

Telecommunications Fact Sheet and Frequently Asked Questions

1. Question: Does Thurston PUD provide telecommunications services?

Answer: No, not at this time. There are several reasons.

- a) The PUD does not have retail telecommunications authority and would need to work with an internet service provider like Comcast to provide the services.
- b) The PUD does not have telecommunications or IT staff.
- c) Telecommunications infrastructure is very expensive to install. Thurston PUD does not have extensive surplus cash flow to invest in telecommunications infrastructure. The District has to have cash flow for all of its expenditures and we have entered into legal agreements concerning our bonding and bond covenants for which the PUD Commissioners have set extensive financial reserve requirements. Thurston PUD does not have the revenues to support broadband infrastructure investment.
- d) The District cannot use water revenues to provide or support telecommunications services and is prohibited from using the revenues of one utility to fund another by the *Washington State Constitution in Article 8, Section 7, "Credit Not to be Loaned"*, (<http://leg.wa.gov/lawsandagencyrules/documents/12-2010-wastateconstitution.pdf>) and by and by *RCW 43.09.210, Local Government Accounting, "Separate Accounts for each Fund or Activity"*. (<http://apps.leg.wa.gov/rcw/default.aspx?cite=43.09.210>)
- e) The District has limited tax revenues, 5% of its total revenues. The tax revenues are used to support Commissioner Elections and Thurston County-wide activities. This tax revenue can only be increased 1% a year without a vote of the people of Thurston County.

2. Question: What Jurisdictions have the legal authority to provide telecommunications services?

Answer: See below.

- a. Thurston Public Utility District is authorized under Washington State law to provide only wholesale and not retail telecommunications services by RCW 54.16.330. (<https://app.leg.wa.gov/rcw/default.aspx?cite=54.16.330>)
- b. Cities are authorized to provide retail telecommunications services per an Attorney General opinion made on December 15, 2003, AGO 2003, but Thurston County does not have retail authority. (<http://www.atg.wa.gov/ago-opinions/authority-cities-towns-and-counties-provide-telecommunications-services>)

- c. Rural Ports, including the Port of Olympia, are authorized under Washington State law to provide only wholesale and not retail telecommunications services by RCW 53.08.370 (<http://app.leg.wa.gov/RCW/default.aspx?cite=53.08.370>)

3. Question: Has Thurston PUD been involved in telecommunications before?

Answer: No. Thurston PUD applied for two grants from the Department of Commerce for Local Technology Planning Team grants but neither was approved. One of the grants was submitted jointly with the City of Tumwater. The PUD funded a Broadband Feasibility Assessment conducted by the Northwest Open Access Network (NoaNet) with the cities Olympia, Tumwater, and Lacey for projects the Cities selected. A copy of this study is at the link <http://thurstonpud.org/docs/Final-Broadband-Feasibility-Assessment-with-Cities-Olympia,-Tumwater-and-Lacey.pdf>. The Cities did not choose to move forward with any of these projects.

4. **Do you have other questions?** Contact John Weidenfeller at jweidenfeller@thurstonpud.org or at 360.763.5838.