

2026 Adopted Budgets



Introduction

The Thurston Public Utility District's budgets reflect the strategic goals developed by the PUD Commissioners and provides a blueprint for water services for 2026. The budgets not only serve as a financial plan, but also as a tool for accountability.

Thurston PUD Mission and Strategic Goals

Mission: Provide safe, reliable, affordable, and sustainable utility services to our customers.

Strategic Goals

1. **Effectiveness:** Strive to be an effective organization.
2. **Sustainability:** Provide sustained efficient utility services to our customers and serve the citizens of Thurston County.
3. **Stewardship:** Be good stewards of the District's resources.
4. **Partnerships:** Continue to build good relationships and partnerships with Thurston County, other counties, neighboring cities, other PUDs, Port Districts, Tribes, other water purveyors, and state agencies.
5. **Growth:** Work toward steady growth in customers through the acquisition of systems with good value and periodically evaluate new lines of business to determine if entry is feasible and makes good financial sense.

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Recommendations, Goals and Background

Recommendations

Budget recommendations are suggestions and proposals by the District's Management Team to the PUD Board of Commissioners as the best course of action that considers District priorities, available resources, established costs, spending limitations, and Commissioner guidelines.

- The 2025 Adopted Operating Budgets were presented to PUD Commissioners at two (2) Public Hearings held on September 9 and September 30, 2025. The 2026 Adopted Operating and Capital Budgets and 2026 Adopted Rates, Fees, Charges and Surcharges were adopted on September 30, 2025.
 - The Adopted 2026 Operating Budget:
 - Requires an overall rate revenue increase of 3.00% to fund the ongoing operations and maintenance for 271 water systems.
 - The Adopted 2026 Operating Budget includes the following supplemental Adopted budgets:
 - Fleet & Equipment – requires funding of \$131,742 for fleet and equipment replacements. Note, this budget is being funded at 50% of the total need over the next 10 years. In 2026, District staff will reassess if additional funding is available.
 - Facilities – requires funding of \$135,286 for structural and operational repairs and replacements at the three (3) District owned buildings.
 - Debt Service – requires funding of \$1,975,909 for bond and loan repayments due in 2025.
 - EPA/WA State Emerging Contaminants Remediation- requires funding of \$194,376 to fund the known PFAS operations and maintenance.
 - The Adopted 2026 Capital Budget is \$12,449,468.
- There will be one (1) Rates, Fees, Charges and Surcharges schedule for all PUD customers effective January 1, 2026.
- The Capital Surcharge will increase \$1.00 from \$15.00 to \$16.00 per Equivalent Residential Unit (ERU) effective January 1, 2026. This surcharge funds replacements of water system infrastructure identified in the Asset Management Plan (AMP).
- The General Facility Charge (GFC) will increase by \$1,000, from \$7,000 to \$8,000 effective January 1, 2026. The GFC is charged to new customers who want to connect to a PUD water system. Our GFC is comparable to similar utilities in surrounding areas.
- The existing capital surcharges will continue being billed monthly to customers on the Glen Alder, Country Club Estates (CCE) and Cedar Shores water systems for repayment of the debt service and/or expenses incurred by the District for water systems improvements.
- There is a new EPA/WA State Emerging Contaminant Remediation surcharge of \$1.78 billed monthly to all Group A Water System customers effective January 1, 2026. This surcharge collection would pay for all PFAS related costs. See pages 44-52 for detailed information.

Goals

Budget goals help the District's Management Team prioritize resource allocations to ensure that they are in alignment with the District's Vision, Mission and Goals.

- Present a balanced budget to meet the revenue requirement to operate and maintain 271 water systems serving 10,309 customers in five (5) counties.
- Meet our payment obligations for existing bonds and loans and debt coverage ratio.
- Develop rates that will improve revenue stability and not rely heavily on unpredictable weather conditions.
- Provide funding for capital projects identified in the water system's Asset Management Plans.

- Provide funding for ongoing replacement needs as identified in the Facilities and Fleet & Equipment Asset Management Plans.
- Provide funding for emergency preparedness for water systems, employees, and buildings.
- Investigate strategic investment and provide funding for technology to enhance the efficiency of the staff.

Background

The 2026 Thurston Public Utility District Operating Budget incorporates operating expenses for 271 water systems serving 10,309 customers in the following counties:

<i>TOTAL CUSTOMERS</i>	<i>10,309</i>	<i>%</i>
Thurston County	8,039	77.78%
Pierce County	1,431	13.88%
Lewis County	726	7.04%
King County	76	0.74%
Grays Harbor County	37	0.36%

Figure 1: Thurston PUD Customers by County

2026 Adopted Operating Budgets

Adopted Operating Budgets

PUD Management presented proposed operating budgets to the PUD Commissioners for their consideration for adoption on September 30, 2025. Two (2) Public Hearings will be held on September 9, 2025, and September 30, 2025. The Proposed 2026 Operating and Capital Budgets were approved for adoption by resolution on September 30, 2025.

The Adopted budgets fund the following:

- a. Ongoing operations and maintenance for water systems. Requires increased funding for recurring expenses and those due to projected inflation rates.
- b. Fleet & Equipment replacements identified in the Asset Management Plan. The annual cost to fund the Fleet & Equipment Replacement Fund is \$338,429 over the next ten (10) years. The level of funding required will be analyzed annually. However, to present a balanced budget, this fund only received 50% funding of 169,215. In 2026, District staff will reassess and determine if the remaining 50% funding is available.
- c. Facilities replacements and general maintenance identified in the Asset Management Plan. The annual cost to fund the Facilities Replacement Fund is \$86,651 over the next ten (10) years. The level of funding required will be analyzed annually.
- d. The Debt Service Fund addresses repayment of bonds and loans taken for water system acquisitions, building purchases and water system capital improvement projects. The total anticipated debt service payment is \$1,975,909 for 2026. This is an estimate, as the District has open loans to draw from as costs are incurred on open projects.
- e. Emergency preparedness for water systems, employees, and District-owned buildings.

The Adopted 2026 Operating Budget requires an overall revenue rate increase of 3.00%.

Adopted Operating Budget Summary – Revenues

Interest Income is an estimate based on historical interest income received.

The Ad Valorem Assessment for the General Fund is Adopted at one percent (1%) of the annual property assessment levy certified by the Assessor's Office.

Water Revenue forecasts for the 2026 rate level includes:

1. An overall water rate revenue increase of 3.00% on the base rate and consumption charges.
 - a. The water rate revenue requirement is the amount of money that must be collected to pay for the administrative and operational expenses of the utility including the costs to operate and maintain 271 water systems.
 - b. The District relies on base rates and consumption charges to collect the revenue requirement. The base rate is a fixed amount billed monthly to each customer based on the meter size that services their home, business, or property. Consumption charges are billed based on the customer's actual water usage using a 5-tiered rate schedule.

Adopted Operating Budget Summary – Expenses

All budgetary line items are expected to remain the same compared to the 2025 budget except the following:

Employee Salaries/Wages, Employee Pension & Benefits and Payroll Taxes

The 2026 Budget for Employee Salaries/Wages, Employee Pension & Benefits and Payroll Taxes includes:

- Eligible employee salary merit increases.
- Group healthcare coverage (medical, dental, vision), group term life insurance, long-term disability coverage, accidental death and dismemberment coverage and State of Washington retirement plan.

Debt Service includes the cost of all bonds and loans repayments including those assumed with the purchase of new water systems. In 2026, Debt Service is expected to increase by \$52,582.

State Public Utility Tax is paid to the Department of Revenue on all revenue received; the expected increase is 5.029% of applicable revenue generated from water rates.

Interest on Bonds is expected to decrease by \$24,905. This expense includes bonds issued in 2021.

Interest on Loans is expected to increase by \$10,956. This expense includes Drinking Water State Revolving Fund (DWSRF) and Public Works Trust Fund (PWTF) loans.

Water System Purchase Power is expected to increase \$17,304 due to projected utility rate increases.

Water System Materials & Supplies is expected to increase due to inflation.

Water System Testing is expected to decrease \$29,200 as PFOA/PFAS testing was moved from the Adopted 2026 Operating Budget to the Adopted 2026 EPA/WA State Emerging Contaminant Remediation Budget.

Energy Efficiency Enhancements includes \$3,000 pursuant to board goals established in 2016.

Contractual Services – Engineering is expected to decrease by \$17,000 as the majority of the engineering services are completed by the District's Engineer and/or contracted as a part of state or federal funded project.

Contractual Services – State Auditor is expected to decrease by \$10,000 as the District will only require the annual Financial Statement audit.

Building Operations is expected to decrease by \$120,000 primarily due to the one-time funding authorized in 2025. However, in 2026 there is an increase in the reallocation of building expenses previously funded by the General Fund.

Transportation Expense is expected to decrease by \$55,000 compared to the 2025 budget as the newer vehicles do not require high dollar extensive maintenance and repair work.

1. Fuel – *Short Term Energy Outlook* (August 2025 published by the US Energy Information Administration) predicts national gasoline prices will decrease in 2026 to \$2.90 per gallon on average.

- a. Note, American Automobile Association (AAA) reports Washington 's current (09/04/25) regular gas price is \$4.397 compared to \$4.392 last month and \$4.165 last year.
2. Repair Costs –There are 24 vehicles that will require maintenance and repairs estimated at \$100,000 (an average of \$4,167 per vehicle).

Insurance – General Liability is expected to increase by \$42,081 compared to the 2025 budget. This is a preliminary estimate, actual cost will be available in January 2026. The District's General Liability insurance provides coverage for District owned vehicles, assets at 271 water systems, and three (3) office buildings.

Miscellaneous Expenses is expected to have an overall decrease by \$35,281 compared to the 2025 budget.

However, an increase is expected for the following expenses:

1. Information Technology (IT) Administration and Support
2. Office Supplies/Equipment
3. Communication Software and Equipment
4. Association Dues and Publication Subscriptions
5. Mailings - Printing and Postage

Transfer to Fleet & Equipment Replacement Fund is expected to decrease by 50% to \$169,215 compared to the 2025 budget. The 50% reduction in funding was necessary to present a balanced budget and not to pull from the Water fund balance. The total funding required is \$338,429 for the next ten (10) years for fleet and equipment replacements as identified in the Asset Management Plan. In 2026, District staff will assess and determine if the funding is available for the remaining 50% of the required funding for fleet and equipment replacements. For more information, see pages 30-32 for the Fleet & Equipment Budget.

