

2020 Proposed Budget



Introduction

The Thurston Public Utility District's budget reflects the strategic goals developed by the PUD Commissioners and provides a blueprint for water services for 2020. The budget not only serves as a financial plan, but also as a tool for accountability.

Thurston PUD Mission and Strategic Goals

Mission: Provide safe, reliable, affordable, and sustainable utility services to the customers we serve.

Strategic Goals

1. **Effectiveness:** Strive to be an effective organization.
2. **Sustainability:** Provide sustained efficient utility services to our customers and serve the citizens of Thurston County.
3. **Stewardship:** Be good stewards of the District's resources.
4. **Partnerships:** Continue to build good relationships and partnerships with Thurston County, other counties, neighboring cities, other PUDs, Port Districts, Tribes, other water purveyors, and state agencies.
5. **Growth:** Work toward steady growth in customers through the acquisition of systems with good value and periodically evaluate new lines of business to determine if entry is feasible and makes good financial sense.

Table of Contents

STABILIZING AFTER GROWTH.....	5
Proposed 2020 Operations and Capital Budget Highlights	7
Recommendations	7
Background	8
2020 Proposed Operations Budget	10
Summary of Operational Needs incorporated in the 2020 Operations Budget	11
Salaries and Benefits	11
PROPOSED OPERATIONS FUND BUDGET SUMMARY.....	11
Depreciation/Debt Service	11
Purchased Water.....	11
Purchase Power	11
Chemicals expense.....	11
Materials & Supplies	11
Energy Efficiency Enhancements	11
Contractual Services, Engineer	11
Contractual Services, Legal	11
Contractual Services, Other	12
Contractual Services, Testing	12
Contractual Services, Janitorial.....	12
Contractual Services, State Auditor	12
Rental of Building/Real Property	12
Transportation Expenses.....	12
Meeting Costs, Commissioners.....	12
Meeting Costs, Staff.....	12
Office Expense	12
Telephone Expense	12
Dues and Subscriptions.....	12
Website/IT Support.....	12
Other.	13
Staff Training.	13
Postage Expense	13
Printing Expense	13

Credit Card Fees.....	13
EQUIPMENT/VEHICLE/BUILDING REPAIR AND REPLACEMENT FUND	13
Emergency Disaster.....	13
Effects of Proposed Operating Budget on Fund Reserve	13
CONTINGENCY FUND BUDGET SUMMARY	14
Effects of the Contingency Operating Budget on Fund Reserve	15
Operating Budget: General Fund and Water Fund	16
Un-Funded Budgetary Requests	20
Rate Schedules	21
2020 Proposed Capital Budget.....	25
Capital Budget Summary.....	26
Details of the Proposed 2020 Capital Budget	28
Capital Budget Project Code Explanations.....	31
Capital Budget Funding Sources	33

Table of Figures

Figure 1: Thurston PUD Customers by County.....	8
Figure 2: PFOA/PFAS Testing	14
Figure 3: PUD Legacy & Keanland Park Proposed Customer Rates.....	22
Figure 4: Former H&R Customer Residential Rates Proposed Rates	23
Figure 5: PUD Redtail Hawk, Frog Hollow, Mountain Lakeview & Scatter Creek Ranch Proposed Rates ...	24
Figure 6: 2015-2019 Surcharge Utilization.....	26
Figure 7: 2016-2019 AMP Completed Projects.....	27
Figure 8: Proposed 2020 Capital Budget.....	28



STABILIZING AFTER GROWTH

Thurston PUD is moving into a stabilization period after the acquisition of several water systems, including 140 water systems from H&R Waterworks, Inc. at the end of 2017. We have taken measures to ensure that over the last 2 years we have met our obligations and commitments to be responsible stewards of our water resources and the ratepayers' investments.

The last year presented certain financial challenges that we have been able to overcome while advancing forward with much needed improvements to water system infrastructure, maintenance and operation needs.

This budget represents the District's priorities for the operation of the PUD over the next year. The juncture the District is at requires that we consider the following when proposing a budget:

Uniform Rates Commitment Fulfilled

The District has upheld its commitment to transitioning all PUD customers to a uniform rate by 2020. This proposed budget fulfills that commitment.

Removal of Out-of-County Rates

This budget completes the transition of the removal of the out-of-county rate differential. The removal of this differential rate was presented by out-of-county customers and was implemented to remove barriers between our customers. The removal also simplifies accounting, billing and supports the one-utility concept.

Service and Infrastructure Reliability Driven by Technology

Our water infrastructure is one of our greatest priorities to help ensure that you receive safe, reliable water service. Funded by the next bond proceeds, we are beginning to invest, over many years, in a Geographic Information System (GIS) that will help us map our all our infrastructure moving us from outdated paper methods to more advance computerized technology. This information will help us better understand our assets as well as problem solve issues like leak detection.

Customer and Community Interest

Our customers are our highest priority and focus, so when we were approached by a group of customers who consumed large volumes of water to re-evaluate our tiers, we did just that. This

budget includes a new tier structure that allows customers more water usage at affordable rates. The proposed rate structure includes five tiers.

***The current rate schedule has 4 tiers:**

- 0 - 500 cf
- 501 - 1,500 cf
- 1,501 – 3,000 cf
- 3,000+ cf

***The new 2020 rate schedule has 5 tiers:**

- 0 - 500 cf
- 500 - 2,100 cf
- 2,101 - 3,600 cf
- 3,601 – 7,000 cf
- 7,000+ cf

Organizational Excellence

Our infrastructure is a great asset to the District, but our greatest assets are our employees. We wanted to ensure our staff were adequately compensated with industry standard salaries. Next year's large projects include the installation of 620 meters which will require the inclusion of a new Laborer position. The growth in the workforce after the acquisition also presented the need for administrative assistance in both the Operations and Administrative sectors of the organization. We know that our employees are our greatest resource because they are motivated, produce high quality work, identify with the mission of the organization, collaborate and take responsibility.

Property Tax Reduction

Thurston PUD has committed to responsible stewardship of ratepayer dollars as well as the tax dollars we collect. This budget includes a potential 10% property tax assessment reduction.

In closing, these key initiatives, in addition to District daily operations, will enable continued safe, reliable water service to our customers. In the coming year, the District will continue to invest in the upgrade and rehabilitation of our existing facilities, infrastructure and enhancements while fostering economic, environmental and sustainability for our service areas. We rely on the support of our ratepayers, our staff, and our elected officials to maintain our essential round-the-clock operations.

