



Thurston PUD News

Notice of Rate Revision and Public Hearing

Dear Thurston PUD Customer:

On October 6, 2008, Thurston PUD Commissioners will hold a public hearing on the budget and utility rates proposed for 2009. The PUD budget proposes a 9.9% rate increase for residential customers and 19.8% for commercial and irrigation customers. The need for a rate increase is based upon increases in the cost of operations, fuel, materials, and planned capital improvements. Information regarding the proposed budget and rate increases will be posted on our web site www.thurstonpud.com on Friday August 29, 2008 or can be obtained by contacting our office at (360) 357-8783 toll free at 866-357-8783. **New rates will go into effect on January 1, 2009.**

How can I ask questions or provide my comments?

You are invited to attend a public hearing about the 2009 budget and rate proposal:

Public Hearing Regarding Rates

Monday, October 6, 2008

5:00 p.m.

Thurston PUD

921 Lakeridge Way SW, 2nd Floor

Olympia, Washington 98502

You also may submit comments in writing at the address below:

PUD Commissioners

921 Lakeridge Way SW, Suite 201

Olympia, WA 98502

Written comments received by close of business October 10, 2008 will become part of the public record for this rate proposal. After we hear, read, and discuss your comments on this proposal, the Board will elect to adopt or modify the proposal on or before October 14, 2008.

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In the neighborhood?

Thurston PUD now has a drop box in front of our office located at 921 Lakeridge Way SW, Olympia. Our drop box is checked daily for speedy processing.

PLEASE DO NOT DROP CASH IN THE BOX

All cash payments must be made in the office during our normal business hours, 8 a.m. - 4:30 p.m. Monday-Friday





Commissioner's Corner
Paul Pickett
August 31, 2008

We're in the Dog Days of Summer, which means hot August weather like the 90-plus degrees we saw on the day I'm writing this. My garden needs watering while the lawn takes on the tawny brown of its late summer sleep.

It's the time of year when Thurston PUD sees the highest water use and our pumps and treatment systems get the roughest workout.

Summer is also budget time. As Thurston PUD settles into a routine, our new General Manager John Weidenfeller and our Chief Financial Officer Julia Parker are developing a stable annual cycle of financial management. From the awkward years as the PUD began its first steps as a fully operational water utility, we are finally seeing the signs of a well-established organization operating with a sense of normalcy.

In my eighth year as a PUD Commissioner, I see a strong structure in place. Staff have several years of experience to draw on. We are bringing in new systems as we expand as a contract operator of water systems. Revenue streams are more predictable, although expenses still present surprises and challenges.

Still, budget time is difficult. Maintaining the quality of service we believe in requires investments in our infrastructure. Energy and materials costs are climbing well ahead of the general cost of living. That requires hard choices to be made.

Rates need to be raised some more so that we can keep supplying water that is pure and dependable. However, the rate increase is less than last year, and our continued growth of our customer base gives us hope that rate increases will continue to shrink. Meanwhile, many purchases that would enhance the PUDs operations are being put off until we are sure customer growth can pay for them.

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Why is the PUD changing rates?

The PUD has worked hard to control costs, entering into contracts to take control of our general office-related expenses, including billing and postage. But this effort has been insufficient to address the increases seen in the market costs of materials, fuel, treatment supplies and energy. A recent article in *The Olympian* has quoted the current wholesale inflation rate in July 2008 as 9.8%, the largest annual increase since 1981.

In addition we have an aging infrastructure that is increasing the frequency of repairs and improvements needed to maintain the reliability of your water systems. Nonetheless, this is the lowest rate increase the PUD has proposed since it began actively managing its water systems in 2005.