



Thurston PUD News

August 2009

Notice of Rate Revision and Public Hearing

Dear Thurston PUD Customer:

On October 5, 2009, Thurston PUD Commissioners will hold a public hearing on the budget and utility rates proposed for 2009. The PUD budget proposes a 1.9% overall rate increase for all customers. The need for a rate increase is based upon increases in the cost of operations, including salaries, transportation costs, materials, and planned capital improvements. Information regarding the proposed budget and rate increases will be posted on our web site, www.thurstonpud.com, on Tuesday, September 1, 2009, 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, 2010.**

How can I ask questions or provide my comments?

You are invited to attend a public hearing about the 2010 budget and rate proposal:

Public Hearing Regarding Rates

Monday, October 5, 2009

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 9, 2009 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 13, 2009.

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Effective October 1, 2009, Thurston PUD will be holding property owners responsible for all water service charges incurred at that service address even if the property is rented or leased to others. The property owners can enter into an agreement with the PUD authorizing the PUD to bill the tenant directly for the water service charges during their occupancy. Without this agreement, the PUD will directly bill the property owner for service. Upon execution of the direct bill agreement the tenant must apply for service with District and pay all applicable fees and deposits. The PUD will make every effort to collect the water service bills from the tenant; however the ultimate responsibility for payment of unpaid water service bills remains with the property owner.





Commissioner's Corner

Paul Pickett

August 31, 2009



As summer winds down, Thurston PUD is entering its annual cycle of budget setting for the upcoming year. This year, we're reviewing our budget in the context of a massive economic downturn whose impact all of you are feeling. As a Commissioner, I am very concerned about the financial well-being of our customers, a concern I'm sure my fellow Commissioners share. When we met with staff we asked them to not just look at a budget that allowed us to address all our priority projects, but also one that was based on no rate increase this year.

Staff and the Board have worked to be creative in looking for ways to find efficiencies. One huge problem has been the cost of our elections, which puts a big dent in our budget every other year. Thanks go to Thurston County Auditor, who agreed to our proposal to split our election cost payments between 2010 and 2011. This has given us some breathing room for the coming year.

Nonetheless, a no rate increase budget still left us with an unacceptable situation. Some of our costs continue to rise and have to be absorbed, such as electric power and treatment chemicals. Therefore, we would have to cut our maintenance budget back and cancel training and salary increases for staff. This would result in the quality of our operations, maintenance, and capital improvements suffering, leaving some customers with substandard water service.

Looking for a middle ground, we decided that we needed to focus on system maintenance and employee training as our highest priorities. Staff were provided with salary increases promised through our adopted compensation schedule, but the Board is not including Cost of Living salary increases in the draft budget. And, thanks to some late-arriving facility charges, we should be able to fund our capital improvement priorities for next year. Additionally, we are optimistic that our success at following our business plan will result in more growth in our customer base to offset further increases in costs over the coming year.

As a result, we are currently looking at a draft budget that includes a small rate increase – less than 2%. Although we are not able to proceed with all the system and organizational improvements we would like, this budget will keep the quality of our service at the high level we insist on.

If you would like to learn more about our budget process, feel free to contact our staff or any of the Commissioners. If you would like to have your views heard by the PUD, you are always welcome at our regular meetings, and also at our annual Budget Hearing in October.

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Why is the PUD changing rates?



The PUD has continued to work hard to control costs, recognizing the economy is not good, we have targeted our efforts in 2009 to improve efficiencies in operations. We have implemented an aggressive leak detection program to stem our water production and treatment costs. We have improved our billing and collections process and have negotiated reductions in our associated banking costs. Unfortunately, this effort has been insufficient to address the ever rising market costs of materials, treatment supplies, office supplies, energy, and labor.

Notable changes in the quantity and quality of water sources in areas all over the state coupled with the aging infrastructure 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.