



*Providing safe, reliable,
affordable, and sustainable utility
services to our customers.*

Public Meeting for the Pattison Water System

Public Utility District No. 1 of Thurston County

FEBRUARY 11, 2021

BY GENERAL MANAGER JOHN WEIDENFELLER & PUD STAFF

Presentation Topics

- ▶ Meet the PUD Leaders
- ▶ Public Meeting Guidelines
- ▶ General Information
- ▶ 2021 Proposed Rates, Fees & Charges
- ▶ Asset Management Plan
- ▶ The PUD Advantage
- ▶ Questions & Answers

Meet the PUD Leaders

ELECTED OFFICIALS & MANAGEMENT TEAM

Commissioner Russell E. Olsen

PRESIDENT, DISTRICT 2

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Commissioner Chris Stearns

VICE PRESIDENT, DISTRICT 3

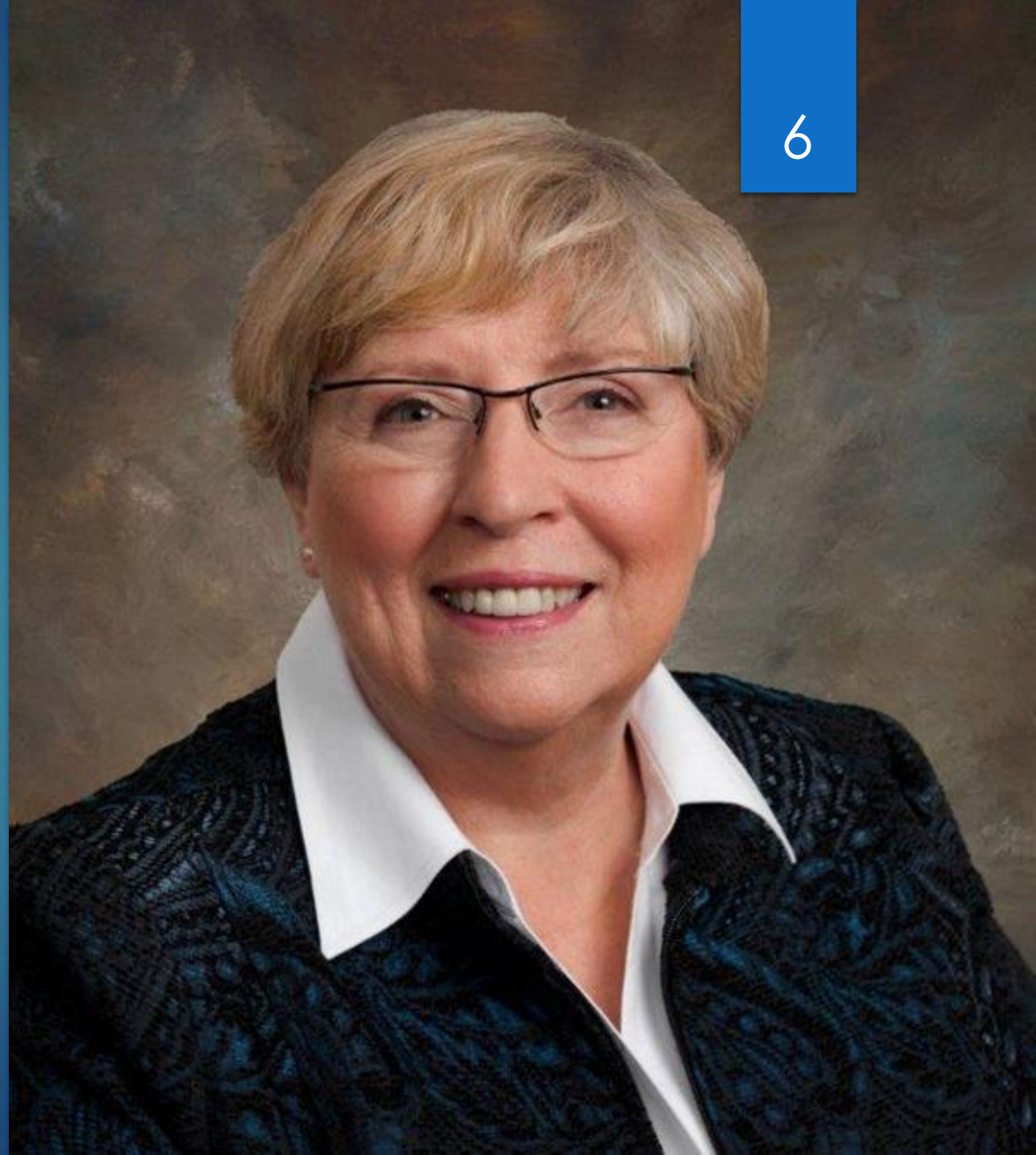
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Commissioner Linda Oosterman