Transfer to Facilities Replacement Fund is expected to remain the same as the 2025 budget at \$86,651 based on the funding required for the next ten (10) years for facilities replacements as identified in the Asset Management Plan. For more information, see pages 33-35 for the Facilities Budget.

Effects of Adopted Operating Budget on Fund Balance Reserves

The net result of the Adopted Budget is the General Fund revenues will fund the General Fund expenses. Approximately \$144 will be added to the General Fund reserves. The General Fund reserves will have an estimated ending fund balance of \$317,432 which is above our current minimum reserve policy of 60 days. These reserves are the only source of funding that can be used for non-water utility studies or feasibility studies.

The net result of the Adopted Budget is the Water Fund revenues after adoption of the Adopted rates will fund the Water Fund expenses. Approximately \$729 will be added to the Water Fund reserves. The Water Fund reserves will have an estimated ending fund balance of \$1,831,773 which is above our current minimum reserve policy of 60 days. The District's debt service coverage ratio is maintained at 1.25 which is at the District's bond covenant coverage requirement of 1.25.

2026 Adopted Operating Budget: General and Water Funds

Thurston PUD

General Fund Budget

	Actual	Budget	YTD	Projection	Adopted
	2024	2025	Jun-25	2025	2026
Estimated Beginning Fund Balance	236,080	287,011		287,011	317,288
Income					
419 · Interest Income	6,345	5,000	3,096	5,000	7,000
421 · Non-utility Income					
421.1 · Tax Levy Income	336,292	349,661	345,180	349,661	353,158
Total 421 · Non-utility Income	336,292	349,661	345,180	349,661	353,158
Total Income	342,637	354,661	348,276	354,661	360,158
Expense					
408.12 · Payroll Taxes	12,260	17,619	5,284	17,619	17,621
Total 408 · Taxes other than Income	12,260	17,619	5,284	17,619	17,621
601 · Salaries/Wages Employees	49,019	33,512	16,382	33,512	34,374
603 · Salaries - Commissioners	84,204	84,765	42,102	84,765	84,204
603.1 · Commissioner Meeting Compensation	22,943	29,911	10,063	29,911	29,624
604 · Commissioner and Employee Pension & Benefits	46,874	52,254	22,926	52,254	51,790
631 · Contr. Svcs. - PS/Board Retreat	-	3,200	-	3,200	2,500
633 · Contr. Svcs. - Legal	10,620	5,000	1,988	5,000	2,500
637 · Contr. Svcs. - Janitorial	4,654	2,500	1,235	2,500	1,000
638 · Contr. Svcs. - State Auditor	10,500	5,000	-	5,000	2,500
643 · Building Operations	4,532	5,000	1,947	5,000	3,000
650 · Transportation Expense	272.21	1,400	-	1,400	1,000
657 · Insurance - General Liability	13,555	9,000	4,500	9,000	5,000
660 · Legal Adv/Public Info Expense	213	1,200	146	1,200	1,200
675.01 · Election Costs	52,027	80,000	52,027	80,000	100,000
675 · Miscellaneous Expenses	37,346	39,000	9,738	39,000	23,700
Total Expense	349,377	324,384	168,337	324,384	360,014
To (From) Reserves	(6,740)	30,277	179,940	30,277	144
Estimated Ending Fund Balance	287,011	288,734	179,940	317,288	317,432
Minimum Reserve Per Financial Policy (60 days)	57,432	53,323	27,672	53,323	59,180
Minimum Reserve (90 days)	86,148	79,985	41,508	79,985	88,770

Thurston PUD

Water Fund Budget

Estimated Beginning Fund Balance

Income

	Actual 2024	Adopted 2025	YTD Jun-25	Projection 2025	Adopted 2026
419 · Interest Income	472,167	270,000	274,943	270,000	405,000
421 · Non-utility Income					
421.10 · Building Rental Income	47,264	48,790	24,229	48,790	50,622
Total 421 · Non-utility Income	47,264	48,790	24,229	48,790	50,622
460 · Unmetered Water Revenue					
460.1 · Residential	46,256	47,173	21,080	47,173	43,424
Total 460 · Unmetered Water Revenue	46,256	47,173	21,080	47,173	43,424
461 · Metered Water Revenue					
461.11 · Residential Base	5,001,793	5,098,732	2,583,564	5,098,732	5,317,922
461.12 · Residential Consumption	3,491,907	3,097,110	1,378,831	3,097,110	3,280,962
461.21 · Commercial Base	129,895	135,439	67,729	135,439	133,128
461.22 · Commercial Consumption	180,947	208,333	87,053	208,333	199,330
461.23 · Rec Center Contract Base	661	674	337	674	695
461.24 · Rec Center Contract Consumption	1,556	1,256	594	1,256	1,259
461.51 · Multifamily Base	226,866	227,396	116,131	227,396	235,535
461.52 · Multifamily Consumption	346,117	338,483	165,477	338,483	371,451
Total 461 · Metered Water Revenue	9,379,742	9,107,423	4,399,716	9,107,423	9,540,282
465 · Sales to Irrigation					
465.2 · Irrigation Base	32,246	31,957	17,622	31,957	36,301
465.3 · Irrigation Consumption	132,928	129,254	57,812	129,254	136,891
Total 465 · Sales to Irrigation	165,174	161,211	75,434	161,211	173,192
471 · Miscellaneous Service Revenue					
471 · Miscellaneous Service Revenue	218,252	130,000	67,486	130,000	130,000
Total 471 · Miscellaneous Service Revenue	218,252	130,000	67,486	130,000	130,000
474 · Other Water Revenue					
469 · Service Credits	(110,100)	(100,000)	(32,111)	(100,000)	(100,000)

Total Budgeted Income with Adopted Rate Adjustment

Expense

403 · Debt Service	1,134,848	1,098,817	549,408	1,098,817	1,151,399
427 · Interest Expense					
427.32 · Interest on Bonds	704,676	679,485	339,743	679,485	654,580
427 · Interest Expense - Loans	26,239	23,620	5,168.99	23,620	34,576
Total 427 · Interest Expense	730,915	703,105	344,912	703,105	689,156
Transfer to Debt Service Fund					
408 · Taxes other than Income					
408.12 · Payroll Taxes	214,850	369,718	118,083	369,718	373,070
408.13 · Other Tax & License	64,299	56,700	33,382	56,700	62,370
408.2 · State Public Utility Tax	616,903	466,922	280,353	466,922	488,502
Total 408 · Taxes	896,053	893,340	431,817	893,340	923,942
601 · Salaries/Wages Employees	2,672,925	3,109,486	1,457,892	3,109,486	3,137,678
604 · Employee Pension & Benefits	765,979	1,207,018	557,829	1,207,018	1,165,083
610 · Purchased Water	18,211	25,000	3,840	25,000	25,000

Thurston PUD

Water Fund Budget

	Actual	Adopted	YTD	Projection	Adopted
	2024	2025	Jun-25	2025	2026
615 · Purchased Power	409,278	432,600	224,555	432,600	449,904
618 · Chemicals	108,435	140,000	67,331	140,000	140,000
620 · Materials & Supplies	464,618	555,000	143,660	555,000	465,000
632 · Contr. Svcs. - Accounting	1,075	5,000	2,486	5,000	5,000
631 · Contr. Svcs. - Engineer	-	27,000	-	27,000	10,000
633 · Contr. Svcs. - Legal	44,255	89,800	22,138	89,800	89,800
635 · Contr. Svcs. - Other	9,333	15,000	6,010	15,000	15,000
636 · Regulatory Water Quality Testing	101,644	128,000	49,001	128,000	98,800
637 · Contr. Svcs. - Janitorial	19,506	24,000	11,115	24,000	24,000
638 · Contr. Svcs. - State Auditor	10,574	30,000	-	30,000	20,000
642 · Rental Equipment	6,209	5,000	525	5,000	5,000
643 · Building Operations	102,865	280,000	46,110	280,000	160,000
650 · Transportation Expense	224,679	362,000	120,653	362,000	307,000
657 · Insurance - General Liability	255,828	280,542	140,097	280,542	322,623
660 · LegalAdv/Public Info Expense	5,287	9,000	1,699	9,000	6,500
670 · Bad Debt Expense	-	10,000	-	10,000	5,000
675 · Miscellaneous Expenses	598,912	805,320	326,361	805,320	770,039
680.2 · Transfer to Fleet & Equipment Replacement Fund	194,672	338,429	-	338,429	169,215
680.3 · Transfer to Facilities Replacement Fund	86,651	86,651	-	86,651	86,651
Total Expense	9,497,751	10,710,107	4,507,437	10,710,107	10,241,791
To(From) Reserves	730,091	(1,045,510)	323,339	(1,045,510)	729
Estimated Ending Fund Balance	2,826,553	1,781,043		1,781,043	1,831,773
Minimum Reserve Per Financial Policy (60 days)	1,561,274	1,760,566		1,760,566	1,683,582
Minimum Reserve (90 days)	2,341,911	2,640,848		2,640,848	2,525,373

2026 Adopted Rate Schedule

2026 Adopted Rate Schedule:

- One (1) rate schedule for all PUD customers.

The 2026 Adopted Rate Schedule includes:

- An overall water rate revenue increase of 3.00% on the base rate and consumption charges.
- The Capital Surcharge increase from \$15.00 to \$16.00 per Equivalent Residential Unit (ERU), billed to each customer every month.
- Implementation of a new EPA/WA State Emerging Contaminant Remediation surcharge of \$1.78, billed to each Group A Water System customer every month.
- The General Facility Charge increase from \$7,000 to \$8,000. This charge is billed for new development, developers or customers who want to connect to a PUD owned water system.

