

**CERTIFIED COPY OF RESOLUTION  
ADOPTED AT THE REGULAR MEETING OF THE COMMISSIONERS  
OF  
PUBLIC UTILITY DISTRICT NO. 1 OF THURSTON COUNTY**

The President and Secretary of Public Utility District No. 1 of Thurston County (District) certify that a majority of the Commissioners of Public Utility District No. 1 of Thurston County in attendance at the meeting held on Tuesday, July 28, 2020 adopted this resolution. This resolution has not been revoked.

**RESOLUTION NO. 20-25**

**RECITALS**

The proposed Budget for the District for the year 2021 was filed in the records of the District, and

The Commissioners held a public hearing on the 2021 Operating Budget on Tuesday, July 21, 2020 at 7:00 p.m. using the video conferencing application Zoom, after publishing notices of the meetings as prescribed by law, and

The Commissioners have discussed the Budget in open public meetings, and the public was provided the opportunity to give their testimony at advertised Public Hearings.

NOW, THEREFORE, THE COMMISSIONERS OF THE DISTRICT DO HEREBY RESOLVE AS FOLLOWS:

Section 1. The 2021 Operating Budget, a copy of which is attached, is adopted as the Budget of Public Utility District No. 1 of Thurston County.

This Resolution was approved and adopted by a majority vote of the Commissioners present.

As the President and Secretary of the District, we additionally certify that this meeting was attended by at least two of the three Commissioners of the District and that this resolution was adopted by a majority vote of the Commissioners of the District in attendance at the meeting.

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Russell E. Olsen  
Commissioner and President of  
Public Utility District No. 1 of Thurston County

ATTEST:

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Christopher Stearns  
Commissioner and Secretary