SECRETARY, DISTRICT 1

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Tonight's Panel

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John Weidenfeller, General Manager

Julie Parker, Assistant General Manager

Kim Gubbe, Director of Planning and Compliance

Jim Campbell, Director of Field Operations

TaSeana Tartt, Finance and Customer Service Manager

Ruth Clemens, Administrative Services Manager

Staff Moderators

- ▶ **Kurin Miller**

- ▶ Clerk to the PUD Board of Commissioners

- ▶ **Teal Reopelle**

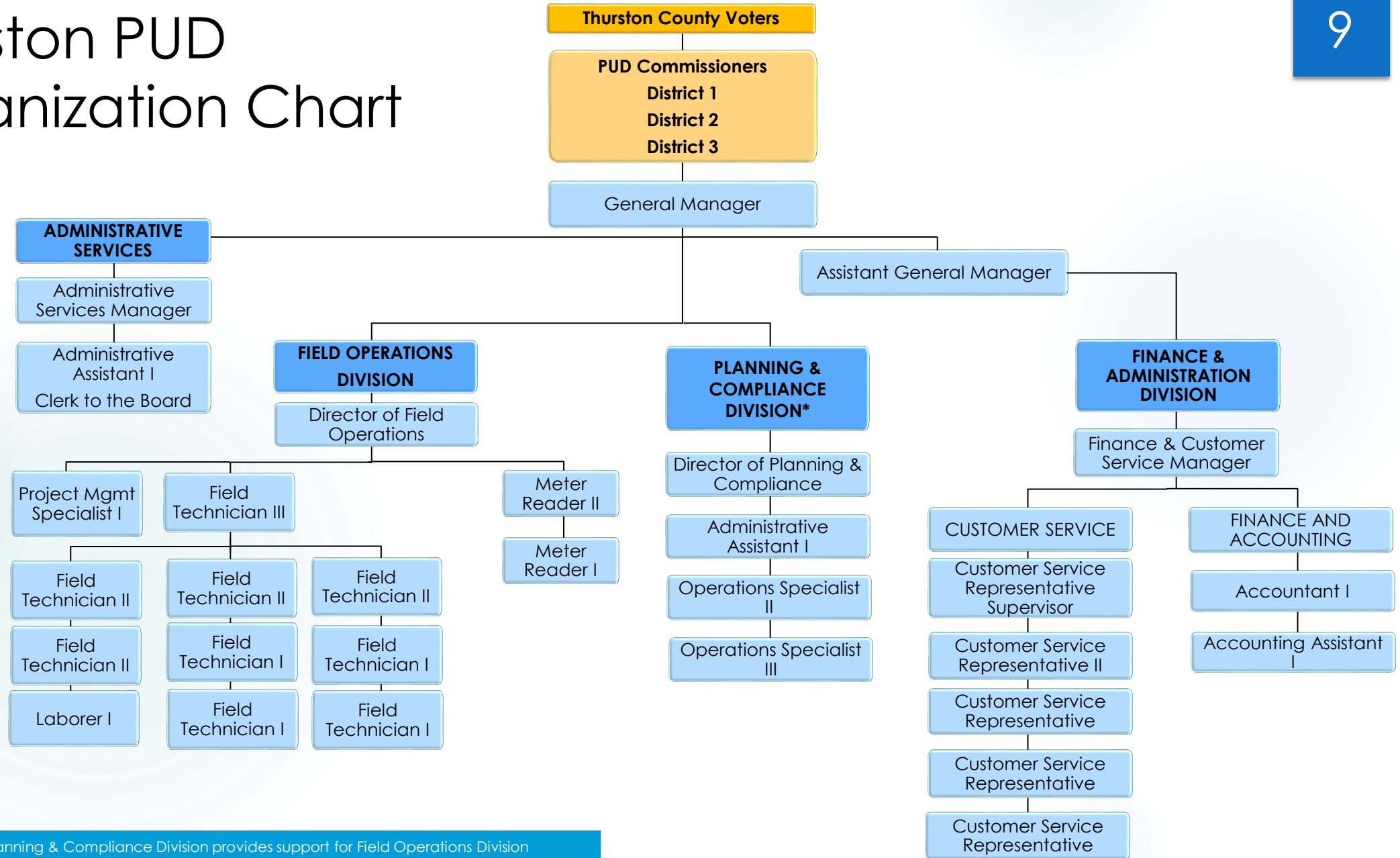
- ▶ Administrative Assistant, Planning & Compliance

- ▶ **Mariah Rodocker**

- ▶ Customer Service Representative

Thurston PUD Organization Chart

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*Planning & Compliance Division provides support for Field Operations Division

Public Meeting Participation Guidelines

Participation Guidelines

- ▶ Questions will be answered at the end of the presentation.
- ▶ You may not promote or oppose any candidate for public office or any ballot proposition.
- ▶ You may not use this time to advertise.
- ▶ 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.