Respectfully,



John Weidenfeller
General Manager

Proposed 2020 Operations and Capital Budget Highlights

1. This budget completes the transition of the removal of the out-of-county rate differential.
2. All customers are projected to be on the same rate schedule including legacy (in-county and out-of-county), Keanland Park, former H&R Waterworks, Redtail Hawk, Frog Hollow, Scatter Creek Ranch, and Mountain Lakeview water systems.
3. Includes implementation of a multi-year Geographic Information System (GIS) program, funded by the next bond's proceeds.
4. The rate schedule proposed with this budget implements a **new tier structure** allowing customers more water usage at affordable rates.

*The current rate schedule has 4 tiers:

- 0 - 500 cf
- 501 - 1,500 cf
- 1,501 – 3,000 cf
- 3,000+ cf

***The new 2020 rate schedule has 5 tiers:**

- 0 - 500 cf
- 500 - 2,100 cf
- 2,101 - 3,600 cf
- 3,601 – 7,000 cf
- 7,000+ cf

5. This budget sustains adequate salary ranges and benefit levels to allow the retention of staff and the recruitment of new staff if necessary.
6. This budget includes a potential 10% reduction to the Property Tax Levy.
7. This budget is conservative based on projected revenues and not all requests were able to be budgeted. The requested items below were **not** able to be included in the budget:
 - Development of a Management Information Decision Support System Dashboard \$50,000
 - 11 Surface Pro's for field staff to enhance accessibility \$44,000
 - Treatment preparation for potential PFOA/PFAS contamination \$389,600
 - Contractual Services for Lobbyist \$25,000
 - Emergency Preparedness - Meals, storage and related items \$25,000
 - Staff Tuition Reimbursement, \$5,000

Recommendations

- Proposed budget indicates 2020 will be tight, based on the increased expenses of primary functions.
- Increase of 5.0% for base rates at legacy in-county level, based on essential cost increases.
- The capital surcharge is recommended to increase \$2.65, from \$6.70 to \$9.35 per Equivalent Residential Unit (ERU) for 2020.

Background

Thurston PUD has over 7,800 customers over six counties with Thurston County customers accounting for 70 percent of our customer base. Our geographic range plays a role in one of the many factors to consider when constructing the budget. Figure 1 below lists the customers of Thurston PUD by county and percentages.

<i>TOTAL CUSTOMERS</i>	<i>7,861</i>	<i>%</i>
Thurston County	5,639	71.73%
Pierce County	1,412	17.96%
Lewis County	671	8.54%
King County	74	0.94%
Grays Harbor County	37	0.47%
Kitsap County	28	0.36%

Figure 1: Thurston PUD Customers by County

This page intentionally left blank.

2020 Proposed Operations Budget

Summary of Operational Needs incorporated in the 2020 Operations Budget

The 2020 Operating Budget includes:

Interest Income is projected at an investment rate of 2.0%.

The Property Tax Levy for General Fund is projected to increase to the highest lawful levy 1% as allowed by Washington State law. A discussion of future utilization of the property tax levy has been discussed by the Board in conjunction with the development of this Proposed Budget. This budget has been developed from that discussion under the premise that the District will preserve the ability to collect the tax levy in the future by raising the levy to the highest lawful level, while reducing the assessment over time at the rate of 10% per year until the expenses currently funded by the tax levy are supported by the water assessments of the district.

Base Water Revenue forecasts for the 2020 rate level includes:

1. The addition of new customers from the purchase of water systems acquired in late 2018 and early 2019. PUD customers transition to one uniform rate in 2020.

SALARIES AND BENEFITS

In 2019 the District grew from 25 to 29 full time employees.

The 2020 Proposed Budget for Salaries and Benefits includes:

- All full-time employees are eligible to receive step increases, 29 FTE.
- PERS State retirement contribution increased to 12.83% from 12.7%.
- Salary capitalization (\$64,799) from Water Fund

PROPOSED OPERATIONS FUND BUDGET SUMMARY

Depreciation/Debt Service includes the cost debt service of all loans including those assumed with the purchase of new water systems.

Purchased Water is expected to remain the same compared to the 2019 Budget.

Purchased Power is expected to increase 6.2% compared to the 2019 Budget.

Chemicals expense is expected to remain the same compared to the 2019 Budget.

Materials & Supplies is expected to remain the same compared to the 2019 Budget.

Energy Efficiency Enhancements includes \$5,000 pursuant to Board goals established in 2016.

Contractual Services, Engineer is estimated at \$25,000.

Contractual Services, Legal is expected to decrease 4.3% compared to the 2019 Budget.

Contractual Services, Other is expected to increase 100.8% to include rate analyst services, and other professional services contracts.

Contractual Services, Testing is expected to increase 6.0% compared to the 2019 Budget.

Contractual Services, Janitorial decreased \$3,500 (17.5%) compared to the 2019 Budget due to janitorial services not being required at the District's rental office.

Contractual Services, State Auditor increased 37.5% based on published rates from State Auditor's Office, to include cost of bi-annual accountability audit.

Rental of Building/Real Property is expected to increase 3.6% to reflect the inflationary adjustment in the lease contract.

Transportation Expenses

1. Fuel – *Short Term Energy Outlook* published July 9, 2019, by the US Energy Information Administration predicts gasoline prices on average will increase in 2020 by \$0.11 per gallon. The fuel expense 2020 estimate is an average of 2019 actual costs including an increase of 1% as a result of the anticipated increase in gasoline prices.
2. Repair Cost – We replaced 4 vehicles in 2018 reducing the necessary repair costs. There are 19 vehicles that will require maintenance and repairs estimated at \$46,600 (an average of \$2,452.63 per vehicle).

Meeting Costs, Commissioners is expected to increase 95.3% compared to the 2019 Budget due to anticipated cost of meetings attended by Commissioners, the Utility Rate Advisory Committee (URAC) and hosted events.

Meeting Costs, Staff is expected to increase 52.8% compared to the 2019 Budget due to the anticipated cost of staff attended meetings and conference attendance.

Office Expense is expected to increase 13.9% compared to the 2019 Budget due to the reoccurring and new expenses required to provide service.

Telephone Expense is expected to increase 27.2% compared to the 2019 Budget as new service needs are identified, installed and troubleshot. This includes cell phones for field staff, Commissioners and management employees as well as ongoing broadband service required to support the office telephone systems.

Dues and Subscriptions is expected to increase 61.6% compared to the 2019 Budget due to the increase costs of renewing dues and subscriptions.