2026 Adopted Bill Impact Scenarios:

- A comparison of the 2025 Rates and 2026 Adopted Rates at different water usage levels (consumption). The document is not a bill, it is a comparison provided to customers to use for budgetary purposes only.
 - Group A Water System Customers – reflecting the Adopted new EPA/WA State Emerging Contaminant Remediation surcharge
 - Group A Water Systems have 15 or more water service connections
 - Group B Water System Customers – reflecting no special surcharges
 - Group B Water Systems have less than 15 water service connections
 - Glen Alder Water System Customers – reflecting the DWSRF surcharge and EPA/WA State Emerging Contaminant Remediation surcharges
 - Country Club Estates Water System customers – reflecting the DWSRF, Loan and EPA/WA State Emerging Contaminant Remediation surcharges
 - Cedar Shores Water System customers – reflecting the Generator and EPA/WA State Emerging Contaminant Remediation surcharges

On the subsequent pages are comparisons of the 2025 Rates and 2026 Adopted Rates. The 'cf' reference refers to cubic feet. **Note:** 1 cf = 7.48 gallons

2026 RATES, FEES AND CHARGES

Effective January 1, 2026

Residential Base Rates	Base Rate (per month)					Consumption Charges (per ccf**)				
	Meter Size	¾"	1"	Flat Rate		0 - 500	501 - 2,100	2,101 - 3,600	3,601 - 7,000	7,000+
	Monthly Rate	\$48.69	\$81.16	\$86.16		\$3.51	\$5.46	\$6.51	\$7.66	\$8.56
Other Base Rates	Base Rate (per month)								Consumption Charges (per ccf**)	
	Meter Size	¾"	1"	1 ½"	2"	3"	4"		Nov-Jun	Jul -Oct
	Commercial and Multifamily	\$56.03	\$93.37	\$186.64	\$299.06	\$559.96	\$933.28		\$5.46	\$7.66
	Irrigation	\$56.03	\$93.37	\$186.64	\$299.06	\$559.96			\$7.66	\$7.66
	Tanglewilde Parks & Recreation	\$57.89							\$1.78	\$2.58
Service Charges					Capital Surcharges (Monthly Per ERU*)					
New Account Service Charge		\$35.00			¾" Meter		\$16.00			
General Facility Charge (1 ERU*)		\$8,000.00			1" Meter		\$27.00			
General Facility Charge (0.778 ERU*) - Multi-Family Residential and Accessory Dwelling Unit		\$6,224.00			1 ½" Meter		\$53.00			
Local Taxes & Fees					2" Meter		\$85.00			
Street Light Fee (Conifer, Cooperfield, Quail Run)		\$3.15 per month			3" Meter		\$160.00			
Scattercreek Ranch Irrigation		\$1.37			4" Meter		\$267.00			
City of Gig Harbor B&O Tax – Quail Run Only		5%			Glen Alder DWSRF		\$68.10			
Service Fees					Country Club Estates DWSRF		\$27.40			
Water Availability Letter - Residential		\$55.00			Country Club Estates Loan		\$25.49			
Water Availability Letter - Non-Residential		\$250.00			Cedar Shores Generator		\$11.01			
Water Availability Letter - Accessory Dwelling Unit		\$250.00			EPA/WA State Emerging Contaminants Remediation		\$1.78			
Lender Letter		\$55.00			Refundable Deposits					
Hydrant Use Fee		Apply 1 1/2 Metered Rate			Green Report		\$0.00			
Meter Test		\$100.00			Yellow Report		\$75.00, or highest bill in the last 12 months, whichever is highest			
Cross Connection Survey		\$45.00			Red Report		\$150.00 or 2 times the highest bill in the last 12 months, whichever is highest			
Back Flow Test		Time and materials			Temporary Service Deposit		\$1,500.00			
Reconnection Fees					Service Connection Charges					
Business Hours		\$50.00			Residential Service Line Performed by PUD Staff		\$1,550.00			
After Hours		\$135.00			Residential Service Line Performed by Contract		Costs at 20% markup and time to install			
Holiday/Weekend		\$210.00			Commercial Service Line		Materials at 20% markup and time to install			
Penalty Fees					¾" Meter Install		\$300.00			
Late Payment Fee		\$5.00			1" Meter Install		\$400.00			
Return Payment Charge		\$30.00			1 ½" Meter Install		\$650.00			
Meter Tampering Charge		\$200.00			2" Meter Install		\$900.00			
Non-compliant Customer First		\$50.00			Fire Meter Install		\$1,562.00			
Non-compliant Customer Second		\$110.00								

*Equivalent Residential Unit (ERU)

**Per hundred cubic feet (ccf)

Comparison of Water Rates: PUD Standard
Rates **2025 Current to 2026 Adopted***
Public Utility District No. 1 of Thurston County

	2025	2026
Residential		
<u>Base Rates</u>		
Residential 3/4" Meter	\$ 47.27	\$ 49.16
Residential 1" Meter	\$ 78.80	\$ 81.95
Flat Rate	\$ 83.65	\$ 87.00
<u>Consumption Charges, per 100 cf</u>		
0 - 500 cf	\$ 3.41	\$ 3.55
500 - 2,100 cf	\$ 5.30	\$ 5.51
2,101 - 3,600 cf	\$ 6.32	\$ 6.57
3,601 - 7,000 cf	\$ 7.44	\$ 7.74
7,000+ cf	\$ 8.31	\$ 8.64
Non Residential		
<u>Base Rates</u>		
3/4" Meter	\$ 54.40	\$ 56.58
1" Meter	\$ 90.65	\$ 94.28
1 1/2" Meter	\$ 181.20	\$ 188.45
2" Meter	\$ 290.35	\$ 301.96
3" Meter	\$ 543.65	\$ 565.40
4" Meter	\$ 906.10	\$ 942.34
<u>Consumption Charges, per 100 cf</u>		
November - June	\$ 5.30	\$ 5.51
July - October	\$ 7.45	\$ 7.74
Irrigation	\$ 7.45	\$ 7.74
Tanglewilde Park		
1 1/2" Meter	\$ 56.20	\$ 58.45
<u>Consumption Charges, per 100 cf</u>		
November - June	\$ 1.73	\$ 1.80
July - October	\$ 2.50	\$ 2.60
Scattercreek Ranch Irrigation	\$ 1.32	\$ 1.37
Special Surcharge, monthly		
Glen Alder DWSRF	\$ 68.10	\$ 68.10
Country Club Estates Loan	\$ 25.49	\$ 25.49
Country Club Estates DWSRF	\$ 27.40	\$ 27.40
Cedar Shores Generator	\$ 11.01	\$ 11.01
Emerging Contaminant Remediation	\$ -	\$ 1.78
Capital Surcharges, monthly		
3/4" Meter	\$ 15.00	\$ 16.00
1" Meter	\$ 25.00	\$ 26.67
1 1/2" Meter	\$ 50.00	\$ 53.33
2" Meter	\$ 80.00	\$ 85.33
3" Meter	\$ 150.00	\$ 160.00
4" Meter	\$ 250.00	\$ 266.67

2026 Revenue Rate increase is 3.00%

Figure 3: Comparison of Adopted 2026 and 2025 PUD Rates

Thurston PUD 2026 Adopted Rates - Bill Impact Scenarios

PUD Residential Customers

Group A Water Systems

	2025	2026	Dollar Difference (\$)
Residential meter with 500 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 500 cubic feet	\$17.05	\$17.55	\$0.50
Total Water Charges	\$64.32	\$66.24	\$1.92
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$79.32	\$84.02	\$4.70

Residential meter with 750 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 750 cubic feet	\$30.30	\$31.20	\$0.90
Total Water Charges	\$77.57	\$79.89	\$2.32
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$92.57	\$97.67	\$5.10

Residential meter with 1,000 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 1,000 cubic feet	\$43.55	\$44.85	\$1.30
Total Water Charges	\$90.82	\$93.54	\$2.72
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$105.82	\$111.32	\$5.50

Residential meter with 1,500 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 1,500 cubic feet	\$70.05	\$72.15	\$2.10
Total Water Charges	\$117.32	\$120.84	\$3.52
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$132.32	\$138.62	\$6.30

Residential meter with 2,000 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 2,000 cubic feet	\$96.55	\$99.45	\$2.90
Total Water Charges	\$143.82	\$148.14	\$4.32
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$158.82	\$165.92	\$7.10

Thurston PUD 2026 Adopted Rates - Bill Impact Scenarios

PUD Residential Customers

	2025	2026	Dollar Difference (\$)
Residential meter with 3,000 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 3,000 cubic feet	\$158.73	\$163.50	\$4.77
Total Water Charges	\$206.00	\$212.19	\$6.19
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$221.00	\$229.97	\$8.97

Residential meter with 4,000 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 4,000 cubic feet	\$226.41	\$233.20	\$6.79
Total Water Charges	\$273.68	\$281.89	\$8.21
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$288.68	\$299.67	\$10.99

Residential meter with 5,000 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 5,000 cubic feet	\$300.81	\$309.80	\$8.99
Total Water Charges	\$348.08	\$358.49	\$10.41
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$363.08	\$376.27	\$13.19

Residential meter with 6,000 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 6,000 cubic feet	\$375.21	\$386.40	\$11.19
Total Water Charges	\$422.48	\$435.09	\$12.61
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$437.48	\$452.87	\$15.39

Thurston PUD 2026 Adopted Rates - Bill Impact Scenarios

PUD Residential Customers

Residential meter with 7,000 cubic feet of usage	2025	2026	Dollar Difference (\$)
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 7,000 cubic feet	\$449.61	\$463.00	\$13.39
Total Water Charges	\$496.88	\$511.69	\$14.81
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$511.88	\$529.47	\$17.59

Thurston PUD 2026 Adopted Rates - Bill Impact Scenarios

PUD Residential Customers

Group B Water Systems

	2025	2026	Dollar Difference (\$)
Residential meter with 500 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 500 cubic feet	\$17.05	\$17.55	\$0.50
Total Water Charges	\$64.32	\$66.24	\$1.92
Capital Surcharge	\$15.00	\$16.00	\$1.00
Total Bill with Capital Surcharge	\$79.32	\$82.24	\$2.92

Residential meter with 750 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 750 cubic feet	\$30.30	\$31.20	\$0.90
Total Water Charges	\$77.57	\$79.89	\$2.32
Capital Surcharge	\$15.00	\$16.00	\$1.00
Total Bill with Capital Surcharge	\$92.57	\$95.89	\$3.32

Residential meter with 1,000 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 1,000 cubic feet	\$43.55	\$44.85	\$1.30
Total Water Charges	\$90.82	\$93.54	\$2.72
Capital Surcharge	\$15.00	\$16.00	\$1.00
Total Bill with Capital Surcharge	\$105.82	\$109.54	\$3.72

