

Infrastructure Replacement & Capital Improvements

Spring is right around the corner, and with its arrival, we can (hopefully) say goodbye to winter storms and colder weather. With summer months and warmer weather approaching, our Planning and Compliance Team is working with our Field Operations Team to plan for infrastructure replacements and capital improvements.

Infrastructure replacements and capital improvements are partially funded by the PUD's Capital Surcharge which is charged to every PUD customer. We've received a lot of questions about the Capital Surcharge and water system improvements/replacements, so we compiled a list of the popular questions we receive for review.



What is infrastructure? What is a capital improvement?

Infrastructure is a general term for the basic physical systems of a water system. Examples of infrastructure include pipeline, well pumps, and treatment systems. A capital improvement is a permanent structural change, addition, or alteration to infrastructure that adds to the value of the infrastructure or prolongs its useful life.

What is the Capital Surcharge? Why is it charged?

The Capital Surcharge is the primary financial tool used to help fund infrastructure replacements and capital improvements based on a water system's Asset Management Plan (AMP). Capital surcharges are used to help fund system replacements at the end of an asset's life cycle. The capital surcharge is paid by all PUD customers, and infrastructure replacement costs are shared by all PUD customers like a cooperative.

What is an Asset Management Plan?

An Asset Management Plan (AMP) is a tool used to forecast the capital improvements or replacements that will be needed for your water system in the next 50+ years, specifically the timing of the replacements/improvements and the projected cost. Staff has created an AMP for each of the 275 water systems owned and operated by the PUD.

How much is the Capital Surcharge?

The Capital Surcharge is \$10 per month per equivalent residential unit (ERU). A normal, single-family home is considered to be one ERU, so most residential PUD customers pay \$10 per month.

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Thurston PUD Commissioners

District 1

Linda Oosterman





District 2

Russell E. Olsen

District 3

Chris Stearns

Important Messages

-  PUD offices will remain closed until further notice.
-  Protect yourself from utility service scams. Read more on Page 2.
-  Learn more about the PUD's Administrative Services Team on Page 3.
-  Do you qualify for Project Help? Review Page 4 for more information on this important Customer Support Program.

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Capital Improvements & Infrastructure Replacement (Continued)

What capital projects or improvements does my system need?

As stated previously, the PUD has created an AMP for each of the PUD's 275 water systems. Based on a water system's AMP, we projected and budgeted several capital improvement projects for 2021. You can find this information on our website at www.thurstonpud.org/projects.htm. For more information on your specific water system and its AMP, please contact our office at PUDCustomerService@thurstonpud.org.

Why is the Capital Surcharge shown separately on my bill?

The Capital Surcharge is billed separately from normal charges, because these monies are tracked separately from the monies received for normal charges (i.e. the base rate, consumption charges, and miscellaneous fees). The PUD has made a commitment to all of our customers that we will be good stewards of these monies you pay as surcharges and only use them toward infrastructure replacement.

What is the difference between capital improvements/replacements and repairs?

Knowing the difference between capital improvements and repairs helps our team decide how to fund projects and understand how it will impact future plans. There are a number of factors that go into helping the PUD understand how to classify projects.



A PUD crew working to repair a water leak, classified as a repair. Taken in 2018.

For Thurston PUD, capital improvements can be defined as improving the condition or value of an asset/infrastructure beyond its original state at the time of purchase. These include permanent structural changes or restoration that enhances our infrastructure or increases its useful life. Examples of capital improvements can be replacing the roof on a pumphouse, installing fencing around a reservoir, and replacing aging booster or well pumps.

Repairs can be defined as improvements that keep property in efficient operating condition, restore infrastructure to its previous condition and/or protect infrastructure through routine maintenance. Examples of repairs can be repairing leaking pipes, repairing broken meters or fixing a field technician's vehicle. Repair work is inevitable in any profession and life in general, but with a proactive approach through the investment in capital improvements, repair work can be reduced. Although the PUD has a standard to run equipment and components to the end of their useful life, those items are still classified as capital improvements because they have been identified and forecasted within the AMP.

Protect Yourself Against Utility Scams

Per Governor Inslee's eviction and disconnection moratorium, the PUD is not currently charging past due fees or disconnecting water service for past due accounts. If you receive a call from someone threatening disconnection of your utility service unless payment is made over the phone, please hang up and call us at (866) 357-8783 immediately.

Remember:

- Thurston PUD representatives will never make a home visit requesting credit card, banking or financial information.
- Thurston PUD representatives will never request payment on a prepaid card.
- Thurston PUD representatives will provide employee identification on request.