Attachment: 2021 Operating Budget

# Thurston PUD

## General Fund Budget

|   | Actual          | Budget          | YTD            | Projection      | Proposed        |
|---|-----------------|-----------------|----------------|-----------------|-----------------|
|   | 2019            | 2020            | May-20         | 2020            | 2021            |
| <b>Estimated Beginning Fund Balance</b>               |                 | <b>331,860</b>  |                | <b>331,860</b>  | <b>311,050</b>  |
| Income  |                 |                 |                |                 |                 |
| 419 · Interest Income                                 | 6,318           | 6,200           | 2,000          | 4,801           | 6,200           |
| 421 · Non-utility Income                              |                 |                 |                |                 |                 |
| 421.1 · Tax Levy Income                               | 299,763         | 292,441         | 300,610        | 300,610         | 295,365         |
| <b>Total Income</b>                                   | <b>306,081</b>  | <b>298,641</b>  | <b>302,610</b> | <b>305,411</b>  | <b>301,565</b>  |
| Additional Income from proposed rate increase         |                 |                 |                |                 |                 |
| <b>Total Budgeted Income after rate adjustment</b>    | <b>306,081</b>  | <b>298,641</b>  | <b>302,610</b> | <b>305,411</b>  | <b>301,565</b>  |
| Expense   |                 |                 |                |                 |                 |
| 403 · Debt Service                                    | 6,000           | 4,500           | 2,551          | 5,101           | 8,840           |
| 408 · Taxes other than Income                         |                 |                 |                |                 |                 |
| 408.12 · Payroll Taxes                                | 10,890          | 12,508          | 4,554          | 10,931          | 11,863          |
| Total 408 · Taxes other than Income                   | 10,890          | 12,508          | 4,556          | 10,931          | 11,863          |
| ... · Allocate Labor costs to capital projects        |                 |                 |                |                 |                 |
| 601 · Salaries/Wages Employees                        | 62,018          | 53,483          | 23,978         | 57,546          | 52,690          |
| 603 · Salaries - Commissioners                        | 66,744          | 66,744          | 27,810         | 63,072          | 66,744          |
| 603.1 · Com'srs Mtg Compensation                      | 20,512          | 23,552          | 8,480          | 22,264          | 23,552          |
| 603.2 · Watershed Planning                            | 0               | 2,412           | 0              | 0               | 5,024           |
| 604 · Emp Pension & Benefits                          | 42,447          | 33,160          | 14,611         | 35,067          | 53,440          |
| 631 · Contr. Svcs. - PS/Board Retreat                 | 0               | 3,200           | 9,800          | 23,520          | 3,200           |
| 632 · Contr. Svcs. - Accounting                       | 666             | 2,000           | 500            | 1,000           | 2,000           |
| 633 · Contr. Svcs. - Legal                            | 12,540          | 15,930          | 7,171          | 14,343          | 15,000          |
| 635 · Contr. Svcs. - Other                            | 54              | 15,000          | 2,871          | 6,891           | 15,000          |
| 637 · Contr. Svcs. - Janitorial                       | 4,635           | 5,000           | 1,553          | 3,726           | 5,000           |
| 638 · Contr. Svcs. - State Auditor                    | 7,696           | 11,000          | 647            | 5,880           | 8,000           |
| 641 · Rental of Bldg/Real Prop.                       | 3,472           | 3,600           | 1,776          | 4,262           | 4,000           |
| 643 · Building Operations                             | 6,835           | 9,000           | 2,191          | 5,259           | 9,544           |
| 650 · Transportation Expense                          | 698             | 1,400           | 44             | 500             | 1,400           |
| 657 · Insurance - General Liability                   | 4,500           | 5,200           | 4,500          | 4,500           | 5,000           |
| 675.01 · Election Costs                               | 31,054          | 70,000          | 0              | 40,000          | 40,000          |
| 675 · Miscellaneous Expenses                          | 36,783          | 28,750          | 11,593         | 22,359          | 41,406          |
| <b>Total Expense</b>                                  | <b>317,590</b>  | <b>366,439</b>  | <b>124,632</b> | <b>326,221</b>  | <b>371,703</b>  |
| To(From) Reserves                                     | <b>(11,509)</b> | <b>(67,798)</b> | <b>177,978</b> | <b>(20,810)</b> | <b>(70,138)</b> |
| <b>Estimated Ending Fund Balance</b>                  |                 | <b>264,062</b>  | <b>177,978</b> | <b>311,050</b>  | <b>240,912</b>  |
| <b>Minimum Reserve Per Financial Policy (60 days)</b> |                 | <b>60,237</b>   | <b>20,487</b>  | <b>53,625</b>   | <b>61,102</b>   |
| <b>Proposed Minimum Reserve Discussed (90 days)</b>   |                 | <b>90,355</b>   | <b>30,731</b>  | <b>80,438</b>   | <b>91,653</b>   |

