

Public Hearing Presentation

- **2027 Proposed Budgets**
- **2027 Proposed Rates, Fees, Charges, and Surcharges**
- **2027 Proposed Ad Valorem Assessment**

September 8, 2026



Agenda

- Introduction of PUD Commissioners and Staff
- Participation Information
- Presentation on the 2027 Proposed Budget, Rates, Fees, Charges, Surcharges, and Ad Valorem Assessment
- Public Testimony Rules
- Public Testimony

PUD Board of Commissioners



Jim Campbell
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
- David Gruver, Director of Field Operations

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

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

Proposed 2027 Budget, Rates, Fees, Charges, Surcharges, and 2027 Ad Valorem Assessment

Julie Parker, Assistant General Manager

TaSeana Tartt, Finance Director



Notable Factors Impacting the Proposed 2027 Budgets

- **PUD Budgets are required to be approved by the first Monday in October**
- **Unpredictable Revenue Projections**
 - Irregular weather patterns
 - When possible, we use surplus revenues from a hot summer to help keep rates down
- **Unknown Expense Adjustments –**
Notices in fall/winter months



Proposed 2027 Budgets

- **Operating Budget** – Total \$11,287,613
 - General - \$372,265
 - Water - \$10,915,348
- **Capital Budget** - Total \$16,423,175
- **Fleet & Equipment** – Total \$123,932
- **Facilities** – Total \$124,616
- **Debt Service** – Total \$2,500,406
- **EPA/WA State Emerging Contaminants Remediation** – Total \$29,831



Proposed 2027 Budget Recommendations

Ongoing Operations & Maintenance/ Staffing

- Per PUD Commissioner direction, overall water rate increase of **1.90%**
- In February or March 2027, PUD may bring forward a budget amendment (if needed)

Water System Asset Management Projects

- Monthly Capital Surcharge increase **from \$16.00 to \$17.00**

General Facility Charge (GFC) For New Connections

- Increase **from \$8,000 to \$10,000**

Proposed 2027 Budget Highlights

- 1) **Presents a balanced budget** that projects revenue using conservative consumption projections based on actual prior customer usage
- 2) Funding for ongoing operations and maintenance for 272 water systems
- 3) Recommends funding for staff salary and wages step increases between 01/01 and 03/31
 - a) Includes Senior Leadership and Accountant positions
 - b) Staff will complete a salary survey in 2026

Proposed 2027 Budget **FUNDED** Highlights

(Funded at
the Proposed
1.9%
Increase)

- Additional funding for anticipated inflationary expenses:
 - **Insurance** - general liability will increase - water system property values
 - Pattison Well, Reservoir, Booster Station, and Chlorine Generation Plant will be added to the property schedule
 - **Certain Water System Expenses**
 - Purchased power and fuel
 - Chemicals
 - Materials and supplies for general operations and maintenance
 - **Website and IT Support**
 - **Debt Service Increases** - new systems and major infrastructure replacement

Proposed 2027 Budget **UNFUNDED** Highlights

Does **not provide** funding for the following:

Item	2027 Unfunded Budget Items	Amount
1	Selected Employees' Merit Increases not Budgeted from 04/2027 to 12/2027	\$ 38,531.62
2	Estimated Salary Range Survey Adjustment	\$ 80,000.00
3	Employee Health Insurance Performance Pay	\$ 40,000.00
4	Security Upgrades - PUD Buildings and Water Systems	\$ 115,000.00
5	Project Help Contribution	\$ 15,000.00
6	Investment Consolidation Contribution	\$ 900,000.00
7	Website Upgrade - ADA Compliance Law (2027 Requirement)	\$ 20,000.00
8	2026 Remaining Fund Transfer for the Vehicle and Equipment Reserve Fund	\$ 82,477.27
9	2027 Fully Fund Facilities Reserve Fund	\$ 86,651.00
10	2027 Fully Fund Vehicle and Equipment Reserve Fund	\$ 338,429.00
11	Springbrook Upgrade to Cloud	\$ 50,000.00
12	PUD Records Digitization	\$ 15,000.00
13	New 8-Passenger Vehicle	\$ 70,000.00
	Total	\$ 1,851,088.89

Proposed 2027 Operating Budget – Expenses

Consumer Price Index (CPI) for **Seattle-Tacoma-Bellevue**, on the table below the percentage increase represents a 12-month period

Month	2025	2026
February	2.5%	3.9%
June	2.7%	4.5%
December	3.1%	n/a

Proposed Rate Schedules and Bill Impact Scenarios

- **Overall water rate increase of 1.90%**
 - Two (2) rate schedules
 - Standard Rates for systems owned prior to 2026
 - Transitional Rates for systems acquired in 2026
- **Bill Impact Scenarios provide a comparison of current rates with 2027**
Proposed Rates at different usage levels and represents the overall increase at different usage levels

Proposed Rate Schedules

- **An increase** for the customer capital surcharge from **\$16.00 to \$17.00 per month** per ERU in 2027
 - The proposed increase will supplement the funding needed for capital replacement projects identified in the water system Asset Management Plans (AMPs)

Proposed Rate Schedules

- **No changes** recommended for the EPA/WA State Emerging Contaminants Remediation Surcharge -2026 Rate - **\$1.78** per month billed to each Group A Water System customer
 - This monthly surcharge will be reassessed after the treatment plants are installed and asset management plans are developed

Proposed Rate/Fee Schedules

- The General Facility Charge (GFC) increase from \$8,000 to \$10,000
 - **Applies only to new water connections**
 - **Ensures growth pays for growth**
- All other fees and charges are recommended to remain the same compared to 2026
- Budget materials are posted to our website at www.thurstonpud.org

Capital Budget Projects



Asset Management Plan Projects:

- Mainline replacements
- Isolation valve replacements
- Pressure tanks replacements
- Meter replacements
- Sampling stations
- Treatment replacement
- Other associated water system replacements

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) Grants and loans from the Drinking Water State Revolving Fund (**DWSRF**) and Public Works Trust Fund (**PWTF**)
- 3) **Congressional Earmarks** such as that received from Representative Marilyn Strickland for Green Cove Culvert Replacement and Spanaway 192nd PFAS Treatment
- 4) General Facility Charges (**GFC**) on **new** development
 - **Growth pays their fair share for infrastructure**

Proposed 2027 Property Tax Assessment

- Staff proposes a **one percent (1%) Ad Valorem** property tax increase
- Ad Valorem funding supports Thurston County county-wide activities and election expenses
- In 2026, the PUD is expected to receive \$353,158 from the property assessment levy

Open the Public Hearing

PUD Commissioner Olsen

Would you like to open the Public Hearing?

The Clerk to the Board 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)

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 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

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

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

Public Testimony on: 2027 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 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](mailto:PUDCustomerService@thurstonpud.org)

Close the Public Hearing

PUD Commissioner Olsen

Would you like to close the Public Hearing?