Residential meter with 1,500 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 1,500 cubic feet	\$70.05	\$72.15	\$2.10
Total Water Charges	\$117.32	\$120.84	\$3.52
Capital Surcharge	\$15.00	\$16.00	\$1.00
Total Bill with Capital Surcharge	\$132.32	\$136.84	\$4.52

Residential meter with 2,000 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 2,000 cubic feet	\$96.55	\$99.45	\$2.90
Total Water Charges	\$143.82	\$148.14	\$4.32
Capital Surcharge	\$15.00	\$16.00	\$1.00
Total Bill with Capital Surcharge	\$158.82	\$164.14	\$5.32

Thurston PUD 2026 Adopted Rates - Bill Impact Scenarios

PUD Residential Customers

	2025	2026	Dollar Difference (\$)
Residential meter with 3,000 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 3,000 cubic feet	\$158.73	\$163.50	\$4.77
Total Water Charges	\$206.00	\$212.19	\$6.19
Capital Surcharge	\$15.00	\$16.00	\$1.00
Total Bill with Capital Surcharge	\$221.00	\$228.19	\$7.19

Residential meter with 4,000 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 4,000 cubic feet	\$226.41	\$233.20	\$6.79
Total Water Charges	\$273.68	\$281.89	\$8.21
Capital Surcharge	\$15.00	\$16.00	\$1.00
Total Bill with Capital Surcharge	\$288.68	\$297.89	\$9.21

Residential meter with 5,000 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 5,000 cubic feet	\$300.81	\$309.80	\$8.99
Total Water Charges	\$348.08	\$358.49	\$10.41
Capital Surcharge	\$15.00	\$16.00	\$1.00
Total Bill with Capital Surcharge	\$363.08	\$374.49	\$11.41

Residential meter with 6,000 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 6,000 cubic feet	\$375.21	\$386.40	\$11.19
Total Water Charges	\$422.48	\$435.09	\$12.61
Capital Surcharge	\$15.00	\$16.00	\$1.00
Total Bill with Capital Surcharge	\$437.48	\$451.09	\$13.61

Residential meter with 7,000 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 7,000 cubic feet	\$449.61	\$463.00	\$13.39
Total Water Charges	\$496.88	\$511.69	\$14.81
Capital Surcharge	\$15.00	\$16.00	\$1.00
Total Bill with Capital Surcharge	\$511.88	\$527.69	\$15.81

Thurston PUD 2026 Adopted Rates - Bill Impact Scenarios

PUD Residential Customers

	2025	2026	Dollar Difference (\$)
Residential meter with 500 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 500 cubic feet	\$17.05	\$17.55	\$0.50
Total Water Charges	\$64.32	\$66.24	\$1.92
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Cedar Shores Generator Surcharge	\$11.01	\$11.01	\$0.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$90.33	\$95.03	\$4.70
Residential meter with 750 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 750 cubic feet	\$30.30	\$31.20	\$0.90
Total Water Charges	\$77.57	\$79.89	\$2.32
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Cedar Shores Generator Surcharge	\$11.01	\$11.01	\$0.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$103.58	\$108.68	\$5.10
Residential meter with 1,000 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 1,000 cubic feet	\$43.55	\$44.85	\$1.30
Total Water Charges	\$90.82	\$93.54	\$2.72
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Cedar Shores Generator Surcharge	\$11.01	\$11.01	\$0.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$116.83	\$122.33	\$5.50
Residential meter with 1,500 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 1,500 cubic feet	\$70.05	\$72.15	\$2.10
Total Water Charges	\$117.32	\$120.84	\$3.52
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Cedar Shores Generator Surcharge	\$11.01	\$11.01	\$0.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$143.33	\$149.63	\$6.30

Thurston PUD 2026 Adopted Rates - Bill Impact Scenarios

PUD Residential Customers

	2025	2026	Dollar Difference (\$)
Residential meter with 2,000 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 2,000 cubic feet	\$96.55	\$99.45	\$2.90
Total Water Charges	\$143.82	\$148.14	\$4.32
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Cedar Shores Generator Surcharge	\$11.01	\$11.01	\$0.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$169.83	\$176.93	\$7.10
Residential meter with 3,000 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 3,000 cubic feet	\$158.73	\$163.50	\$4.77
Total Water Charges	\$206.00	\$212.19	\$6.19
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Cedar Shores Generator Surcharge	\$11.01	\$11.01	\$0.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$232.01	\$240.98	\$8.97
Residential meter with 4,000 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 4,000 cubic feet	\$226.41	\$233.20	\$6.79
Total Water Charges	\$273.68	\$281.89	\$8.21
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Cedar Shores Generator Surcharge	\$11.01	\$11.01	\$0.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$299.69	\$310.68	\$10.99
Residential meter with 5,000 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 5,000 cubic feet	\$300.81	\$309.80	\$8.99
Total Water Charges	\$348.08	\$358.49	\$10.41
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Cedar Shores Generator Surcharge	\$11.01	\$11.01	\$0.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$374.09	\$387.28	\$13.19

Thurston PUD 2026 Adopted Rates - Bill Impact Scenarios

PUD Residential Customers

	2025	2026	Dollar Difference (\$)
Residential meter with 6,000 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 6,000 cubic feet	\$375.21	\$386.40	\$11.19
Total Water Charges	\$422.48	\$435.09	\$12.61
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Cedar Shores Generator Surcharge	\$11.01	\$11.01	\$0.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$448.49	\$463.88	\$15.39
Residential meter with 7,000 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 7,000 cubic feet	\$449.61	\$463.00	\$13.39
Total Water Charges	\$496.88	\$511.69	\$14.81
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Cedar Shores Generator Surcharge	\$11.01	\$11.01	\$0.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$522.89	\$540.48	\$17.59

County Club Estates (CCE) Water System

Thurston PUD 2026 Adopted Rates - Bill Impact Scenarios

PUD Residential Customers

	2025	2026	Dollar Difference (\$)
Residential meter with 500 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 500 cubic feet	\$17.05	\$17.55	\$0.50
Total Water Charges	\$64.32	\$66.24	\$1.92
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Country Club Estates DWSRF Surcharge	\$27.40	\$27.40	\$0.00
Country Club Estates Loan Surcharge	\$25.49	\$25.49	\$0.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$132.21	\$136.91	\$4.70
Residential meter with 750 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 750 cubic feet	\$30.30	\$31.20	\$0.90
Total Water Charges	\$77.57	\$79.89	\$2.32
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Country Club Estates DWSRF Surcharge	\$27.40	\$27.40	\$0.00
Country Club Estates Loan Surcharge	\$25.49	\$25.49	\$0.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$145.46	\$150.56	\$5.10
Residential meter with 1,000 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 1,000 cubic feet	\$43.55	\$44.85	\$1.30
Total Water Charges	\$90.82	\$93.54	\$2.72
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Country Club Estates DWSRF Surcharge	\$27.40	\$27.40	\$0.00
Country Club Estates Loan Surcharge	\$25.49	\$25.49	\$0.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$158.71	\$164.21	\$5.50
Residential meter with 1,500 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 1,500 cubic feet	\$70.05	\$72.15	\$2.10
Total Water Charges	\$117.32	\$120.84	\$3.52
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Country Club Estates DWSRF Surcharge	\$27.40	\$27.40	\$0.00
Country Club Estates Loan Surcharge	\$25.49	\$25.49	\$0.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$185.21	\$191.51	\$6.30

Thurston PUD 2026 Adopted Rates - Bill Impact Scenarios

PUD Residential Customers

	2025	2026	Dollar Difference (\$)
Residential meter with 2,000 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 2,000 cubic feet	\$96.55	\$99.45	\$2.90
Total Water Charges	\$143.82	\$148.14	\$4.32
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Country Club Estates DWSRF Surcharge	\$27.40	\$27.40	\$0.00
Country Club Estates Loan Surcharge	\$25.49	\$25.49	\$0.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$211.71	\$218.81	\$7.10

Residential meter with 3,000 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 3,000 cubic feet	\$158.73	\$163.50	\$4.77
Total Water Charges	\$206.00	\$212.19	\$6.19
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Country Club Estates DWSRF Surcharge	\$27.40	\$27.40	\$0.00
Country Club Estates Loan Surcharge	\$25.49	\$25.49	\$0.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$273.89	\$282.86	\$8.97

Residential meter with 4,000 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 4,000 cubic feet	\$226.41	\$233.20	\$6.79
Total Water Charges	\$273.68	\$281.89	\$8.21
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Country Club Estates DWSRF Surcharge	\$27.40	\$27.40	\$0.00
Country Club Estates Loan Surcharge	\$25.49	\$25.49	\$0.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$341.57	\$352.56	\$10.99

Residential meter with 5,000 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 5,000 cubic feet	\$300.81	\$309.80	\$8.99
Total Water Charges	\$348.08	\$358.49	\$10.41
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Country Club Estates DWSRF Surcharge	\$27.40	\$27.40	\$0.00
Country Club Estates Loan Surcharge	\$25.49	\$25.49	\$0.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$415.97	\$429.16	\$13.19

Thurston PUD 2026 Adopted Rates - Bill Impact Scenarios

PUD Residential Customers

	2025	2026	Dollar Difference (\$)
Residential meter with 6,000 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 6,000 cubic feet	\$375.21	\$386.40	\$11.19
Total Water Charges	\$422.48	\$435.09	\$12.61
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Country Club Estates DWSRF Surcharge	\$27.40	\$27.40	\$0.00
Country Club Estates Loan Surcharge	\$25.49	\$25.49	\$0.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$490.37	\$505.76	\$15.39

Residential meter with 7,000 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 7,000 cubic feet	\$449.61	\$463.00	\$13.39
Total Water Charges	\$496.88	\$511.69	\$14.81
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Country Club Estates DWSRF Surcharge	\$27.40	\$27.40	\$0.00
Country Club Estates Loan Surcharge	\$25.49	\$25.49	\$0.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$564.77	\$582.36	\$17.59