# Thurston PUD

## Water Fund Budget

|   | Actual    | Budget    | YTD       | Projection | Proposed  |
|---|-----------|-----------|-----------|------------|-----------|
|   | 2019      | 2020      | May-20    | 2020       | 2021      |
| <b>Estimated Beginning Fund Balance</b>                   |           | 871,356   |           | 871,356    | 1,008,076 |
| <b>Income</b>   |           |           |           |            |           |
| 419 · Interest Income                                     | 88,960    | 88,000    | 45,340    | 108,817    | 90,000    |
| 421 · Non-utility Income                                  |           |           |           |            |           |
| 421.10 · Building Rental Income                           | 23,100    | 42,000    | 36,795    | 88,308     | 95,000    |
| Total 421 · Non-utility Income                            | 23,100    | 42,000    | 36,795    | 88,308     | 95,000    |
| 460 · Unmetered Water Revenue                             |           |           |           |            |           |
| 460.1 · Residential                                       | 173,427   | 184,694   | 81,832    | 163,663    | 83,573    |
| Total 460 · Unmetered Water Revenue                       | 173,427   | 184,694   | 81,832    | 163,663    | 83,573    |
| 461 · Metered Water Revenue                               |           |           |           |            |           |
| 461.11 · Residential Base                                 | 2,558,555 | 2,561,630 | 1,130,228 | 2,712,546  | 2,662,086 |
| 461.12 · Residential Consumption                          | 2,094,372 | 2,541,408 | 619,889   | 2,317,539  | 2,317,539 |
| 461.21 · Commercial Base                                  | 68,390    | 63,898    | 30,869    | 74,086     | 73,834    |
| 461.22 · Commercial Consumption                           | 110,065   | 100,157   | 20,006    | 94,670     | 106,333   |
| 461.23 · Rec Center Contract Base                         | 569       | 569       | 237       | 569        | 569       |
| 461.24 · Rec Center Contract Consumption                  | 798       | 1,098     | 4         | 800        | 815       |
| 461.51 · Multifamily Base                                 | 93,866    | 91,803    | 39,335    | 94,405     | 94,407    |
| 461.52 · Multifamily Consumption                          | 191,237   | 199,102   | 51,579    | 170,293    | 170,293   |
| Total 461 · Metered Water Revenue                         | 5,117,852 | 5,559,665 | 1,892,148 | 5,464,907  | 5,425,876 |
| 465 · Sales to Irrigation                                 |           |           |           |            |           |
| 465.2 · Irrigation Base                                   | 11,408    | 11,408    | 4,770     | 11,449     | 11,449    |
| 465.3 · Irrigation Consumption                            | 120,201   | 58,798    | 1,602     | 126,324    | 180,463   |
| Total 465 · Sales to Irrigation                           | 131,608   | 70,206    | 6,373     | 137,773    | 191,912   |
| 471 · Miscellaneous Svc Revenue                           |           |           |           |            |           |
| 471.1 · Reimb of Damage Costs                             | 4,379     | 0         | 0         | 0          | 0         |
| 471 · Misc Service Revenue                                | 130,609   | 138,000   | 32,197    | 77,274     | 138,000   |
| Total 471 · Miscellaneous Service Revenue                 | 134,989   | 138,000   | 32,197    | 77,274     | 138,000   |
| 474 · Other Water Revenue                                 |           |           |           |            |           |
| 414 · Sales of Equipment                                  | 15,416    | 0         | 2,484     | 5,961      | 0         |
| 469 · Service credits                                     | (23,089)  | (5,000)   | (12,375)  | (29,700)   | (30,000)  |
| 474.1 · Surcharge Collection                              | 52,061    | 52,030    | 21,678    | 52,028     | 52,030    |
| 474.1 · Capital Surcharge                                 | 614,026   | 612,541   | 359,224   | 862,137    | 878,485   |
| 430 · Developer Fees/Contributed Capital                  | 236,776   | 0         | 33,000    | 50,000     | 0         |
| 415 · Revenue from SMA Contracts                          | 2,961     | 0         | 0         | 0          | 0         |
| Total 474 · Other Water Revenue                           | 898,152   | 659,571   | 404,011   | 940,426    | 900,515   |
| Total Income before rate adjustment                       | 6,568,086 | 6,742,136 | 2,498,697 | 6,981,169  | 6,924,876 |
| <b>Additional Income from proposed 2021 rate increase</b> |           |           |           |            | 225,000   |
| Total Budgeted Income after rate adjustment               | 6,568,086 | 6,742,136 | 2,498,697 | 6,981,169  | 7,149,876 |
| <b>Expense</b>  |           |           |           |            |           |
| 403 · Debt Service  | 1,658,587 | 493,040   | 239,813   | 493,040    | 875,040   |
| 408 · Taxes other than Income                             |           |           |           |            |           |
| 408.12 · Payroll Taxes                                    | 140,120   | 204,805   | 67,750    | 211,939    | 244,315   |
| 408.13 · Other Tax & License                              | 38,425    | 31,560    | 11,554    | 31,560     | 31,560    |
| 408.2 · State Public Utility Tax                          | 305,964   | 267,279   | 136,547   | 333,820    | 342,121   |
| Total 408 · Taxes   | 484,509   | 503,644   | 215,851   | 577,319    | 617,996   |
| 427 · Interest Expense                                    |           |           |           |            |           |
| 427.32 · Interest on Bonds                                | 469,626   | 487,431   | 0         | 487,431    | 452,290   |
| 427 · Interest Expense - Loans                            | 16,079    | 14,500    | 0         | 14,500     | 15,609    |
| Total 427 · Interest Expense                              | 485,705   | 501,931   | 0         | 501,931    | 467,899   |
| ... · Allocate Labor costs to capital projects            |           | (56,456)  |           | (65,204)   | (74,293)  |
| 601 · Salaries/Wages Employees                            | 1,639,734 | 1,666,045 | 808,367   | 1,944,135  | 2,054,790 |
| 604 · Emp Pension & Benefits                              | 587,047   | 586,791   | 283,934   | 814,098    | 826,356   |
| 610 · Purchased Water                                     | 34,844    | 14,000    | 3,895     | 9,739      | 14,000    |
| 615 · Purchased Power                                     | 269,917   | 291,387   | 124,286   | 288,573    | 297,798   |