Website/IT Support increased for 2020 rate announced by Thurston County. This cost includes support for 27 computers, 33 users including employees and Commissioners.

Other is expected to increase 25% compared to the 2019 budget to incorporate any unforeseen budgetary expenses.

Staff Training is expected to increase 98.8% compared to the 2019 budget to ensure staff receives training necessary and relevant to their job function.

Postage Expense is expected to remain the same compared to the 2019 budget.

Printing Expense is expected to decrease 7.0% compared to the 2019 budget.

Credit Card Fees are expected to increase \$150 (0.04%) compared to the 2019 budget due to the anticipated fee increase.

EQUIPMENT/VEHICLE/BUILDING REPAIR AND REPLACEMENT FUND

- Vehicle replacement annual contribution is \$98,650 for 19 vehicles.
- Building repair/replacement annual contribution is \$30,000 annually for the 1230 Building.
- Equipment replacement annual contribution is \$32,608, an increase of \$21,000 for 2020.

EMERGENCY & DISASTER PREPAREDNESS

- Radio upgrades include the radio licensing annual fee of \$5,000. This expense is included in Other Expense.

Effects of Proposed Operating Budget on Fund Reserve

The net result of the Proposed Budget is the General Fund expenses will exceed General Fund revenues. Approximately \$51,198 will need to be used from the General Fund reserves. The General Fund reserves will have an estimated ending fund balance of \$325,315 which is above our current minimum reserve policy of 60 days.

The net result of the Proposed Budget is the Water Fund revenue after adoption of the new rates will be just above anticipated water expenses. The reserve will have an estimated ending fund balance of \$1,288,110 which is above our current minimum reserve policy of 60 days. The District's debt service coverage ratio is maintained at 2.20 which is above the District's bond covenant coverage requirement of 1.25.

CONTINGENCY FUND BUDGET SUMMARY

This Contingency Fund, and potential rate increases, could be required if the Washington State Department of Health, or the federal government require testing and treatment of chemical compounds. These compounds are called per- and polyfluoroalkyl substances (PFAS) and are a group of man-made chemicals that includes Perfluorooctanoic acid (PFOA), Perfluorooctane Sulfonate (PFOS), GenX, and many other chemicals. This is a newly emerging contaminant that has been discovered in some ground water aquifers.

The District has created a Contingency Operating Budget to include an additional expense at the direction of management and Board of Commissioner’s goals and initiatives. Below is the additional expense and the impact to the 2020 Proposed Budget in comparison to the 2019 Budget.

PFAS/PFOS Testing and Treatment

PFAS have been manufactured and used in a variety of industries around the globe, including in the United States since the 1940s. PFOA and PFOS have been the most extensively produced and studied of these chemicals. Both chemicals are very persistent in the environment and in the human body – meaning they don’t break down and they can accumulate over time. There is evidence that exposure to PFAS can lead to adverse human health effects.

The Department of Health (DOH) is concerned about PFAS in drinking water and is studying this growing national issue. The Department of Health Office of Drinking Water (ODW) had offered pay for testing for some Group A water systems located within a 2-mile radius of Joint Base Lewis-McChord. This offer of funding has been withdrawn by ODW pending further development of national and state regulation of these contaminants.

Upon notification from ODW, Thurston PUD will test our water systems located around Joint-Base Lewis McChord (JBLM), and Tacoma, WA (Pierce County), as part of our commitment to our customers. If testing results in levels above the recommended action levels, DOH will require the PUD to notify customers with public notice of “Do Not Drink” or a bottled water health advisory.

The PUD will perform a second round of sampling to confirm positive results from the initial sampling.

The estimated cost of the PFAS/PFOA testing is as follows:

			Number of Wells	Testing Cost	Number of Tests		
Group A wells			20	\$ 600.00	6	\$ 72,000.00	
Group B wells			22	\$ 600.00	6	\$ 79,200.00	
		District cost of intial testing for PFAS/PFOA					\$ 151,200.00

Figure 2: PFOA/PFAS Testing

In addition, the contingency budget includes an additional \$50,000 in legal costs, to pursue remediation funding for the cost of treatment/clean up that would be needed should any of the District’s water sources be found to be contaminated with PFAS/PFOA compounds.

Effects of the Contingency Operating Budget on Fund Reserve

The net result of the Contingency Operating Budget is that the Water Fund revenue will be below anticipated water expenses. This potential unfunded mandate could cost an estimate of \$210,000 in addition to the 2020 proposed rates, this will be required to fund the additional costs. This is a potential 4% additional increase on rates above the level proposed for 2020 that could be imposed if testing is mandated by ODW.

As the timing of this new regulatory testing is unknown at this time, and dependent on circumstances outside of the control of the District, it is staff's recommendation that the District wait until notified by the regulatory authorities before any further action or consideration of a rate increase.