Thurston PUD 2026 Adopted Rates - Bill Impact Scenarios

PUD Residential Customers

	2025	2026	Dollar Difference (\$)
Residential meter with 500 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 500 cubic feet	\$17.05	\$17.55	\$0.50
Total Water Charges	\$64.32	\$66.24	\$1.92
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Glen Alder DWSRF Loan Surcharge	\$68.10	\$68.10	\$0.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$147.42	\$152.12	\$4.70
Residential meter with 750 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 750 cubic feet	\$30.30	\$31.20	\$0.90
Total Water Charges	\$77.57	\$79.89	\$2.32
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Glen Alder DWSRF Loan Surcharge	\$68.10	\$68.10	\$0.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$160.67	\$165.77	\$5.10
Residential meter with 1,000 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 1,000 cubic feet	\$43.55	\$44.85	\$1.30
Total Water Charges	\$90.82	\$93.54	\$2.72
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Glen Alder DWSRF Loan Surcharge	\$68.10	\$68.10	\$0.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$173.92	\$179.42	\$5.50
Residential meter with 1,500 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 1,500 cubic feet	\$70.05	\$72.15	\$2.10
Total Water Charges	\$117.32	\$120.84	\$3.52
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Glen Alder DWSRF Loan Surcharge	\$68.10	\$68.10	\$0.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$200.42	\$206.72	\$6.30

Thurston PUD 2026 Adopted Rates - Bill Impact Scenarios

PUD Residential Customers

	2025	2026	Dollar Difference (\$)
Residential meter with 2,000 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 2,000 cubic feet	\$96.55	\$99.45	\$2.90
Total Water Charges	\$143.82	\$148.14	\$4.32
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Glen Alder DWSRF Loan Surcharge	\$68.10	\$68.10	\$0.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$226.92	\$234.02	\$7.10
Residential meter with 3,000 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 3,000 cubic feet	\$158.73	\$163.50	\$4.77
Total Water Charges	\$206.00	\$212.19	\$6.19
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Glen Alder DWSRF Loan Surcharge	\$68.10	\$68.10	\$0.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$289.10	\$298.07	\$8.97
Residential meter with 4,000 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 4,000 cubic feet	\$226.41	\$233.20	\$6.79
Total Water Charges	\$273.68	\$281.89	\$8.21
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Glen Alder DWSRF Loan Surcharge	\$68.10	\$68.10	\$0.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$356.78	\$367.77	\$10.99
Residential meter with 5,000 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 5,000 cubic feet	\$300.81	\$309.80	\$8.99
Total Water Charges	\$348.08	\$358.49	\$10.41
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Glen Alder DWSRF Loan Surcharge	\$68.10	\$68.10	\$0.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$431.18	\$444.37	\$13.19

Thurston PUD 2026 Adopted Rates - Bill Impact Scenarios

PUD Residential Customers

	2025	2026	Dollar Difference (\$)
Residential meter with 6,000 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 6,000 cubic feet	\$375.21	\$386.40	\$11.19
Total Water Charges	\$422.48	\$435.09	\$12.61
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Glen Alder DWSRF Loan Surcharge	\$68.10	\$68.10	\$0.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$505.58	\$520.97	\$15.39
Residential meter with 7,000 cubic feet of usage			
Base Rate	\$47.27	\$48.69	\$1.42
Consumption Charge, 7,000 cubic feet	\$449.61	\$463.00	\$13.39
Total Water Charges	\$496.88	\$511.69	\$14.81
Water System Projects Capital Surcharge	\$15.00	\$16.00	\$1.00
Glen Alder DWSRF Loan Surcharge	\$68.10	\$68.10	\$0.00
Emerging Contaminant Remediation Surcharge	\$0.00	\$1.78	\$1.78
Total Bill with Capital Surcharges	\$579.98	\$597.57	\$17.59

2026 Adopted Fleet & Equipment Budget

Adopted 2026 Fleet & Equipment Budget Summary

The Adopted 2026 Fleet & Equipment Budget utilizes an Asset Management Plan (AMP) for fleet (vehicles) and equipment the District owns and must plan to replace when it is no longer operational. District staff estimates fleet replacement at seven (7) years for many of the District's vehicles. Equipment useful life is based on the manufacturer, retail company, industry standards or professional recommendations. Condition assessments are also used to proactively determine an approximate replacement timeframe.

District staff will continue to annually review the financial plan and AMP to determine the funding level required for fleet and equipment replacement needs in the future.

See pages 31-32 for the 2026 Adopted Fleet & Equipment Budget.

**Thurston PUD
2026 Adopted Fleet and Equipment Budget**

		2026 Budget
Fleet & Equipment Estimated Beginning Fund Balance		\$ 641,107
Project Code	Project Description	
VM-01	Fleet - One (1) Replacement Vehicle	\$ 99,785
EQ-01	Equipment - Replace Project Message Board	\$ 10,000
	20% Contingency on Asset Management Plan Estimates	\$ 21,957
Total		\$ 131,742
Funding Source		
	Transfer from Water Revenue Reserves Fund	\$ 169,215
	2026 Potential Surplus Proceeds	\$ 5,000
Total		\$ 174,215
Fleet & Equipment Estimated Ending Fund Balance		\$ 683,580

2026 Adopted Fleet & Equipment Budget - Project Code Explanations

VM-01 Fleet: This line item represents replacement and new purchases for field vehicles based on District staff assessments, dealership recommendations or vehicle replacements anticipated based on the Vehicle Asset Management Plan. In 2026, the District projects one (1) vehicle will need to be replaced. Fleet replacements are funded by the Fleet & Equipment Reserves Fund and transfers from the Water Revenue Reserves Fund.

EQ-01 Equipment: This line item represents replacement of equipment based on District staff assessments or as identified in the Equipment Asset Management Plan. In 2026, the District expects to replace the project message board (displayed in communities as needed). Equipment replacements are funded by the Fleet & Equipment Reserves Fund.

Contingency: This line item is reserved for contingency for all fleet and equipment purchases and replacement cost estimates identified in the Asset Management Plan.

2026 Adopted Fleet & Equipment Budget - Funding Sources

After vehicle and equipment replacements are identified, it is the District's guiding principle to first determine if it should be funded by the Fleet & Equipment Reserves Fund. Note, District staff may research available funding through state agencies for applicable projects relating to state legislature initiatives.

Transfer from Water Revenue Reserves Fund: This is an annual contribution from the Water Revenue Reserves Fund.

Potential Surplus Proceeds: The District may transfer ownership of vehicles and equipment to the Washington State Department of Enterprise Services, other state agencies or community organizations for resale. Any resale surplus proceeds the District receives is transferred to the Fleet & Equipment Reserve Fund.

2026 Adopted Facilities Budget

Adopted 2026 Facilities Budget Summary

The Adopted 2026 Facilities Budget utilizes an Asset Management Plan (AMP) for the three (3) buildings owned by the District; an Administrative Building, Field Operations Building and Rental Office. The Facilities AMP specify all major building components that will require repair or replacement when it is no longer operational. District staff use condition assessments to proactively determine an approximate replacement timeframe for the various building components.

The Adopted 2026 Facilities Budget includes emergency preparedness for facilities to ensure District Staff can provide continuity of service to customers during and following an emergency event.

District staff will continue to annually review the financial plan and AMP to determine the funding level required for facilities repair and replacement needs in the future.

See pages 34-35 for the 2026 Adopted Facilities Budget.

**Thurston PUD
2026 Adopted Facilities Budget**

		2026 Budget
Facilities Estimated Beginning Fund Balance		\$ 376,165
Project Code	Project Description	
WM-29	Building Maintenance and Improvements	
	Administrative Building - 1230 Ruddell Rd	\$ 30,000
	Field Operations Building - 6800 Meridian Rd	\$ 39,405
	Rental Office Building - 1240 Ruddell Rd	\$ 10,000
WM-39	Emergency Preparedness - Facilities	\$ 40,000
	20% Contingency on Asset Management Plan Estimates	\$ 15,881
Total		\$ 135,286
Funding Sources		
	Transfer from Water Revenue Reserves Fund	\$ 86,651
	Total	86,651
Facilities Estimated Ending Fund Balance		\$ 327,530

2026 Adopted Facilities Budget - Project Code Explanations

WM-29 Building Maintenance and Improvements:

This line item represents replacement and repairs projects that are known based on District Staff assessments or projects anticipated based on the Facilities Asset Management Plan (AMP). The District owns three (3) office buildings, each building has an AMP that indicates building components, build dates, depreciation date and estimated replacement costs. The building maintenance and improvement projects are funded by the Facilities Reserves Fund and transfers from the Water Revenue Reserve Fund.

Administrative Building – 1230 Ruddell Rd: Projects include general repairs and replacements, a new storage shed and an extended fence around the building.

Field Operations Building – 6800 Meridian Rd: Projects include garage door repair or replacement, and general repairs and replacements.

Rental Office Building – 1240 Ruddell Rd: Projects are for general maintenance.

WM-39 Emergency Preparedness – Facilities: This line item is for items needed to prepare the District's Administrative Building located at 1230 Ruddell Rd for emergencies. Projects are funded by the Water Revenue Reserve Fund or other available funding sources.

Contingency: This line item is reserved for contingency on all Asset Management Plan project estimates.

2026 Adopted Facilities Budget - Funding Sources

After the facilities and emergency preparedness projects are identified, it is the District's guiding principle to first determine if it should be funded by the Facilities Reserves Fund. Note, District Staff may research available funding through state agencies for applicable projects relating to state legislature initiatives.

Transfer from Water Revenue Reserves Fund: This is an annual contribution from the Water Revenue Reserves Fund.

2026 Adopted Debt Service Budget

Adopted 2026 Debt Service Budget Summary

The Adopted 2026 Debt Service provides detailed information on the long term debt schedule for bonds and loans issued to the District for water system acquisitions, building purchases and water system capital improvement projects.

This budget includes 20% Contingency for the anticipated increase in payments for the additional draws the District will make in 2025 and 2026 that will be included in the debt service repayment calculation for 2026.

District staff will continue to annually review and update the long term debt schedule to determine the funding level required for the repayment of bonds and loans.

See pages 37-40 for the 2026 Adopted Debt Service Budget.

