

2023 Budget Process Update

Preparing the 2023 Budget has proven more challenging than in past years for many reasons. In preparing the budget, we have truly seen how the changes in our economy over the last year are financially impacting the PUD. With change being the new normal, it makes it hard to predict expenses for budgeting purposes. In order to give our staff more time to comb through financial data and forecast costs more accurately for 2023, we created a Placeholder Budget to meet statutory requirements. The PUD Commissioners adopted this Placeholder Budget on Monday, October 3, 2022, as required by state law. This was done with the intention of amending the budget in November or December with a better prediction of revenues and expenses for 2023.



What makes 2023 more difficult are the high inflationary costs that we have recently experienced. This year, the PUD has also experienced supply chain issues, worker shortages, and increased expenses for materials, equipment, vehicles, supplies, and labor. In addition, Western Washington experienced a colder spring and late-starting summer this year. Based on this weather pattern, we found that customers did not use as much water as we anticipated, and this resulted in a water revenue shortfall for 2022. The additional time needed to review financial data allowed staff to conduct a salary survey to review PUD salaries compared to similar organizations, to ensure the PUD is providing a livable and competitive wage to our employees.

In preparation for the Proposed 2023 Budget, we are updating our ongoing budget modeling tools including our Integrated Financial Model. With the cost of infrastructure increasing at an unpredictable rate, we are updating our Asset Management Plan for each of the PUD's 279 water systems to reflect the new replacement costs of supplies and equipment. We are developing a new rate model that does not rely so heavily on higher water consumption charges and better meets our projected revenue needs. The amended budget will also reflect removal of an Administrative Services Manager position and the addition of a Field Operations position. Currently, the review of rates, fees, and charges is ongoing.

Based on these distinct changes, an unpredictable economy, revenue shortfalls, and expense increases, staff will be recommending an increase to the monthly Capital Surcharge from \$10.00 to \$11.00 per equivalent residential unit (ERU), a General Facility Charge increase from \$4,500 to \$5,000 (for new customer construction only), and a revenue rate increase of 8.9 percent. Rate increases will vary for the customers served by the Pattison, Coppermill, Glen Alder, and County Club Estates water systems as they are transitioned to regular PUD rates.

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Thurston PUD Commissioners

District 1

Linda Oosterman

District 2

Russell E. Olsen

District 3

Chris Stearns

In This Issue

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PUBLIC HEARING NOTICE

Please review Page 2 for more information on Public Hearings scheduled on the Proposed 2023 Budget and Proposed 2023 Rates, Fees, Charges, and Surcharges.

Thurston PUD
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2023 Budget Process Update (Continued from Page 1)

To review the Proposed 2023 Operating and Capital Budgets, 2023 Proposed Rates, Fees, Charges, and Surcharges, and Customer Bill Impact Scenarios, please visit our website at www.thurstonpud.org.



PUD staff have been working very hard to find a balance between customer and operational needs. Our highest priority is providing safe, reliable, affordable, and sustainable utility service to our customers, and we look forward to engaging with you regarding the budget, rates, or any other questions you may have. You can reach us at (360) 357-8783, toll-free at (866) 357-8783, or via email at PUDCustomerService@thurstonpud.org.

Public Hearings—November 15 & November 22

Public Hearings are scheduled for November 15, 2022 and November 22, 2022 to provide members of the public the opportunity to testify on the Proposed 2023 Budget, Proposed 2023 Rates, Fees, Charges and Surcharges, and the Proposed 2023 Ad Valorem Tax. PUD staff will deliver a presentation on these items prior to opening the floor for public comment so that members of the public can learn more about the budgeting process. These Public Hearings will take place during hybrid Commission meetings, held in-person at PUD Headquarters (1230 Ruddell Road SE, Lacey, WA 98503) and via the Zoom video conferencing platform.

If you are unable to attend the Public Hearings, we encourage you to submit written testimony to our office. Please direct any written testimony as follows:

By Mail:

Thurston PUD Board of Commissioners
1230 Ruddell Road SE
Lacey, WA 98503

By Email:

PUDCustomerService@thurstonpud.org

By Fax:

(360) 357-1172

Please note: written testimony must be received no later than Friday, November 18, 2022, to become part of public record for these Public Hearings.

PUD Headquarters at 1230 Ruddell Road SE in Lacey is open for public meetings, including these Public Hearings. ***However, we recommend that members of the public attend virtually due to space constraints and social distancing concerns.***

Members of the public are welcome to join these meetings from a personal computer or a mobile device. If you wish to attend by telephone, please use the information listed below to dial into the webinar. The direct URL link to these Public Hearings will be posted online on the PUD's website at www.thurstonpud.org under "The Latest".

Date	Tuesday, November 15, 2022	Tuesday, November 22, 2022
Start Time	5:00 p.m.	5:00 p.m.
URL	www.zoom.us/join	www.zoom.us/join
Phone Number	(253) 215-8782	(253) 215-8782
Webinar ID	825 4660 9675	970 3278 6949

If you have any questions or concerns, please contact our Customer Service Team at (360) 357-8783, toll-free at (866) 357-8783, or via email at PUDCustomerService@thurstonpud.org.

What's Happening at the PUD?

Our Field Operations Location Has Moved!

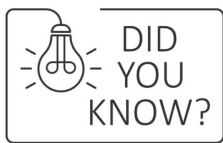
If you travel through Lacey, you may be familiar with seeing PUD Headquarters located near the intersection of Pacific Avenue and Ruddell Road. This building serves as a hub for our administrative staff, including our Customer Service Team and Finance & Accounting. But did you know that the PUD's Field Operations and Planning & Compliance teams work from a separate location?