Operating Budget: General Fund and Water Fund

Thurston PUD

General Fund Budget

	Actual	Budget	YTD	Projection	Proposed
	2018	2019	Jun-19	2019	2020
Estimated Beginning Fund Balance		375,201		375,201	376,513
Income					
419 - Interest Income	4,299	3,304	3,069	6,138	6,200
421 - Non-utility Income					
421.1 - Tax Levy Income	286,252	286,759	294,823	294,823	262,441
Total 421 - Non-utility Income	286,252	286,759	294,823	294,823	262,441
474 - Other Revenue					
414 - Sales of Equipment	0	0	0	0	0
Total 474 - Other Water Revenue	0	0	0	0	0
Total Income	290,551	290,063	297,892	300,962	268,641
Additional Income from proposed rate increase					
Total Budgeted Income after rate adjustment	290,551	290,063	297,892	300,962	268,641
Expense					
403 - Depreciation Expense/Debt Service	6,000	4,500	2,253	4,507	4,500
408 - Taxes other than Income					
408.12 - Payroll Taxes	9,268	11,908	5,442	10,884	12,508
408.13 - Other Tax & License	0	0	2	0	0
Total 408 - Taxes other than Income	9,268	11,908	5,444	10,884	12,508
427 - Interest Expense					
Total 427 - Interest Expense	0	0	0	0	0
... - Allocate Labor costs to capital projects					
601 - Salaries/Wages Employees	50,612	58,800	29,575	59,151	53,483
603 - Salaries - Commissioners	63,072	66,744	33,372	63,072	66,744
603.1 - Com'srs Mtg Compensation	20,330	23,552	10,016	22,264	23,552
603.2 - Watershed Planning	44	2,412	0	0	2,412
604 - Emp Pension & Benefits	27,644	32,000	20,268	40,536	33,160
631 - Contr. Svcs. - PS/Board Retreat	0	1,600	0	0	1,600
632 - Contr. Svcs. - Accounting	150	1,000	619	1,000	2,000
633 - Contr. Svcs. - Legal	11,980	12,938	4,820	9,640	15,930
635 - Contr. Svcs. - Other	0	0	40	80	0
637 - Contr. Svcs. - Janitorial	429	3,400	1,899	4,558	5,000
638 - Contr. Svcs. - State Auditor	10,045	8,000	1,489	5,880	11,000
641 - Rental of Bldg/Real Prop.	3,346	4,500	1,723	3,445	3,600
643 - Building Operations	1,617	9,000	4,098	8,195	9,000
650 - Transportation Expense	0	350	131	262	1,400
657 - Insurance - General Liability	1,950	4,500	4,500	4,500	5,200
660 - LegalAdv/Public Info Expense	165	0	0	0	0
675.01 - Election Costs	31,054	32,000	31,054	31,054	70,000
675 - Miscellaneous Expenses	33,036	34,700	16,703	30,622	28,750
Total Expense	270,741	311,904	168,003	299,650	349,839
To(From) Reserves	19,810	(21,841)	129,890	1,312	(81,198)
Capital Projects					
To(From) Reserves	19,810	(21,841)	129,890	1,312	(81,198)
Estimated Ending Fund Balance		353,360	129,890	376,513	295,315
Minimum Reserve Per Financial Policy (60 days)	44,505	51,272	27,617	49,257	57,508
Proposed Minimum Reserve Discussed (90 days)	3,256	76,908	41,425	73,886	86,262

Thurston PUD

Water Fund Budget

	Actual	Budget	YTD	Projection	Proposed
	2018	2019	Jun-19	2019	2020
Estimated Beginning Fund Balance		1,155,930		1,155,930	1,282,332
Income					
419 · Interest Income	59,932	60,000	43,688	87,375	88,000
421 · Non-utility Income					
421.1 · Tax Levy Income	0	0	0	0	0
421.10 · Building Rental Income	3,300	0	3,308	19,851	42,000
Total 421 · Non-utility Income	3,300	0	3,308	19,851	42,000
460 · Unmetered Water Revenue					
460.1 · Residential	19,416	243,850	97,479	194,958	184,694
Total 460 · Unmetered Water Revenue	19,416	243,850	97,479	194,958	184,694
461 · Metered Water Revenue					
461.11 · Residential Base	2,629,581	2,146,572	1,266,706	2,533,413	2,561,630
461.12 · Residential Consumption	2,120,177	2,136,038	795,011	2,127,941	2,341,408
461.21 · Commercial Base	71,117	66,608	32,910	65,819	63,898
461.22 · Commercial Consumption	88,795	79,450	36,530	73,059	80,157
461.23 · Rec Center Contract Base	569	569	285	569	569
461.24 · Rec Center Contract Consumption	811	1,250	291	583	1,098
461.51 · Multifamily Base	90,731	91,072	47,289	94,577	91,803
461.52 · Multifamily Consumption	163,314	150,573	80,002	150,573	149,102
Total 461 · Metered Water Revenue	5,165,095	4,672,132	2,259,023	5,046,535	5,289,665
465 · Sales to Irrigation					
465.2 · Irrigation Base	11,384	11,684	5,704	11,408	11,408
465.3 · Irrigation Consumption	108,720	59,346	36,692	73,385	58,798
Total 465 · Sales to Irrigation	120,104	71,030	42,396	84,792	70,206
471 · Miscellaneous Svc Revenue					
471.1 · Reimb of Damage Costs	62	0	3,307	3,307	0
471 · Misc Service Revenue	136,893	138,000	57,295	114,591	138,000
Total 471 · Miscellaneous Service Revenue	136,955	138,000	60,602	117,897	138,000
474 · Other Water Revenue					
414 · Sales of Equipment	1,159	12,535	15,247	30,495	0
469 · Service credits	(1,669)	1,000	164	(5,000)	(5,000)
474.1 · Surcharge Collection	52,164	52,030	26,019	52,038	52,030
474.1 · Capital Surcharge	629,574	577,594	306,270	612,541	612,541
474.2 · Other Reimbursable Income	1,270	0	0	0	0
436 · Grant Revenue	23,954	0	0	0	0
430 · Developer Fees/Contributed Capital	246,274	0	2,173	2,173	0
415 · Revenue from SMA Contracts	55,418	2,900	2,961	2,961	0
Total 474 · Other Water Revenue	1,008,145	646,059	352,835	695,207	659,571
Total Income before rate adjustment	6,512,947	5,831,071	2,859,331	6,246,615	6,472,136
Additional Income from proposed 2020 rate increase					270,000
Total Budgeted Income after rate adjustment	6,512,947	5,831,071	2,859,331	6,246,615	6,742,136
Expense					
403 · Depreciation Expense/Debt Service	794,433	493,040	239,813	493,040	498,100
408 · Taxes other than Income					
408.12 · Payroll Taxes	122,541	204,805	67,750	211,939	232,889
408.13 · Other Tax & License	34,142	31,560	11,554	31,560	31,560
408.2 · State Public Utility Tax	299,554	267,279	136,547	302,871	329,245
Total 408 · Taxes	456,237	503,644	215,851	546,370	593,694
427 · Interest Expense					
427.32 · Interest on Bonds	599,913	487,431	0	487,431	480,081
427 · Interest Expense - Loans	15,787	14,500	0	14,500	16,000
Total 427 · Interest Expense	615,701	501,931	0	501,931	496,081
... · Allocate Labor costs to capital projects		(56,456)			(64,799)
601 · Salaries/Wages Employees	1,574,588	1,666,045	808,367	1,726,045	1,964,335