For more information on protecting yourself against scams, please visit our website at www.thurstonpud.org.

What's Happening at the PUD?

This month, we'd like to put a spotlight on the PUD's Administrative Services Team. What exactly does this team do? Read below to learn more about this important part of the PUD.

What is the Administrative Services Team?

Administrative Services encompasses planning, directing and coordinating supportive services at the PUD. In basic terms, the Administrative Services Team supports PUD operations, employees, management and other activities so that the PUD can focus on serving you and other customers.

What specific functions does the Administrative Services Team cover?

Administrative Services covers many different aspects of PUD work. Listed below are some examples of the work that Administrative Services handles frequently.

- Human Resources - Policies and procedures, training and safety
- Communications - Public relations and customer outreach
- Facilities - Contracts, maintenance and compliance
- Records Management & Public Disclosure - Records requests, records retention and compliance
- Emergency Management

How many people are employed within Administrative Services?

Currently, the Administrative Services Team is comprised of two employees, the Administrative Services Manager and an Administrative Assistant.

What are some recurring duties the Administrative Services Team oversees?

Recurring duties include publication of the monthly newsletter, administration of the PUD's website and personnel records.

What is the Administrative Services Team working on now?

Currently, the Administrative Services Team is working with the Finance & Accounting Team to recruit for an Accounting Professional.



At this time, Thurston PUD employs 27 individuals across all departments. We are currently recruiting for an Accounting Professional (Accounting Assistant to Accountant) position. For more information, visit the PUD's website at www.thurstonpud.org.

Need to Contact Us?

Do you need to contact us? If you have questions about your account, your water system or any other issue that may arise, we want you to hear from you! Here is a list of methods to contact our office:

Main Phone	(360) 357-8783
Toll Free	(866) 357-8783
Email	PUDCustomerService@thurstonpud.org
Fax	(360) 357-1172
Mailing Address	1230 Ruddell Rd SE, Lacey, WA 98503

If you experience a water emergency, please call us immediately at (360) 357-8783 or toll-free at (866) 357-8783. If you call outside of our normal business hours (8:00 a.m. to 4:30 p.m., Monday through Friday), you will be connected to our emergency answering service and an on-call field technician.

Please do not hesitate to contact us with any questions or concerns. We look forward to hearing from you!

A Reminder About Social Distancing - Help Us Help You



As your water service provider, the PUD works hard to ensure safe and reliable water services if provided at all times to our customers. This means our field staff is continuing to maintain your water system and may be in your neighborhood while performing these essential tasks.

The safety of our community, customers and employees is our top priority, so we ask you to continue giving our staff the space they need to conduct their work. Following social distancing guidelines, we ask that you keep at least six feet of distance between yourself and PUD staff. Please continue to help us help you by keeping meter boxes and easements clear with easy access. Our staff thanks you for your continued cooperation during this time.

If you have any questions or concerns, please contact our Customer Service Team at (866) 357-8783 or PUDCustomerService@ThurstonPUD.org.

Project Help - Customer Support Program

Do you qualify as income-eligible and need assistance with paying your water bill? Have you and your family been affected financially by the COVID-19 pandemic? You may qualify to receive a credit towards your utility bill through our Project Help Program. For other available resources, please visit our website at www.thurstonpud.org/customer-support.htm.

To be eligible for assistance you must: (1) be a customer with the PUD, with an active account in your name, (2) have received a past due notice for your water service, and (3) provide documentation that household income is \$40,000 or less **or** have been financially impacted by COVID-19 and can provide documentation of your employment status. If you are a customer in need, we encourage you to reapply yearly. Contact our Customer Service Team with any questions or concerns about the program's requirements.

To apply, visit our website at www.ThurstonPUD.org to complete the Project Help application (found on the front page of our website). If you'd like to request a paper copy of the application, please call us at (866) 357-8783 to speak with our Customer Service Team.

If you're interested in making a one-time or monthly donation, please call us at (866) 357-8783, email PUDCustomerService@thurstonpud.org, or return the form below with any payments mailed to our office at Thurston PUD, 1230 Ruddell Road SE, Lacey, WA 98503.

I authorize Thurston PUD to bill my account \$ _____.

- One-time only
- Each month

This authorization shall remain in effect until the PUD receives written notification from me to terminate this agreement. I understand that if my account becomes past due, this authorization becomes invalid.

Name: _____ Account No.: _____

Service Address: _____

Signature: _____ Date: _____