# Thurston PUD

## Water Fund Budget

|  | Actual    | Budget    | YTD       | Projection | Proposed  |
|--|-----------|-----------|-----------|------------|-----------|
|  | 2019      | 2020      | May-20    | 2020       | 2021      |
| 618 · Chemicals                                | 58,966    | 65,000    | 24,021    | 65,000     | 65,000    |
| 620 · Materials & Supplies                     | 187,577   | 230,000   | 70,720    | 230,000    | 230,000   |
| 625 · Energy Efficiency Enhancements           | 0         | 5,000     | 0         | 0          | 5,000     |
| 632 · Contr. Svcs. - Accounting                | 1,772     | 8,240     | 1,631     | 7,525      | 8,240     |
| 631 · Contr. Svcs. - Engineer                  | 26,645    | 25,000    | 0         | 25,000     | 25,000    |
| 633 · Contr. Svcs. - Legal                     | 42,000    | 45,000    | 15,403    | 55,805     | 45,000    |
| 635 · Contr. Svcs. - Other                     | 43,947    | 25,000    | 21,369    | 41,369     | 25,000    |
| 636 · Contr. Svcs. - Testing                   | 64,928    | 52,000    | 25,158    | 51,816     | 52,000    |
| 637 · Contr. Svcs. - Janitorial                | 12,752    | 20,000    | 5,429     | 16,029     | 20,000    |
| 638 · Contr. Svcs. - State Auditor             | 7,696     | 8,000     | 1,489     | 10,000     | 8,000     |
| 641 · Rental of Bldg/Real Prop.                | 77,966    | 66,000    | 32,729    | 65,459     | 70,000    |
| 642 · Rental Equipment                         | 6,057     | 5,180     | 5,762     | 8,643      | 5,100     |
| 643 · Building Operations                      | 49,950    | 42,000    | 15,768    | 38,343     | 43,456    |
| 650 · Transportation Expense                   | 285,986   | 258,685   | 65,177    | 282,439    | 106,600   |
| 657 · Insurance - General Liability            | 72,551    | 82,000    | 72,551    | 77,551     | 82,000    |
| 660 · LegalAdv/Public Info Expense             | 6,434     | 6,000     | 4,837     | 11,610     | 6,000     |
| 670 · Bad Debt Expense                         | 5,000     | 2,000     | 0         | 2,000      | 5,000     |
| 675 · Miscellaneous Expenses                   | 377,107   | 370,430   | 157,941   | 380,093    | 406,144   |
| Total Expense                                  | 6,487,678 | 5,372,373 | 2,196,132 | 5,932,312  | 6,287,125 |
| To(From) Reserves                              | 80,409    | 1,369,763 | 302,565   | 1,048,856  | 862,751   |
| Capital Projects - From Reserve                |           | (612,541) | (359,224) | (912,137)  | (973,485) |
| To(From) Reserves                              | 80,409    | 757,222   | 661,788   | 136,719    | (110,734) |
| Estimated Ending Fund Balance                  |           | 1,628,579 |           | 1,008,076  | 897,342   |
| Minimum Reserve Per Financial Policy (60 days) |           | 883,130   |           | 975,175    | 1,033,500 |
| Proposed Minimum Reserve Discussed (90 days)   |           | 1,343,093 |           | 1,462,762  | 1,550,250 |
| Debt Service Coverage (1.25 Minimum)           |           | 2.04      |           | 1.91       | 1.73      |
| Revenue increase proposed operating budget     |           |           |           |            | 3.99%     |