Thurston PUD

Water Fund Budget

	Actual	Budget	YTD	Projection	Proposed
	2018	2019	Jun-19	2019	2020
604 - Emp Pension & Benefits	652,717	586,791	283,934	567,868	821,110
610 - Purchased Water	10,174	14,000	3,895	9,739	14,000
615 - Purchased Power	295,262	291,387	124,286	288,573	309,358
618 - Chemicals	47,125	65,000	24,021	65,000	65,000
620 - Materials & Supplies	188,247	230,000	70,720	230,000	230,000
625 - Energy Efficiency Enhancements	0	5,000	0	0	5,000
632 - Contr. Svcs. - Accounting	1,650	8,240	1,631	6,525	6,000
631 - Contr. Svcs. - Engineer	4,295	25,000	0	25,000	25,000
633 - Contr. Svcs. - Legal	46,972	45,000	15,403	55,805	43,070
635 - Contr. Svcs. - Other	46,504	25,000	21,369	41,369	50,200
636 - Contr. Svcs. - Testing	67,054	52,000	25,158	50,316	55,110
637 - Contr. Svcs. - Janitorial	18,877	20,000	5,429	16,029	16,500
638 - Contr. Svcs. - State Auditor	10,045	8,000	1,489	10,000	11,000
641 - Rental of Bldg/Real Prop.	85,455	66,000	32,729	65,459	68,400
642 - Rental Equipment	4,136	5,180	5,762	8,643	2,000
643 - Building Operations	38,315	42,000	15,768	38,343	39,000
650 - Transportation Expense	29,652	258,685	65,177	282,439	300,408
657 - Insurance - General Liability	31,665	82,000	72,551	77,551	84,000
660 - LegalAdv/Public Info Expense	3,422	6,000	4,837	11,610	15,600
670 - Bad Debt Expense	16,800	2,000	0	2,000	3,000
675 - Miscellaneous Expense					
675.02 - Office Expense	131,995	98,000	42,073	97,200	111,600
675.03 - Meeting Cost Comissioners	6,313	3,200	716	3,200	6,250
675.04 - Meeting Costs Staff	5,200	3,600	2,094	5,025	5,500
675.05 - Telephone Expense	27,704	29,000	14,082	29,165	36,900
675.06 - Dues & Subscriptions	7,068	9,780	7,359	9,567	15,800
675.07 - Website/IT Support	43,743	52,500	13,492	53,966	55,400
675.08 - Other	1,891	12,000	7,572	15,143	15,000
675.10 - Conservation	0	2,500	0	2,500	2,500
675.12 - Staff Training	17,389	25,000	22,526	55,052	49,700
675.13 - Postage	54,227	52,000	19,654	47,169	52,000
675.14 - Printing	35,734	43,000	9,587	28,008	40,000
675.15 - Credit Card Fees	40,315	39,850	18,786	39,850	40,000
675 - Miscellaneous Expenses	371,580	370,430	157,941	385,846	430,650
Total Expense	5,410,904	5,372,373	2,196,132	5,505,500	6,081,817
To(From) Reserves	1,102,043	458,698	663,199	741,116	660,319
Capital Projects - From Reserve		(577,594)	(306,270)	(614,714)	(654,541)
To(From) Reserves	1,102,043	(118,896)	969,469	126,402	5,778
Estimated Ending Fund Balance		1,037,035		1,282,332	1,288,110
Minimum Reserve Per Financial Policy (60 days)		883,130		905,014	999,751
Proposed Minimum Reserve Discussed (90 days)		1,343,093		1,357,520	1,499,626
Debt Service Coverage (1.25 Minimum)		2.04		2.38	2.15
Revenue increase proposed operating budget					5.00%

Un-Funded Budgetary Requests

Thurston PUD management and the Board of Commissioners provided project requests to be considered during the 2020 budget process. The projects were analyzed, and if implemented, would have added a significant increase to expenses requiring an increase to rates. As a result, the projects listed below are not included in the 2020 Proposed Budget:

- Development of a Management Informative System Decision Support System Dashboard, \$50,000
- 11 Surface Pro Tablets for field staff to enhance accessibility, \$44,000
- Treatment preparation for potential PFOA/PFAS contamination, \$389,600
- Contractual Services for a Lobbyist, \$25,000
- Emergency Preparedness - Meals, storage and related items, \$25,000
- Staff Tuition Reimbursement, \$5,000

Rate Schedules

2020 Rate Schedules:

- PUD Legacy & Keanland Park Customers
- Former H&R Waterworks Customers
- Redtail Hawk, Frog Hollow, Mountain Lakeview, & Scatter Creek Ranch Customers

The 2020 Rate Schedules include:

- A base rate increase of 5% to PUD Legacy customers
 - Newly acquired water system customers may have a higher increase due to the plan to be brought up to PUD Legacy rates
 - Outside Thurston County customers may have a lower increase due to previously paying \$2.00 more than Inside Thurston County customers
- A revised consumption tier structure including a fifth tier and rate
- A capital surcharge increase of \$2.65 from \$6.70 to \$9.35

Comparison of Water Rates: PUD Legacy Customers & Keanland Park Rates
2019 Current to Proposed 2020
Public Utility District No. 1 of Thurston County

	Inside Thurston County		Outside Thurston County	
	2019	2020	2019	2020
PUD (Legacy) Rates				
Residential 3/4" Meter	\$ 29.68	\$ 31.15	\$ 31.68	\$ 31.15
Residential 1" Meter	\$ 61.89	\$ 61.90	\$ 63.89	\$ 61.90
Flat Rate	\$ 75.71	\$ -	\$ 77.71	\$ -
Consumption, per 100 cf				
0 - 500 cf	\$ 2.66	\$ 2.80	\$ 2.66	\$ 2.80
501-2,100 cf	\$ 4.08	\$ 4.30	\$ 4.08	\$ 4.30
2,101 – 3,600 cf	\$ 5.61	\$ 5.15	\$ 5.61	\$ 5.15
3,601 – 7,000 cf	\$ 6.42	\$ 6.00	\$ 6.42	\$ 6.00
7,000+ cf		\$ 6.75		\$ 6.75
Non Residential - base charge				
3/4" Meter	\$ 34.14	\$ 35.85	\$ 36.14	\$ 35.85
1" Meter	\$ 71.16	\$ 71.15	\$ 73.16	\$ 71.15
1 1/2" Meter	\$ 142.32	\$ 142.30	\$ 144.32	\$ 142.30
2" Meter	\$ 227.70	\$ 227.70	\$ 229.70	\$ 227.70
3" Meter	\$ 426.95	\$ 426.95	\$ 428.95	\$ 426.95
Consumption, per 100 cf				
Nov - June	\$ 4.08	\$ 4.30	\$ 4.08	\$ 4.30
July - October	\$ 6.42	\$ 6.00	\$ 6.42	\$ 6.00
Irrigation	\$ 6.42	\$ 6.00	\$ 6.42	\$ 6.00
Tanglewilde Park & Rec Consumption, per 100 cf				
Nov - June	\$ 1.35	\$ 1.40		
July - October	\$ 2.12	\$ 2.25		
Special Surcharges, monthly				
MR DWSRF	\$ 15.35	\$ 15.35		
WH DWSRF	\$ 14.94	\$ 14.94		
Capital Surcharges, monthly				
3/4" Meter	\$ 6.70	\$ 9.35	\$ 6.70	\$ 9.35
1" Meter	\$ 11.19	\$ 15.60	\$ 11.19	\$ 15.60
1 1/2" Meter	\$ 22.31	\$ 31.15	\$ 22.31	\$ 31.15
2" Meter	\$ 35.71	\$ 49.85	\$ 35.71	\$ 49.85
3" Meter	\$ 67.00	\$ 93.50	\$ 67.00	\$ 93.50