**Thurston PUD
2026 Adopted Debt Service Budget**

	2026 Budget
Debt Service Estimated Beginning Fund Balance	\$ 1,388,744
Long Term Debt Description	
Bonds	\$ 1,502,106
Public Works Trust Fund (PWTF) Loans	\$ 77,902
Drinking Water State Revolving Fund (DWSRF) Loans	\$ 378,006
20% Contingency on 2026 Loan Draws Estimates	\$ 17,896
Total	\$ 1,975,909
Funding Sources	
Transfer from Water Revenue Reserves Fund	\$ 1,840,555
Transfer from Loan Capital Surcharges (Webster Hill, CCE and Glen Alder)	\$ 39,031
Transfer from Asset Management Plan (AMP) Capital Surcharges ¹	\$ 134,111
Total	\$ 2,013,697
Debt Service Estimated Ending Fund Balance	\$ 1,426,532
Bond Covenant Reserve Requirement	\$ 1,241,969
Debt Service Estimated Ending Fund Balance after Bond Requirement	\$ 184,563

¹ This transfer is for projects completed from 2016 to 2021 that were funded with Water Revenue Bond Proceeds. For additional information, see page 4.

2026 Adopted Debt Service Budget - Project Code Explanations

Long Term Debt: Includes bonds and loans awarded to the District to finance capital improvement projects. The tables below depict the long-term debt service repayments.

Repayment of Bonds: The District has four (4) Water Revenue Bonds.

Year(s)	Principal	Interest	Total
2026	\$ 847,526	\$ 654,580	\$ 1,502,106
2027	\$ 960,102	\$ 629,154	\$ 1,589,256
2028	\$ 987,905	\$ 600,351	\$ 1,588,256
2029	\$ 1,025,942	\$ 566,864	\$ 1,592,806
2030	\$ 1,054,221	\$ 532,086	\$ 1,586,307
2031-2034	\$ 5,279,746	\$ 1,751,880	\$ 7,031,626
2035-2038	\$ 5,403,462	\$ 1,096,976	\$ 6,500,438
2039-2042	\$ 3,485,843	\$ 360,375	\$ 3,846,218
Totals	\$ 19,044,747	\$ 6,192,266	\$ 25,237,013

Repayment of Public Works Trust Fund (PWTF) Loans: The District has two (2) closed PWTF loans and one (1) open loan.

The open loan is for a multi-year mainline replacement project, the loan may be closed in 2027 or 2028. Below are details for the open loan which will be added to the table below after the loan is closed and in repayment status.

Loan Amount: \$10,000,000

Loan Term: 20 years

Interest Rate: 1.72%

The table below only reflects repayments on actual draws on closed loans; it does not include repayment of future draws on the open loan.

Year(s)	Principal	Interest	Total
2026	\$ 22,242	\$ 4,800	\$ 27,042
2027	\$ 22,242	\$ 4,431	\$ 26,672
2028	\$ 22,242	\$ 4,061	\$ 26,303
2029	\$ 22,242	\$ 3,692	\$ 25,934
2030	\$ 22,242	\$ 3,323	\$ 25,565
2031-2034	\$ 88,967	\$ 9,600	\$ 98,567
2035-2038	\$ 88,967	\$ 3,692	\$ 92,659
Totals	\$ 289,143	\$ 33,598	\$ 322,741

2026 Adopted Debt Service Budget - Project Code Explanations, Continued

Repayment of Drinking Water State Revolving Fund (DWSRF) Loans: The District has 14 DWSRF loans; two (2) loans are open for the District to request draws.

The District anticipates closing one (1) of the open loans by December 2025 and the remaining loan being closed in 2026 or 2027. Below are details for the open loans which will be added to the table below after the loans are closed and in repayment status.

Project: Pattison Water System Consolidation and Replacement (2025)

Loan Amount: \$3,141,500 with 50% loan forgiveness

Loan Term: 20 years

Interest Rate: 1.25%

Project: Prairie Ridge Water System Consolidation (2026 or 2027)

Loan Amount: \$1,463,813

Loan Term: 20 years

Interest Rate: 2.25%

The table below only reflects repayments on actual draws on closed loans; it does not include repayment of future draws on the open loans.

Year(s)	Principal	Interest	Total
2026	\$ 303,791	\$ 35,594	\$ 339,385
2027	\$ 303,791	\$ 33,001	\$ 336,792
2028	\$ 303,791	\$ 30,408	\$ 334,199
2029	\$ 303,791	\$ 27,811	\$ 331,602
2030	\$ 141,520	\$ 25,222	\$ 166,742
2031-2034	\$ 509,457	\$ 83,073	\$ 592,530
2035-2038	\$ 456,932	\$ 54,735	\$ 511,667
2039-2042	\$ 406,288	\$ 28,675	\$ 434,963
2043-2045	\$ 235,260	\$ 5,723	\$ 240,982
Totals	\$ 2,964,622	\$ 324,242	\$ 3,288,864

Contingency: This line item is reserved for additional loan draws that will increase the debt service payments.

2026 Adopted Debt Service Budget - Funding Sources

The District maintains the required bond debt service covenant of \$1,241,969. The District's guiding principle is to fund long term debt service repayments with the Debt Service Reserves Fund with transfers from the Water Revenue Reserves Fund. Additionally, the District may access monthly capital surcharges for water system specific improvements for the duration of the loan.

Transfer from Water Revenue Reserves Fund: This is an annual contribution from the Water Revenue Reserves Fund.

Transfer from Loan Capital Surcharges: There are three (3) loan capital surcharges for water system improvement projects. On an annual basis, loan capital surcharges are transferred to the Debt Service Reserves Fund based on the debt service repayment amounts.

Transfer from Asset Management Plan (AMP) Capital Surcharges: Water System capital improvement projects from 2016 to 2021 were funded with bond proceeds. On an annual basis, the AMP Capital Surcharges for the completed projects will be transferred to the Debt Service Reserves Fund.

2026 Adopted Investment Consolidation Budget

Adopted 2026 Investment Consolidation Budget Summary

In 2024, the Board of Commissioners adopted Resolution, 24-04 Investment Plan for Consolidations that establishes the Investment Consolidation Fund. The Adopted 2026 Investment Consolidation Budget provides information on the consolidation expenditures and funding sources.

District staff will continue to annually review the revenue needed and funding sources to determine the appropriate level of funding.

See pages 42-43 for the 2026 Investment Consolidation Budget.

Thurston PUD
2026 Adopted Investment Consolidation Budget

	2026 Budget
Investment Consolidation Beginning Fund Balance	\$ 1,695,752
Consolidation Expenditures	\$ -
Total	\$ -
Funding Source	
Transfer from Water Revenue Reserves Fund ¹	\$ -
Total	\$ -
Investment Consolidation Estimated Ending Fund Balance	\$ 1,695,752

¹ In Fall/Winter 2026 a transfer from the Water Revenue Reserves Fund may be proposed to the Board of Commissioners for approval based on water rate revenue that exceeded the 2026 projections.

2026 Adopted Investment Consolidation Budget - Project Code Explanations

Consolidation Expenditures: Thurston PUD Board of Commissioners adopted Resolution 24-04, Investment Plan for Consolidations establishing the Investment Consolidation fund. Expenditures costs may be incurred to ensure the continuity of and adequate funding for the District's utility operations.

2026 Adopted Investment Consolidation Budget - Funding Source

Transfer from Water Revenue Reserves Fund: Transfer contributions from the Water Revenue Reserves Fund may include rate revenue from new connections and growth, surplus funds during high water sales years, and proceeds from the sale of water systems that are out of county.

2026 Adopted EPA/WA State Emerging Contaminants

Remediation Budget

Adopted 2026 EPA/WA State Emerging Contaminants Remediation Budget Summary

The EPA & WA State Emerging Contaminants Remediation Budget includes expenses related to costs and funding sources associated with emerging contaminants the District is mandated to remediate by Environmental Protection Agency (EPA) and/or Washington State.

Per- and polyfluoroalkyl substances (PFOA/PFAS) are considered ***forever chemicals*** that are tasteless, colorless, and odorless. They do not occur in nature and are produced to make many products including stain-resistant carpets and fabrics, nonstick pans, fast food wrappers, grease-proof food containers, waterproof clothing, and a special kind of firefighting foam. Over many years of manufacturing and use, these unregulated chemicals have been released into the environment from industrial plants, fire training sites, consumer products and other sources. Once released, PFAS does not break down easily and last for a long time in the environment. Some PFAS have seeped from surface soil into groundwater. In the last eight years, PFAS have been discovered in the drinking water supplies of millions of Americans.

PFOA/PFAS are **NEW** regulated contaminants for Group A water systems only.

- In 2021, WA State Board of Health (SBOH) adopted a State Action Level (SAL) for PFOA/PFAS.
- In 2024, EPA adopted a final rule establishing a Maximum Contaminant Level (MCL) for PFOA/PFAS.

In 2022, the District tested 77 wells at all 75 Group A Water Systems.

- Originally there were detections in 20 wells at 17 water systems.
- After subsequent PFAS testing, there were detections at 10 water systems.
- Then following additional PFAS testing, there were detections at 8 water systems.

As a result of the federal and state rules the District is required to treat water systems with PFOA/PFAS detections over the EPA MCL by 2029.

Currently there are eight (8) water systems (see table below) that will have PFAS treatment plants installed. Letters are sent to customers on these water systems regarding PFAS testing and the District's next steps to treat their water system.

Water System	County	Customers
Burnsville	Thurston	60
Cooperfield	Thurston	16
East Olympia	Thurston	23
Lazy Acres	Thurston	94
Sandra Ave	Lewis	15
Spanaway 192 nd	Pierce	78
Tanglewilde	Thurston	1,960
Whiskey Hollow	Pierce	16

Please note, this information is **subject to change** based on water system PFAS test results; ***the District may be required to treat more water systems.***

In 2023, the District submitted applications to the Drinking Water State Revolving Fund (DWSRF) program for the installation of the PFAS treatment plants at eight (8) water systems.

The District received funding of **\$6,967,721** with **100% principal loan forgiveness** from the Drinking Water State Revolving Fund (DWSRF) program to install PFAS remediation treatment plants at eight (8) Group A Water Systems (see table below). Please note, the District is required to pay interest of 1.75% on the loan draws until the completion of the projects. The total estimated interest expense is \$121,935 (6,967,721 times 1.75) and will be paid for using funds available in the EPA/WA State Emerging Contaminant Remediation fund.