We are pleased to announce that the PUD's Field Office is now located at 6800 Meridian Road SE, Olympia, WA 98513. This location, near the intersection of Meridian Road and Yelm Highway, will house PUD staff as well as a majority of the supplies and equipment needed to keep our water systems operational. This location will be closed to the public, so please continue using PUD Headquarters for your customer account needs.



The Thurston PUD sign at our new Field Operations location.

If you have any questions about your account, please contact our Customer Service Team at (360) 357-8783, toll-free at (866) 357-8783, or send us an email at PUDCustomerService@thurstonpud.org.



Customers are always welcome to make a payment at PUD Headquarters (1230 Ruddell Road SE, Lacey, WA 98503). Normal business hours are 8:00 a.m. to 4:30 p.m., Monday through Friday. You can also make a payment online at www.thurstonpud.org or by calling us at (360) 357-8783. If you would like to sign up for Auto Pay, please visit our website at www.thurstonpud.org/credit.htm to get started.

Office Closures

The holiday season is right around the corner! The PUD will be closed on the following days:

- Veterans Day - Friday, November 11, 2022
- Thanksgiving Holiday - Thursday, November 24, 2022 and Friday, November 25, 2022
- PUD Holiday Gathering - Friday, December 2, 2022 from 2:00 p.m. until 4:30 p.m.
- Christmas Day (observed) - Monday, December 26, 2022
- New Year's Day (observed) - Monday, January 2, 2023

If you experience a water service emergency, call us immediately at (360) 357-8783 or toll-free at (866) 357-8783 to report your location. Calls received outside of normal business hours (8:00 a.m. to 4:30 p.m., Monday through Friday) are routed to our answering service and on-call staff.



Cathy Wise,
Customer Service
Representative

Employee Spotlight

As this month's employee spotlight, allow us to introduce Cathy Wise, a Customer Service Representative with the PUD. Originally from North Carolina, Cathy migrated to Washington several years ago. Cathy worked in a medical office prior to starting with the PUD in 2018. Cathy enjoys reading, board games, traveling, going to church, and spending time with her three children and 11 grandchildren.

Cathy is one of the four people on our Customer Service Team you may encounter if you call our office, so be sure to say hello if you catch her on the phone. "Please call our team with any questions you may have about your account," she states. "We are available to help you any time you have questions." Cathy also urges customers to keep the contact information on their account up to date. Thank you, Cathy!

Updates to the 2022 Commission Meeting Schedule

Under normal circumstances, the PUD Board of Commissioners meet at 5:00 p.m. on the second and fourth Tuesday of each month. However, the Commission meeting schedule has been amended, and only three public meetings remain in 2022. Please review the meeting schedule for the remainder of the year below.

- Tuesday, November 15, 2022 at 5:00 p.m.
- Tuesday, November 22, 2022 at 5:00 p.m.
- Tuesday, December 6, 2022 at 5:00 p.m.

Public Hearings are scheduled for (1) the Proposed 2023 Budget, (2) Proposed 2023 Rates, Fees, Charges, and Surcharges, and (3) the Proposed 2023 Ad Valorem Tax on the two meetings in November. For more information on the Public Hearings, please review the article on Page 2.



Customers are always welcome to attend Commission meetings, either virtually via Zoom or in-person at PUD Headquarters, located at 1230 Ruddell Road SE, Lacey, WA 98503. Agendas and instructions on attending these meetings are posted on the PUD's website at www.thurstonpud.org prior to each meeting.

Winterization Tips

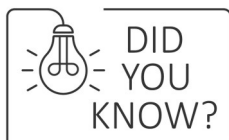
We are well on our way with the fall season, and it's time to look forward to the winter! Fall is a great time to start preparing your home for colder temperatures and winter storms. We have compiled a list of tips related to winterization for you to review below.



A faucet cover installed on an exterior faucet.

- **Protect your pipes and outdoor fixtures.** Be sure to check your plumbing and make sure that any exposed pipes are insulated. For outdoor faucets or other water fixtures, install faucet covers or other insulation devices to prevent your pipes from freezing.
- **Weatherproof and stop drafts.** Installing weather stripping on doors and windows will prevent cold air from entering your home or heated air from escaping. Check the caulking on your windows and the insulation in your attic, as these can also be points where you lose heat in your house.
- **Check your fireplace and furnace.** Your fireplace and furnace should be inspected and maintained on a regular basis to prevent soot, ash, or other debris from accumulating and causing a hazard. Regular maintenance can also help your fireplace and furnace function more efficiently.
- **Clean your gutters and inspect your roof.** Inspect your roof and gutters for any damage, and clear any accumulated debris. Prune any overhanging vegetation to prevent possible damage from winter storms.
- **Stock up on essentials and have supplies handy.** Keeping a snow shovel, ice scraper, ice melt, flashlights, and a weather radio will help keep you and your family prepared for any adverse weather. Please also consider preparing an emergency kit—get started by visiting www.ready.gov/kit.

If you experience a water service emergency, call us immediately at (360) 357-8783 or toll-free at (866) 357-8783 to report your location. Calls received outside of normal business hours (8:00 a.m. to 4:30 p.m., Monday through Friday) are routed to our answering service and on-call staff.



Each fall, our Field Operations staff spend time at each of the PUD's 279 water systems to prepare for winter weather. For our crew, winterization tasks include installing a heat source in pumphouses to prevent frozen pipes, inspecting buildings for damage or other issues, and ensuring that water system infrastructure is operating as expected.