Figure 3: PUD Legacy & Keanland Park Proposed Customer Rates

Comparison of Water Rates: Former H&R Customer Residential Rates
2019 Current to Proposed 2020
Public Utility District No. 1 of Thurston County

	Inside Thurston County		Outside Thurston County	
	2019	2020	2019	2020
H&R Residential				
Residential 3/4" Meter	\$ 27.71	\$ 31.15	\$ 29.74	\$ 31.15
Residential 1" Meter	\$ 57.54	\$ 61.90	\$ 57.54	\$ 61.90
Flat Rate	\$ 63.60	\$ 75.70	\$ 63.60	\$ 75.70
Consumption, per 100 cf				
0 - 500 cf	\$ 2.36	\$ 2.80	\$ 2.36	\$ 2.80
501-2,100 cf	\$ 3.68	\$ 4.30	\$ 3.68	\$ 4.30
2,101 – 3,600 cf	\$ 5.28	\$ 5.15	\$ 5.28	\$ 5.15
3,601 – 7,000 cf	\$ 6.42	\$ 6.00	\$ 6.42	\$ 6.00
7,000+ cf		\$ 6.75		\$ 6.75
Non Residential - base charge				
3/4" Meter	\$ 30.85	\$ 35.85	\$ 32.91	\$ 35.85
1" Meter	\$ 63.71	\$ 71.15	\$ 65.77	\$ 71.15
1 1/2" Meter	\$ 129.53	\$ 142.30	\$ 131.59	\$ 142.30
2" Meter	\$ 207.24	\$ 227.70	\$ 209.30	\$ 227.70
3" Meter	\$ 388.62	\$ 426.95	\$ 390.68	\$ 426.95
Consumption, per 100 cf				
Nov - June	\$ 3.42	\$ 4.30	\$ 3.42	\$ 4.30
July - October	\$ 5.18	\$ 6.00	\$ 5.18	\$ 6.00
Irrigation	\$ 5.18	\$ 6.00	\$ 5.18	\$ 6.00
Capital Surcharges, monthly				
3/4" Meter	\$ 6.70	\$ 9.35	\$ 6.70	\$ 9.35
1" Meter	\$ 11.19	\$ 15.60	\$ 11.19	\$ 15.60
1 1/2" Meter	\$ 22.31	\$ 31.15	\$ 22.31	\$ 31.15
2" Meter	\$ 35.71	\$ 49.85	\$ 35.71	\$ 49.85
3" Meter	\$ 67.00	\$ 93.50	\$ 67.00	\$ 93.50

Figure 4: Former H&R Customer Residential Rates Proposed Rates

Comparison of Water Rates:
Red Tail Hawk, Frog Hollow, Mountain Lakeview & Scatter Creek Ranch
Water Systems
2019 Current to Proposed 2020

	2019	2020
<u>Residential Rates</u>		
Redtail Hawk, Frog Hollow, Mountain Lakeview 3/4" Meter	\$ 25.25	\$ 31.15
Scattercreek Ranch 3/4" Meter	\$ 29.68	\$ 31.15
Consumption, per 100 cf		
0 - 500 cf	\$ 1.85	\$ 2.40
501-2,100 cf	\$ 3.10	\$ 4.00
2,101 – 3,600 cf	\$ 3.84	\$ 5.15
3,601 – 7,000 cf	\$ 5.12	\$ 6.00
7,000+ cf		\$ 6.75
Scattercreek Ranch Irrigation	\$ 1.02	\$ 1.05
Capital Surcharges, monthly		
3/4" Meter	\$ 6.70	\$ 9.35
1" Meter	\$ 11.19	\$ 15.60
1 1/2" Meter	\$ 22.31	\$ 31.15
2" Meter	\$ 35.71	\$ 49.85
3" Meter	\$ 67.00	\$ 93.50

Figure 5: PUD Redtail Hawk, Frog Hollow, Mountain Lakeview & Scatter Creek Ranch Proposed Rates

2020 Proposed Capital Budget

Capital Budget Summary

The 2020 Capital Budget includes ongoing projects the District has identified in the past and is working toward completion, as well as implementation of the overall Asset Management Plan (AMP) adopted by the District in 2014.

The capital surcharge implemented in 2015 has been collected and placed in a reserve account to be used only for projects identified in the AMP. Any reserve will carry over to the following year to be used as appropriated by the Board of Commissioners. Due to the needs of the AMP, the District has obtained capital financing through the issuance of bonds, using the capital surcharge monies to repay the loans taken.

The figure below details the capital surcharges collected in the given year and the cost of all AMP projects completed in the same year.

Surcharge Utilization			
Jan 2015 to Jun 2019			
Year		Amount	
2015	Collected Amount	40,272.03	
2016	Collected Amount	121,512.63	
	AMP Completed Projects	<u>(185,749.02)</u>	
		(23,964.36)	Ending Surcharge balance as of 12/31/2016
2017	Collected Amount	235,491.92	
	AMP Completed Projects	<u>(215,586.91)</u>	
		(4,059.35)	Ending Surcharge balance as of 12/31/2017
2018	Collected Amount	631,557.96	
	AMP Completed Projects	<u>(264,242.67)</u>	
		363,255.94	Ending Surcharge balance as of 12/31/2018
2019	Collected Amount	307,452.78	
	AMP Completed Projects	<u>(319,903.82)</u>	
		350,804.90	Ending Surcharge balance as of 06/30/2019

Figure 6: 2015-2019 Surcharge Utilization

The figure below reflects the annual cost for AMP completed projects by the type of work performed.