Water System	Amount
Burnsville	\$ 400,929
Cooperfield	\$ 449,198
East Olympia	\$ 295,261
Lazy Acres	\$ 515,602
Sandra Ave	\$ 369,500
Spanaway 192 nd	\$ 953,116
Tanglewilde	\$3,531,219
Whiskey Hollow	\$ 452,896
Total	\$6,967,721

In 2026-2027, eight (8) PFAS treatment plants will be installed. Once the **new** treatment plants are installed, it will require ongoing operations and maintenance (O&M), media removal/replacement and ultimately the treatment plant will need to be replaced.

Below are estimated annual costs for O&M and media removal/replacements:

Estimated total annual costs are \$173,523.

- Includes annual PFAS testing, chemicals and purchase power expenses. **Total \$27,747**
- Over the next 3-20 years, high costs for media removal/replacement. **Total \$145,776**

Water System	O&M	Media Replacement	Annual Cost	Media Replacement Frequency
Burnsville	\$ 2,992	\$ 8,952	\$ 11,944	10 years
Cooperfield	\$ 2,992	\$ 1,980	\$ 4,972	10 years
East Olympia	\$ 2,816	\$ 2,305	\$ 5,121	10 years
Lazy Acres	\$ 5,632	\$ 11,580	\$ 17,212	8 years
Sandra Ave	\$ 2,992	\$ 2,136	\$ 5,128	10 years
Spanaway 192 nd	\$ 2,992	\$ 4,632	\$ 7,624	10 years
Tanglewilde	\$ 4,515	\$ 110,651	\$ 115,166	3 years
Whiskey Hollow	\$ 2,816	\$ 3,540	\$ 6,356	10 years
Total	\$ 27,747	\$ 145,776	\$ 173,523	

The PFAS treatment plant replacement year and costs **are currently unknown**. As the PFAS treatment plants are installed, information will be gathered from the equipment manufacturer and contractor to determine when replacement will be needed for specific components of the treatment system or a full treatment system replacement. In 2027, District staff intends to create specific PFAS Asset Management Plans (AMPs) for each of the 8 water systems including each treatment plant replacement year and cost.

District Commissioners and management staff are extremely concerned with the costs associated with PFOA/PFAS, the new state and federal regulated contaminant. In 2025, District staff created the EPA/WA State Emerging Contaminants Remediation budget and fund to provide transparency and efficient accounting & reporting of PFAS expenses and funding sources.

PFAS in drinking water supply is caused by man-made chemicals and products. In 2025, Assistant General Manager Julie Parker worked with the District's Attorney and Commissioner Russell E. Olsen and successfully entered into PFAS cost recovery court cases against four (4) major national PFAS polluters.

As of August 31, 2025, the PUD is approved for an allocation of settlement funds from 3M, estimated at \$927,069, with disbursements from 2025 to 2033. As of August 31, 2025, the PUD received **\$159,367** of the approved settlement funds with another **\$318,508** awaiting a disbursement date. **All claim settlement funds received will be used to pay for PFAS-related expenses only.** Additionally, the Board of Commissioners may instruct District staff to use the claim settlement funds to further pursue financial recovery for ongoing and future PFAS costs from the polluters.

Although the District has submitted cost recovery court cases for the national polluters to hold them financially responsible to pay for all pollution costs; so far, the claim settlements will not be enough to cover the projected PFAS expenses. Continuing in 2025, District staff will seek ways to determine how we can ask state legislature and/or the polluters to pay for the total pollution costs now and in the future. Also, District staff will continue to monitor information for PFAS and other emerging contaminants as every year EPA reviews unregulated contaminants to determine and consider if a NEW MCL is needed.

It is the District's practice to proactively and strategically plan to fund water system expenses including replacements. Planning eliminates surprises with high dollar projects requiring immediate funds and keeps future rates low. Based on the best information available and to proactively address the known and new PFAS expenses, District staff proposes a new EPA/WA State Emerging Contaminant Remediation Surcharge of **\$1.78** to be assessed (billed) monthly to all Group A water system customers. It is only being recommended for Group A water system customers as currently testing is only required on Group A water systems by federal and state regulations. The surcharge collections would be kept in the EPA/WA State Emerging Contaminants Remediation fund and would be used to pay for PFAS expenses in future years. Note, if the polluters can be held accountable and sufficient funding is secured, the surcharge collections could be used to either lower rates or be refunded to Group A Water System customers.

The table below provides projected expenses, funding sources and estimated fund balances.

A	B	C	D	E	F	G
Year	O&M Expenses	Media Replacement Costs	Funding - Claim Settlements	Funding - Proposed Customer Monthly Surcharge	Fund Balance - Claim Settlements Only	Fund Balance - Settlements and Proposed Customer Monthly Surcharge
2025	\$ -	\$ -	\$ 477,876		\$ 477,876	\$ 477,876
2026	\$ 11,660	\$ -	\$ -	\$ 194,376	\$ 466,216	\$ 660,592
2027	\$ 25,802	\$ -	\$ -	\$ 194,376	\$ 440,413	\$ 829,165
2028	\$ 26,060	\$ -	\$ -	\$ 194,376	\$ 414,353	\$ 997,481
2029	\$ 26,321	\$ 331,954	\$ -	\$ 194,376	\$ 56,077	\$ 833,581
2030	\$ 26,584	\$ -	\$ -	\$ 168,744	\$ 29,493	\$ 975,741
2031	\$ 26,850	\$ -	\$ -	\$ 168,744	\$ 2,643	\$ 1,117,635
2032	\$ 27,119	\$ 348,552	\$ -	\$ 168,744	\$ (373,028)	\$ 910,708
2033	\$ 27,390	\$ 92,640	\$ 449,193	\$ 168,744	\$ (43,865)	\$ 1,408,615
2034	\$ 27,664	\$ -	\$ -	\$ 168,744	\$ (71,528)	\$ 1,549,696
2035	\$ 27,940	\$ 542,506	\$ -	\$ 168,744	\$ (641,975)	\$ 1,147,993
2036	\$ 28,220	\$ 71,064	\$ -	\$ 168,744	\$ (741,258)	\$ 1,217,454
2037	\$ 28,502	\$ -	\$ -	\$ 168,744	\$ (769,760)	\$ 1,357,696
2038	\$ 28,787	\$ 384,279	\$ -	\$ 168,744	\$ (1,182,826)	\$ 1,113,374
2039	\$ 29,075	\$ -	\$ -	\$ 168,744	\$ (1,211,901)	\$ 1,253,043
2040	\$ 29,366	\$ -	\$ -	\$ 168,744	\$ (1,241,266)	\$ 1,392,422
2041	\$ 29,659	\$ 500,765	\$ -	\$ 168,744	\$ (1,771,690)	\$ 1,030,742
2042	\$ 29,956	\$ -	\$ -	\$ 168,744	\$ (1,801,646)	\$ 1,169,530
2043	\$ 30,255	\$ -	\$ -	\$ 168,744	\$ (1,831,902)	\$ 1,308,018
2044	\$ 30,558	\$ 423,667	\$ -	\$ 168,744	\$ (2,286,127)	\$ 1,022,537
2045	\$ 30,864	\$ 185,352	\$ -	\$ 168,744	\$ (2,502,343)	\$ 975,065

Columns B & C - Projected O&M and Media Replacement Costs are best estimates from the District's engineer as of April 2025.

Column D - Funding – Claim Settlements are approved allocations to be received between 2025 and 2033.

Column E - Funding – Adopted Customer Monthly Surcharge is calculated at \$1.78 for 9,100 Group A Water Systems. With a reduction of 2,100 customers in 2030 based on the District's Strategic Plan.

Column F – Fund Balance – Claim Settlements Only represents the fund balance only using the claim settlements to pay for the O&M expenses and Media Replacement costs. **In 2032, the fund balance is a negative amount; funds are not available** to pay for O&M expenses and Media Replacement costs.

Column G – Fund Balance – Claim Settlements and Adopted Customer Monthly Surcharge represents the fund balance using the claim settlements and the Adopted customer monthly surcharge of \$1.78 (for Group A customers only) to pay for the O&M expenses and Media Replacement costs. **From 2025 to 2045, the fund balance is a positive amount; funds are available to pay** for O&M expenses and Media Replacement costs.

NOTE: While the fund balance using claim settlements and the Adopted customer monthly surcharge (column G) appears to have sufficient funding (balances over \$1 million), **not included** in the table on page 48 are the treatment plant replacement plants as the estimated costs are unknown and the interest on the DWSRF loans to install the eight (8) PFAS treatment plants. In 2026 & 2027, the District was awarded **\$6,967,721** from the DWSRF program to install the PFAS treatment systems. At this time, District staff does not know when and at what cost the PFAS treatment plants will need to be replaced. To reiterate, in 2027, District staff intends to create specific PFAS Asset Management Plans (AMPs) for each of the 8 water systems including each treatment plant replacement year and cost. Once PFAS AMPs are in place, District staff will reassess the Adopted EPA/WA State Emerging Contaminant Remediation surcharge of **\$1.78** (for Group A water system customers only).

See pages 49-50 for the 2026 Adopted 2026 EPA/WA State Emerging Contaminants Remediation Budget.

For more information on PFAS, please review Department of Health (DOH) Fact Sheet 331-681 on pages 51-52.

Thurston PUD
2026 Adopted EPA/WA State Emerging Contaminants Remediation Budget

	2026 Budget
EPA/WA State Emerging Contaminants Remediation Projected Beginning Fund Balance	\$ 159,969
Expenditures	
Regulatory Water System Testing / Sampling	\$ 11,172
Chemicals - Pre Bag Filters	\$ 488
20% Contingency on 2026 Expenditure Estimates	\$ 2,332
Total	\$ 13,992
Funding Sources	
EPA/WA State Emerging Contaminants Remediation Surcharge	\$ 194,376
Potential Claims Settlements	\$ -
Total	\$ 194,376
EPA/WA State Emerging Contaminants Remediation Projected Ending Fund Balance	\$ 340,353

¹ The EPA/WA State Emerging Contaminants Remediation Surcharge was approved by the Board of Commissioners on September 30, 2025.