How to Participate in the Meeting: **Video Participants**

- ▶ During the discussion portion, click on "Raise Hand" if you wish to participate.
- ▶ Mute all other audio before speaking. Using multiple devices can cause audio feedback.
- ▶ When you are called on to speak, please keep you may be limited to two (2) minutes.
- ▶ *Note: Members of the public will not be shown on video.*

How to Deliver Public Comment: **Telephone Participants**

- ▶ Press *9 to “Raise Hand”
- ▶ Last four digits of your number will be used to call on you.
 - ▶ Example: If your phone number is (360) 555-1234, your meeting name will be “**Attendee 1234**”.
- ▶ Press *6 to unmute once we call on you.
- ▶ If we have a large number of attendees, we may limit your remarks to two (2) minutes. We will alert you when you have 30 seconds left.

More Info

- ▶ This is a public meeting.
- ▶ Our contact information is at the end of this presentation. We want to hear from you.
- ▶ Please state your full name and address when providing public comment.

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- Pattison Water Co. Customer
Presentation

2021 Proposed Rates, Fees & Charges

2021 Pattison Transition to the PUD

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1

Finalize the sale of the Pattison Water System on March 1, 2021.

2

Transition all new Pattison customers to standard rates over three years.

3

Begin collecting capital surcharges to pay for water system infrastructure replacements.

Water System Rate Process

- ▶ Thurston PUD staff has reviewed Pattison's historical costs and forecasted how much money must be collected from rate payers to pay for the water system's operational expenses.
- ▶ We understand your current rates have not increased in over 10 years.
- ▶ The Board of Commissioners vote for and approve all rates, fees, charges, and surcharges.
- ▶ PUD Commissioners will take testimony on rates on February 16, 2021.
 - ▶ You can submit public testimony.
 - ▶ www.tineyurl.com/thurstonpud

PUD Rates and Charges

- ▶ **The base rate and consumption charges:**
 - ▶ Pay for water systems operations and maintenance expenses
- ▶ **The capital surcharge:**
 - ▶ Helps pay for water system replacements



PUD Pattison Proposed Rates, Fees and Charges

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Includes

- Base Rate
- Consumption Charge
- Capital Surcharge
- Streetlight Fee

Does NOT Include

- Hydrant Fee
- Backflow Inspection Fee

Proposed Rates

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Proposed Rates, Fees and Charges for Pattison Customers – Effective March 1, 2021

Proposed Rates, Fees and Charges for Pattison Customers – Effective March 1, 2021										
Residential	Base Rate (per month)					Consumption Charges (per hundred cubic feet)				
	Meter Size	3/4"	1"	Flat Rate		0- 500	501 - 2100	2101 - 3600	3601 - 7000	7000+
	Monthly Rate	\$19.30	\$41.90	\$47.85		\$2.10	\$2.80	\$3.55	\$3.85	\$4.10
Commercial Multifamily & Irrigation	Base Rate (per month)							Consumption Charges (per hundred cubic feet)		
	Meter Size	3/4"	1"	1 ½"	3"	4"		Nov-Jun	Jul -Oct	
	Commercial and Multifamily	\$20.95	\$44.95	\$89.95	\$269.80	\$419.70		\$2.60	\$3.85	
	Irrigation	\$20.95	\$44.95	\$89.95	\$269.80	\$419.70		\$3.20	\$3.20	

PUD Billing Statements

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Billing Statements are generated at the end of each month and mailed or sent electronically.

March's Bill Statement (mailed last week of March):

- Will only reflect 18 - 20 days of water consumption

April's Bill Statement:

- Will reflect a full month of water consumption

Asset Management Plan

PLANNING FOR TOMORROW AND BEYOND

- ▶ An Asset Management Plan (AMP)
 - ▶ Identifies when components of our 275 water systems are projected to reach the end of their useful life
 - ▶ Forecasts budget needs for 80 years water system lifecycle
 - ▶ AMP also projects the cost to replace infrastructure
 - ▶ It is standard PUD practice to run most components to the end of their useful life before replacing.