Asset Management Plan (AMP)					
Work Completed by Jan 2016 to Jun 2019					
	2016	2017	2018	2019	Total
CI-44 Pumphouse	2,606.76	579.87	1,179.70	13,677.67	18,044.00
CI-62 Treatment replacement/upgrades	50,871.76	28,679.28	29,393.38	9,316.81	118,261.23
CI-65 Pressure Tanks	1,089.39	12,799.86	44,769.20	2,836.94	61,495.39
CI-66 System Upgrades	40,679.73	37,701.69	18,315.01	45,616.57	142,313.00
CI-68 Drill New Wells				78,244.61	78,244.61
CI-71 Electrical Replacements	10,183.24	23,178.72	817.74	15,089.64	49,269.34
CI-75 Service Meters	6,667.15	16,909.72	35,513.92	17,737.97	76,828.76
CI-76 Pump Replacements	42,736.99	59,028.68	134,253.72	26,739.02	262,758.41
CI-88 Upgrades	30,914.00	36,709.09		110,644.59	178,267.68
	185,749.02	215,586.91	264,242.67	319,903.82	985,482.42

Figure 7: 2016-2019 AMP Completed Projects

Preliminary studies of the District’s future capital needs for the next 20 years indicate the District is severely underfunded. Over the next 6 years, there are major components of our water systems requiring replacement at an estimated value of \$19.0 million. This is the best estimate available as due to the remote nature of many of the water system components. It is the District’s policy to run assets to failure to ensure the optimal value out of every component.

Staff’s review of the financial plan recommends the capital surcharge for 2020 is increased from \$6.70 to \$9.35 per ERU. This increase to the capital surcharge will allow the District to build a reserve of approximately 30% of the estimated \$19.0 million needed. Future capital financing will be sought to adequately fund the rest of the estimated need.

Staff will continue to review the financial plan annually to determine the surcharge needed in the future.

Details of the Proposed 2020 Capital Budget

Project Code	System Id. No.	Project Description	Purpose	2020 Capital Budget
Capital Improvements				
CI-41	multiple	Isolation valve maintenance	OP	100,000
CI-44	multiple	Rebuild Pumphouses (PW)	OP	75,000
CI-62	multiple	Treatment Systems Upgrade/Media	OP	120,000
CI-65	multiple	Replace Plumbing/Pressure Tanks	OP	30,000
CI-66	multiple	Multiple System Upgrade	OP	150,000
CI-71	multiple	Electrical Controls/Upgrades	OP	50,000
CI-75	multiple	Source and Service Meter Replacement	OP	100,000
CI-76	multiple	Well and Booster Pump Replacement	OP	250,000
CI-96	multiple	Sampling Stations	OP	32,000
CI-98	multiple	New Meter Installation		50,000
CI-99	626	ROM Upgrades (DWSRF)		219,170
CI-100	multiple	Combine 4 Grp A water systems in Thurston Co (DWSRF)		953,945
CI-101	628	Timberline Village Upgrades (DWSRF)		405,111
CI-102	239	Tolmie Upgrades		120,000
CI-103	662	Boots and Saddles New Treatment		60,000
CI-104	610	Webster Hill New Treatment		40,000
		Administrative cost of all projects		150,000
		<i>15% contingency on asset management plan estimates</i>		205,000
Subtotal - Capital Improvements				3,110,226
Water System Management				
WM-1	NA	Acquisitions of New Water Systems	G	25,000
WM-2	NA	Water System Plan - Part A & SMA	OP, G	60,000
WM-4	NA	Water System Plan - Part B	OP, G	60,000
WM-14	NA	Fleet	G	91,000
WM-29	999	Building Upgrades	OP	42,000
WM-34	NA	GIS Program Implementation	OP	105,904
Subtotal - Water System Management				383,904
Total - Capital Improvement Program				3,494,130
Funding				
		Transfer from Vehicle/Equipment Replacement Fund		133,000
		Water Revenue Bond 2018		300,000
		PWTF Loans 2018		75,000
		DWSRF Loan - ROM Upgrades		219,170
		DWSRF Loan/Grant - 4 Group A's Thurston County		953,945
		DWSRF Loan/Grant - Timberline Village		405,111
		Additional Funding needed		1,382,904
		Proposed Additional Loan/Grant Funding		25,000
Total Other Funding				3,494,130
TOTAL CIP FUNDING FROM RATES (TO RESERVES)				-

Figure 8: Proposed 2020 Capital Budget

Details of the Proposed 2020 Capital Budget

Project Code	System Id. No.	Project Description	Purpose	Estimated Cost	2020 Capital Budget
Capital Improvements					
CI-41	multiple	Isolation valve maintenance	OP		100,000
		Tanglewilde Husky and Ranger		25,000	
		Crescent Park		25,000	
		Quail Run		50,000	
CI-44	multiple	Rebuild Pumphouses (PW)	OP		75,000
		Garden Acres 1		30,000	
		Marshall		25,000	
		Misc. upgrades		20,000	
CI-62	multiple	Treatment Systems Upgrade/Media	OP		120,000
		Hunter 2		5,000	
		Hunter 3		5,000	
		Hunter 4		5,000	
		Reserve 1		10,000	
		Reserve 2		10,000	
		Reserve 3		10,000	
		Reserve 4		10,000	
		Reserve 5		10,000	
		Misc. Systems as needed		40,000	
		Misc. Chlorine pumps and parts		15,000	
CI-65	multiple	Replace Plumbing/Pressure Tanks	OP		30,000
		Approximately 50 pressure tanks replaced to include new plumbing		26,400	
		Approximately 3 air compressors replaced		3,600	
CI-66	multiple	Multiple System Upgrade	OP		150,000
		Misc. Projects not in AMP but are either enhancing the life of the asset or required by DOH. Thing not planned for.		150,000	
CI-71	multiple	Electrical Controls/Upgrades	OP		50,000
		Travis Jack Upgrades		20,000	
		Ivan St		5,000	
		Misc. as needed		25,000	
CI-75	multiple	Source and Service Meter Replacement	OP		100,000
		Replacement of approximately 200 radio read meters		42,000	
		Replacement of approximately 280 manual read meters		18,000	
		Replacement of approximately 50 source meters		40,000	
CI-76	multiple	Well and Booster Pump Replacement	OP		250,000
		Replacement of approximately 20 well pumps		231,750	
		Replacement or rebuild of approximately 10 booster pumps		17,000	
		Replacement of approximately 5 control boxes		1,250	

