Emergency Preparedness
- 5) Restructure of General Fund expenses to shift costs to Water Fund to maintain fund balance for future Board directives

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Proposed 2026 General Fund Budget

- The Proposed 2026 General Fund Budget is \$360,014
- The Proposed 2026 Budget includes an increase to *Elections Costs* from \$80,000 to \$100,000, in the anticipation of primary and general election costs for two (2) PUD Commissioners in 2026
- To sustain fund balance above \$100,000, District staff recommends the following:
 - Reallocation of administrative expenses to be funded more by the Water Fund

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Proposed 2026 Water Fund Budget

- The Proposed 2026 Water Fund Budget total is \$10,241,791 and requires the following:
 - An overall rate revenue increase of three percent (3.00%)
- The Proposed Proposed Budget includes:
 - 15 percent (%) increase to General Liability Insurance
 - Reallocation of administrative expenses previously funded partially by the General Fund
 - Other expenses are anticipated to increase due to inflation

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Proposed 2026 Operating Budget - Expenses

Known Increases

- General Liability Insurance - water systems property values
- Website and IT support
- Election costs

Projected Increases

- Parts and materials for general operations and maintenance
- Regulatory operating permits and project reviews

Other Increases

- Wages and salaries
 - Includes funding for employee merit increases and training

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Proposed 2026 Budgets

- **Operating Budget** - Total \$10,601,805
 - General Fund- \$360,014
 - Water Fund - \$10,241,791
- **Capital Budget** - Total \$12,449,468
- **Fleet & Equipment** - Total \$131,742
- **Facilities** - Total \$135,286
- **Debt Service** - Total \$1,975,909
- **EPA/WA State Emerging Contaminants Remediation** - Total \$13,992*



* Estimated total for PFAS operations and maintenance costs only

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Proposed Rate Schedule and Bill Impact Scenarios

- A three percent (3.00%) **overall rate revenue increase**
- One (1) rate schedule for all PUD customers
 - Bill Impact Scenarios provide a comparison of current rates with Proposed 2026 Rates at different usage levels and represent an overall rate revenue increase of three percent (3.00%) at different usage levels
- An increase for the monthly customer capital surcharge to \$16.00 per customer per month per ERU (Rate is currently \$15.00 per month for 2025)
 - 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

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PFOA/PFAS NEW Regulated Contaminants

- PFOA/PFAS are ***forever chemicals*** found in food packaging, outdoor clothing, non-stick pans, certain types of firefighting foams, and many other products we use everyday
- PFOA/PFAS are **NEW** regulated contaminants for Group A water systems only
 - In 2021, WA State Board of Health adopted a State Action Level (SAL) for PFOA/PFAS
 - In 2024, EPA adopted a final rule establishing a Maximum Contaminant Level (MCL) for PFOA/PFAS

The District is required to treat water systems with PFOA/PFAS over the EPA MCL by 2029

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Proactive Measures to Address PFOA/PFAS

- In 2022, the District tested 77 wells at all 75 Group A water systems
 - Originally there were detections in 20 wells at 17 water systems
 - After subsequent PFAS testing, there were detections at 10 water systems
 - After additional PFAS testing under the SAL, two (2) of the water systems no longer require PFAS treatment plants

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Proactive Measures to Address PFOA/PFAS

- Currently there are eight (8) water systems that will have PFAS treatment plants installed
- Letters are sent to customers on these water systems regarding PFAS testing and the District's next steps to treat their water system

Water System	County	Connections
Cooperfield	Thurston	16
Burnsville	Thurston	60
East Olympia	Thurston	23
Lazy Acres	Thurston	94
Sandra Ave	Lewis	15
Spanaway 192 nd	Pierce	78
Tanglewilde	Thurston	1,960
Whiskey Hollow	Pierce	16

Note: This is subject to change based on water system PFAS test results; the District may be required to treat more water systems.

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Proactive Measures to Address PFOA/PFAS

- In 2024, the District received funding of **\$6,967,721 with 100% principal loan forgiveness** from Department of Health's Drinking Water State Revolving Fund (DWSRF) program to install PFAS remediation treatment plants at the eight (8) Group A Water Systems
 - Note: the District is required to pay interest (1.75 percent) on the loan draws until the completion of the projects

Water System	Amount
Cooperfield	\$ 449,198
Burnsville	\$ 400,929
East Olympia	\$ 295,261
Lazy Acres	\$ 515,602
Sandra Ave	\$ 369,500
Spanaway 192 nd *	\$ 953,116
Tanglewilde	\$3,531,219
Whiskey Hollow	\$ 452,896

* Federal grant funding may also be available to fund the treatment system at this water system

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PFOA/PFAS Treatment Plants and Ongoing Expenses

- In 2026-2027, eight (8) PFAS treatment plants will be installed - **Total \$6,967,721**
 - The PFAS treatment plants replacement year and costs are currently unknown
 - Estimated total annual costs are \$173,523**
 - Includes annual PFAS testing, chemicals, and purchase power expenses - **Total \$27,747**
 - Over the next 3-20 years, there will be high costs for media removal/replacements - **Total \$145,776**
- In 2027, District staff intends to:
 - Create PFAS AMPs to include the treatment replacement cost
 - Reassess the monthly surcharge needed based on the PFAS AMPs
 - Costs are expected to increase, which would require an increase to the new surcharge