Capital Surcharge

- ▶ Dedicated monthly capital surcharge funding
- ▶ Each home contributes a capital surcharge of **\$10.00 a month**; reserved for infrastructure replacement costs
 - ▶ Allows PUD to have cash available to obtain loan/grant financing
- ▶ Used to fund infrastructure replacement **only**
 - ▶ Wells and pumps and booster stations
 - ▶ Reservoirs, storage and treatment systems, and electrical systems
 - ▶ Water mains, service lines and water meters
 - ▶ Pump houses and other infrastructure

Thurston PUD - Fulfilling Our Commitment to the Capital Surcharge (Pattison not included)

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Capital Projects



2021: \$2.8 million



2020: \$338,000



2019: \$1.1 million



2018: \$264,000

Multi-Year Infrastructure Asset Replacement Needed

5 years	2021-25	\$	2,328,748.25
10 years	2026-30	\$	591,601.97
15 years	2031-35	\$	1,794,957
20 years	2036-40	\$	21,924,612
25 years	2041-45	\$	3,813,382
30 years	2046-50	\$	20,380,132
35 years	2051-55	\$	2,910,449
40 years	2056-60	\$	2,108,859
45 years	2061-65	\$	3,611,623
50 years	2065-70	\$	2,746,173
55 years	2071-2075	\$	7,452,646
60 years	2076-2080	\$	4,491,624
Total Estimated Rebuild Costs		\$	74,154,807.65

Pattison Water System

Asset Management Plan Summary

The PUD Advantage

STABILITY, CUSTOMER PARTICIPATION,
GRANTS & LOW-INTEREST FUNDING, SKILLED
WORKERS, LONG-TERM PLANNING

The PUD Advantage

- ▶ The PUD is a Thurston County citizen-owned, consumer-owned utility
- ▶ The Governing Board is the Commissioners are voted into office by you, the citizens of Thurston County
- ▶ The Pattison water system becomes one of 276 PUD water systems
 - ▶ Shared overhead and pooling of resources
 - ▶ Enhanced economies of scale
 - ▶ Standardized rates & infrastructure replacement schedules
 - ▶ Stable financing and comprehensive utility planning
- ▶ Public Utility District, Not-for-Profit Municipal Corporation
 - ▶ Everything is put back into the water systems

The PUD Advantage

- ▶ PUD has extensive customer service and payment options
 - ▶ 13 water technicians
 - ▶ Heavy Equipment - vactor, a pump puller and excavator
 - ▶ 24/7 on call service with two operators and a manager on call
- ▶ The expertise of Pattison water operator expertise will be retained
- ▶ Thurston PUD is a non-profit organization with access to grants and low interest financing
 - ▶ All excess revenue is put back into the water systems

Why are my rates higher with Thurston PUD vs. Private Company

- ▶ PUD purchased the system from Jim Casebolt for \$5.8 million.
- ▶ Mr. Casebolt's family developed the system and was paid what the system is worth.
- ▶ He is retiring.
- ▶ \$2.3 million needs to be reinvested in the next 5 years.
- ▶ \$76 million in the next 60 years.

Why are my rates higher with Thurston PUD vs. Private Company

- ▶ The PUD saves and reinvests money back into the water systems.
- ▶ Rates are set to cover expenses.
- ▶ Rates are lower than Washington Water, another large private water company, and the City of Yelm.
- ▶ The PUD model is sustainable and self-funding.

Why are my rates higher with Thurston PUD vs. Private Company

- ▶ We pay living wages to our employees
 - ▶ State Retirement System
- ▶ PUD is staffed for massive emergencies.
- ▶ PUD has excellent access to funding for catastrophic issues.
 - ▶ Grants (no repayment)
 - ▶ Loans with low-interest (0.5% - 1.75% interest rates)

Utility Rate Advisory Committee (URAC)

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- ▶ Group of PUD customers that act in an advisory capacity to the Board of Commissioners on rates, fees, charges and surcharges.
- ▶ The URAC has made recommendations approved by PUD Commissioners that support customers
 - ▶ 5-Tiered water rate structure
 - ▶ Equal Payment Plan – averages out monthly bills
 - ▶ Regular newsletter, automated phone calls and other communications to specific customers
 - ▶ Rounding rates
- ▶ If you're interested in joining the URAC, please contact John Weidenfeller at jweidenfeller@thurstonpud.org

Next Steps

- ▶ Customer Packet (March 1)
- ▶ Sign up for electronic billing
- ▶ Sign up for AutoPay or Direct Debit
- ▶ Learn more about the Utility Rate Advisory Committee (URAC)
- ▶ March bill is a partial bill
- ▶ Rate Hearing: February 16, 2021 at 5:00 p.m.

We Want to Hear from You

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Call	(360) 357-8783, select Option 3
Email	PUDCustomerService@ThurstonPUD.org
Write	1230 Ruddell Road SE, Lacey, WA 98502
Learn	www.ThurstonPUD.org
Ask	Submit a question online: www.tinyurl.com/thurstonpud

Questions?

BY COMPUTER: CLICK THE “RAISE HAND” BUTTON

BY PHONE: PRESS *9 TO RAISE YOUR HAND & PRESS *6 TO UNMUTE

Thurston PUD

The logo graphic for Thurston PUD features several horizontal, wavy lines in shades of blue and green that sweep across the bottom of the 'PUD' text.

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