Details of the Proposed 2020 Capital Budget

Project Code	System Id. No.	Project Description	Purpose	Estimated Cost	2020 Capital Budget
Capital Improvements					
CI-96	multiple	Sampling Stations	OP		32,000
		Installation of approximately 50 Group A sample stations		16,000	
		Installation of approximately 50 Group B sample stations		16,000	
CI-98	multiple	New Meter Installation			50,000
		52 Group B connections		50,000	
CI-99	626	ROM Upgrades (DWSRF)			219,170
		Source and Service Meter and Upgrades to Reservoir		219,170	
CI-100	multiple	Combine 4 Grp A water systems in Thurston Co (DWSRF)			953,945
		To include new reservoir, booster station and mainline		953,945	
CI-101	628	Timberline Village Upgrades (DWSRF)			405,111
		To include service meters, WSP update and leak response		405,111	
CI-102	239	Tolmie Upgrades			120,000
		To include new building, electrical and reservoir		120,000	
CI-103	662	Boots and Saddles New Treatment			60,000
		Installation of new treatment for iron and manganese		60,000	
CI-104	610	Webster Hill New Treatment			40,000
		Installation of new treatment for manganese		40,000	
		Administrative cost of all projects			150,000
		15% contingency on asset management plan estimates			205,000
Subtotal - Capital Improvements				2,755,226	3,110,226
Water System Management					
WM-1	NA	Acquisitions of New Water Systems	G		25,000
WM-2	NA	Water System Plan - Part A & SMA	OP, G		60,000
WM-4	NA	Water System Plan - Part B	OP, G		60,000
WM-14	NA	Fleet	G		91,000
WM-29	999	Building Upgrades	OP		42,000
WM-34	NA	GIS Program Implementation	OP		105,904
Subtotal - Water System Management					383,904
Total - Capital Improvement Program					3,494,130
Funding					
		Transfer from Vehicle/Equipment Replacement Fund			133,000
		Water Revenue Bond 2018			300,000
		PWTF Loans 2018			75,000
		DWSRF Loan - ROM Upgrades			219,170
		DWSRF Loan/Grant - 4 Group A's Thurston County			953,945
		DWSRF Loan/Grant - Timberline Village			405,111
		Additional Funding needed			1,382,904
		Proposed Additional Loan/Grant Funding			25,000
Total Other Funding					3,494,130
TOTAL CIP FUNDING FROM RATES (TO RESERVES)					-

Capital Budget Project Code Explanations

CI-41 Isolation Valve Maintenance Project to ensure all isolation valves are in working order so that when needed the main can be shut down in sections to do repairs. This reduces the number of customers affected by any planned or emergency repair on the mainline or service connections. Asset Management Plan.

CI-44 Rebuild Pump Houses Project to rebuild pump houses that are at the end of their useful lives. Asset Management Plan. Public Works Trust Fund Loan obtained, line item increased to include 5 pump house projects (Brown South Prairie, Garden Acres #1, Marshall, Nisqually Vista and Olin for 3 years (2018 – 2020)).

CI-62 Treatment Systems Upgrade Annual program to upgrade treatment systems or replace critical equipment needed for treatment on existing water systems. Asset Management Plan.

CI-65 Replace Plumbing/Pressure Tanks Annual program to replace pressure tanks and plumbing in the pump houses. Asset Management Plan.

CI-66 Multiple Systems Upgrade Annual program to upgrade water systems to solve issues as they come up. We can't always project where the failures will be. We analyze historical costs to determine the average cost and use this for miscellaneous projects. Asset Management Plan.

CI-71 Electrical Controls Upgrades Annual program to resolve issues with pumping controls and electrical wiring in pump houses. Asset Management Plan.

CI-75 Service Meter Replacement Annual program to replace service and source meters as needed. Asset Management Plan.

CI-76 Well and Booster Pump Replacement Annual program to replace well and booster pumps. Asset Management Plan.

CI-96 Sampling Stations Project to install sampling stations on water systems to make it more efficient and accurate to take required water samples.

CI-98 New Meter Installation Project to install meters at customer services where there was not previously a meter and where the customer has been paying the higher unmetered rate.

CI-99 ROM Upgrades (DWSRF) This project includes installing source and service meters. Upgrades to reservoir to improve flow of water from well to distribution. Drinking Water State Revolving Fund Loan and Grant funding obtained to complete this project.

CI-100 Combine 4 Group A water systems in Thurston Co (DWSRF) This project includes the combining of 4 Group A water systems to include a new reservoir, booster pumps and mainline. Drinking Water State Revolving Fund Loan and Grant funding obtained to complete this project.

CI-101 Timberline Village Upgrades (DWSRF) This project includes updating the Water System Plan, installing service meters and fixing leaks. Drinking Water State Revolving Fund Loan and Grant funding obtained to complete this project.

CI-102 Tolmie Upgrades This project includes new storage, new pump house and electrical upgrades.

CI-103 Boots and Saddles New Treatment This project includes the installation of treatment to remove iron and manganese.

CI-104 Webster Hill New Treatment This project includes the installation of treatment to remove manganese.

Administrative Cost of All Projects This line item is reserved for the capitalized salaries of District staff to oversee the projects in the Capital Budget.

Contingency This line item is reserved for contingency.

WM-1 Acquisitions of New water Systems Evaluating the Glen Alder, Butler Cove, and Bethel Green Acres systems for acquisition.

WM-2 Water System Plan – Part A & SMA Line item to track the cost of updates to the water system umbrella plan for the District, and the Satellite Management Plan.

WM-4 Water System Plan – Part B Line item to track the cost of updates to the water system plans for individual water systems.

WM-14 Fleet Purchase field vehicles in accordance with the District's vehicle replacement plan.

WM-29 Building Upgrades Line item to track the cost of planned replacements in the administrative offices of the District.

WM-34 GIS Program Implementation Line item to track the cost of implementation and equipment for the GIS program.

Capital Budget Funding Sources

Transfer from Water Fund Reserve Amounts held in reserve from water revenues.

2018 Water Revenue Bond Amounts obtained from financing December 2017 and finalized in January 2018 to use for acquisitions and capital funding.

DWSRF Loan – Sward/Platt DM12-952-103 District has obtained dedicated funding from the Drinking Water State Revolving Fund to support CI-53.

PWTF Loans 2018 District was awarded and has accepted 3 loans from the Public Works Trust Fund to drill new wells, rebuild pump houses and decommission old unused wells.

General Facilities Charge (GFC) Currently \$3,000 paid by customers for new services.

Additional Funding Needed The District will pursue outside sources of funding to complete this portion of the capital budget.

Proposed Additional Loan/Grant Funding This District will pursue grant funding for the feasibility studies to evaluate the acquisition of new water systems.