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PFAS Claim Settlements

- In 2025, Assistant General Manager Julie Parker worked with the District's Attorney and Commissioner Russell E. Olsen and successfully entered into PFAS cost recovery court cases against four (4) major national PFAS polluters
- The PUD was approved for an allocation of settlement funds from 3M, estimated at **\$927,069**, with disbursements from 2025 to 2033
 - To date, the PUD has received **\$522,725** of the approved settlement funds
 - The Board may use these monies to further pursue financial recovery for ongoing and future PFAS costs from the polluters

All claim settlement funds received will be used to pay for PFAS-related expenses only

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PFAS Claim Settlements and Next Steps

- Although the PUD has submitted claims to the polluters to get them to pay for all pollution costs; so far, the claim settlements **will not** be enough to cover the projected ongoing PFAS expenses
- District staff must determine how we can ask state legislature and/or the polluters to pay for the total pollution costs now and in the future
- District staff will continue to monitor PFAS and other emerging contaminants as every year EPA reviews unregulated contaminants to determine and consider if a **NEW** MCL is needed

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Propose Implementation of New EPA/WA State Emerging Contaminants Remediation Surcharge

- **Based on the best information available and to proactively address the known PFAS expenses**, District staff proposes a new EPA/WA State Emerging Contaminants Remediation Surcharge of **\$1.78** to be assessed/billed monthly to all Group A water system customers
- **Currently** testing is only required on Thurston PUD-owned Group A water systems by federal and state regulations

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Propose Implementation of New EPA/WA State Emerging Contaminants Remediation Surcharge

Proposed NEW EPA/WA State Emerging Contaminants Remediation Surcharge of **\$1.78** per month per Group A water system customer

- The surcharge collections would be kept in the EPA/WA State Emerging Contaminants Remediation Fund
- The surcharges collected will be used to pay for PFAS expenses now and in the future
- If polluters can be held accountable and sufficient funding is secured, the surcharge monies may be used to either lower rates or refund ratepayers

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Proposed Rate Schedule

- The Proposed General Facility Charge (GFC) is recommended to increase from \$7,000 to \$8,000
 - **Applies only to new water connections**
 - **Ensures growth pays for growth**
- All other fees and charges are recommended to remain the same compared to 2025
- Budget materials are posted to our website at www.thurstonpud.org

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Capital Budget Projects



Asset Management Plan Projects:

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

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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**

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Capital Improvement Project Tracking

- District staff tracks capital improvement projects expenses for 271 water system
- Quarterly, in the District's newsletter total costs are reported for completed Capital Improvement Projects
- 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 or contact our Customer Service department by phone or email

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Projected Capital Improvement Project Costs 2025-2030

- The cost information detailed below is an estimate of Capital Improvement Projects (CIP) identified in the District's Asset Management Plan (AMP). Estimates are subject to change based on needs, funding, and availability of parts, supplies, and services
- The District's normal practice is to allow water system components to reach the end of their useful life cycle before replacement

	2025	2026	2027	2028	2029	2030	Total
Rebuild Pump Houses ¹	\$ 100,000	\$ 80,000	\$ 80,000	\$ 100,000	\$ 120,000	\$ 125,000	\$ 605,000
Mainline Replacement ²	\$ 3,491,976	\$ 3,646,519	\$ 3,828,845	\$ 4,022,029	\$ 4,221,301	\$ 7,183,821	\$26,394,490
Existing Treatment Replacements ²	\$ 31,950	\$ 27,470	\$ 30,503	\$ 234,517	\$ 32,152	\$ 54,075	\$ 410,668
Pump House Replumbing ² (Pressure Tanks)	\$ 99,660	\$ 50,808	\$ 92,020	\$ 94,912	\$ 67,822	\$ 256,560	\$ 661,783
Well and Booster Pump Replacements ²	\$ 200,090	\$ 83,505	\$ 8,934	\$ 35,781	\$ 74,858	\$ 111,548	\$ 514,716
Meter Replacements ² (Water System-Wide)	\$ 78,589	\$ 9,481	\$ 29,865	\$ 33,100	\$ 18,292	\$ 24,378	\$ 193,705
System Upgrades ¹	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 900,000
Electrical Upgrades ¹	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 450,000
Total	\$4,227,265	\$4,122,784	\$4,295,167	\$4,745,339	\$4,759,426	\$7,980,382	\$30,130,362

¹ Amounts are estimated based on the District's Capital Budget

² Amounts are estimated based on the District's Asset Management Plan (AMP)

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2026 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 2025, the PUD is expected to receive \$353,158 from the property assessment levy

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Open the Public Hearing

PUD Commissioner Stearns

Would you like to open the Public Hearing?

The Clerk to the Board will provide instructions for public testimony

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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

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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

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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)

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

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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

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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 at 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: Virtual members of the public will not be shown on video

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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
- Press *6 to unmute and speak
- You must state your full name, address, and water system (if known) for the record

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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" 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

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**Public
Testimony on:
2026
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

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

We Want to Hear From You!

**Submit written comments
or questions to our office by
email or fax**

**Office hours:
8:00 a.m. to 4:30 p.m.
Monday - Friday**

Main: (360) 357-8783

Toll-Free: (866) 357-8783

Fax: (360) 357-1172

Website: www.thurstonpud.org

Email: PUDCustomerService@thurstonpud.org

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Close the Public Hearing

PUD Commissioner Stearns

Would you like to close the Public Hearing?

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