2026 Adopted EPA & WA State Emerging Contaminants Remediation Budget

The EPA & WA State Emerging Contaminants Remediation Budget includes expenses related to costs and funding sources associated with emerging contaminants the District is mandated to remediate by Environmental Protection Agency (EPA) or Washington State. In April 2024, EPA set drinking water standards (maximum contaminant levels (MCLs)) for six per- and polyfluoroalkyl substances (PFAS).

The District was an early adopter and completed PFAS testing on all group A water systems. The PFAS tests resulted in eight (8) water systems with PFAS over the MCLs requiring treatment. In 2024 and 2025, the District secured Grant funding of \$6.9 million from the Drinking Water State Revolving Fund (DWSRF) for the installation of PFAS remediation treatment systems at eight (8) water systems. The remediation treatment system will require ongoing operations and maintenance including multiple regulatory testing annually, chemicals replenishments and/or replacement and purchased power (electricity).

2026 Adopted EPA & WA State Emerging Contaminants Remediation Budget – Expenditures Explanations

Expenditures: This line represents the ongoing operations and maintenance (O&M) expenses including regulatory water system PFAS testing and sampling and chemical replenishments or replacements. Expenses to be paid with claim settlement proceeds and/or the Group A Water System Emerging Contaminant Remediation surcharge.

2026 Adopted EPA & WA Emerging Contaminants Remediation Budget - Funding Sources

EPA/WA State Emerging Contaminants Remediation Surcharge: The Emerging Contaminant Remediation Surcharge of \$1.78 will be billed to all Group A Water System customers to fund the ongoing operations and maintenance (O&M) expenses, capital costs for replacement and disposal of the PFAS treatment plant media. This surcharge was approved by the Board of Commissioners on September 30, 2025 as apart of the adoption of the 2026 Proposed Rates, Fees, Charges and Surcharges.

Potential Claim Settlements: District staff is pursuing class action lawsuits with national companies. Any claim settlements received will be deposited in a separate interest-bearing bank account to fund expenses related to PFAS remediation.

2026 Adopted Capital Budget

Adopted 2026 Capital Budget Summary

The 2026 Adopted Capital Budget includes ongoing projects the District is working toward completing as well as projects identified in the Asset Management Plan (AMP), a plan adopted and used as a guiding instrument for the District in 2014.

Implemented in 2015, the capital surcharge has been collected and placed in a reserve account to be used only for replacement of existing infrastructure, projects identified in the AMP. Any reserve will carry over to the following year's Capital Budget to be used as appropriated by the Board of Commissioners. The capital surcharges do not fully fund the water system projects identified in the water system AMP. District staff pursues state and federal programs to supplement the funding needed for water system projects.

See pages 54-59 for the 2026 Adopted 2026 Capital Budget.

The figure below reflects the annual cost for AMP completed projects by the type of work performed.

Asset Management Plan (AMP) Work Completed by Year to 06/30/2025					
	2022	2023	2024	2025	Total
CI-44 Pumphouse	9,423	16,564	69,355	35,232	\$ 130,574
CI-50 Mainline Replacement	-	-	48,519	-	\$ 48,519
CI-62 Treatment Replacement/Upgrades	9,898	32,742	230,287	2,028	\$ 274,955
CI-65 Pressure Tanks	23,881	13,134	51,839	26,542	\$ 115,396
CI-66 System Upgrades	157,876	-	3,995	-	\$ 161,871
CI-68 Wells	99,437	259	-	3,977	\$ 103,673
CI-71 Electrical Replacements	18,061	79,525	-	-	\$ 97,586
CI-75 Service/Source Meters	48,258	58,606	174,553	51,338	\$ 332,755
CI-76 Pump Replacements	137,522	94,178	60,028	57,997	\$ 349,724
CI-89 Deschutes Glen Rebuild	-	20,583	-	-	\$ 20,583
Totals	\$ 504,358	\$ 315,591	\$ 638,575	\$ 177,114	\$ 1,635,637

Figure 5: 2022 - 2025 AMP Completed Projects

In October 2022, the District's Planning and Compliance team updated the AMP for all 271 water systems. The District's AMP forecasts are the best estimates available for the replacement costs for major components of the water system. It is the District's policy to run most assets to failure in order to get the most value out of every water system component.

The District's Finance and Accounting team reviewed the updated AMP. The preliminary findings indicate the District's future capital needs for the next 20 years are severely underfunded. **Over the next 6 years (2025 – 2030), there are major components of our water systems requiring replacement at an estimated value of \$30.1 million. The capital surcharge collections fund approximately 45 percent of capital replacement project costs.**

After review of the current financial plan, District staff recommended, and the Board of Commissioners approved the 2026 Capital Surcharge increase from \$15.00 to \$16.00 per Equivalent Residential Unit (ERU).

District staff recommended, and the Board of Commissioners approved the 2026 General Facility Charge increase from \$7,000 to \$8,000. This charge is billed to new customers only.

District staff will continue to annually review the financial plan to determine the capital surcharge needed in the future.

**Thurston PUD
2026 Adopted Capital Budget**

2026 Adopted Capital Budget			2026 Budget
Capital Fund Estimated Beginning Fund Balance			1,414,376
Capital Improvements			
Project Code	Water System	Project Description	
CI-41	Multiple	Isolation Valve Maintenance	100,000
CI-44	Multiple	Rebuild Pumphouses	100,000
CI-50	600	Tanglewilde Mainline Replacement	3,500,000
CI-62	Multiple	Existing Treatment Replacements	150,000
CI-65	Multiple	Replace Plumbing/Pressure Tanks	125,000
CI-66	Multiple	System Upgrades	150,000
CI-68	Multiple	Replace/Rehabilitate Wells	100,000
CI-71	Multiple	Electrical Controls Upgrades	100,000
CI-75	Multiple	Source and Service Meter Replacement	200,000
CI-76	Multiple	Well and Booster Pump Replacement	200,000
CI-96	Multiple	Sampling Stations	10,000
CI-98	Multiple	New Meter Installation	75,000
CI-100	Multiple	Water System Consolidation	1,463,813
CI-105	Multiple	Water Systems Emergency Preparedness	100,000
CI-106	500	Pattison Infrastructure Replacement and Upgrades	500,000
CI-109	Multiple	PFAS/PFOA Treatment - 8 Water Systems	4,941,437
CI-112	Multiple	District Chlorine Plant	59,218
CI-113	Multiple	Water Systems Chlorine Analyzers & Telemetry	100,000
		20% Contingency on Asset Management Plan Estimates	245,000
Subtotal - Capital Improvements			12,219,468
Water System Management			
WM-1	N/A	Acquisitions and Disposal of Water Systems	50,000
WM-4	N/A	Water System Plan - Part B	50,000
WM-28	Multiple	New Service Lines	100,000
WM-33	N/A	Easements	30,000
Subtotal - Water System Management			230,000
Total - Capital Improvement Program			12,449,468
Funding Sources			
	Transfer from Capital Surcharges		1,520,000
	Project Fund		365,000
	General Facility Charge (GFC) Collections		160,000
	PWTF Loan - Tanglewilde Mainline Replacement		3,500,000
	DWSRF Loan - Pattison Infrastructure Replacement and Upgrades		500,000
	DWSRF Loan - Water System Consolidation		1,463,813
	DWSRF Grants - PFOA/PFAS Treatment		4,941,437
Total - Funding			12,450,250
Capital Fund Estimated Ending Fund Balance			1,415,158

2026 Adopted Capital Budget - Project Code Explanations

CI-41 Isolation Valve Maintenance: Project to ensure all isolation valves are in working order so that when needed, the mainline can be shut down in sections to do repairs. This reduces the number of customers affected by any planned or emergency repair on the mainline or service connections. Projects identified in the Asset Management Plan are funded by capital surcharges.

CI-44 Rebuild Pumphouses: Project to rebuild pumphouses that are at the end of their useful lives. Asset Management Plan. Projects identified in the Asset Management Plan are funded by capital surcharges.

CI-50: Tanglewilde Mainline Replacement: This project includes replacement of water mains, valves, hydrants, lateral lines, and meter boxes to the customers service line. Currently we have obtained a \$10 million-dollar Public Works Trust Fund (PWTF) loan which will replace approximately 10,000 linear feet of mainline and be completed in a multi-year project of 4 phases (2025 – 2027). Total replacement will require additional funding.

CI-62 Existing Treatment Replacements: Annual program to replace critical equipment needed for treatment on existing water systems. Projects identified in the Asset Management Plan are funded by capital surcharges.

CI-65 Replace Plumbing/Pressure Tanks: Annual program to replace pressure tanks and plumbing in the pump houses. Projects identified in the Asset Management Plan are funded by capital surcharges.

CI-66 System Upgrades: Annual program to enhance the life of the asset or solve issues identified by DOH as they arise. We can't always project where the failures will be. We analyze historical costs to determine the average cost and use this for miscellaneous projects. Projects identified in the Asset Management Plan are funded by capital surcharges.

CI-68 Replace/Rehabilitate Wells: Annual program to replace or rehabilitate existing wells which could include total replacement, drilling deeper, and/or scrubbing and cleaning well for better water production. Projects identified in the Asset Management Plan are funded by capital surcharges.

CI-71 Electrical Controls Upgrades: Annual program to resolve issues with pumping controls and electrical wiring in pump houses. Projects identified in the Asset Management Plan are funded by capital surcharges.

CI-75 Source and Service Meter Replacement: Annual program to replace service and source meters as needed. Projects identified in the Asset Management Plan are funded by capital surcharges.

2026 Adopted Capital Budget - Project Code Explanations, continued

CI-76 Well and Booster Pump Replacement: Annual program to replace well and booster pumps. Projects identified in the Asset Management Plan are funded by capital surcharges.

CI-96 Sampling Stations: Project to install sampling stations on water systems to make it more efficient and accurate to take required water samples. This is new infrastructure and will be funded with project funds or other funding available for new infrastructure.

CI-98 New Meter Installation: Project to install meters at customer property where there was not previously a meter and where the customer has been paying the higher unmetered rate. This is new infrastructure and will be funded with project funds or other funding available for new infrastructure.

CI-100 Water System Consolidations: The Prairie Ridge Consolidation project includes the combining of three Group A water systems. Drinking Water State Revolving Fund Loan (DWSRF) was obtained to complete this multi-year project (2025 -2026).

CI-105 Water System Emergency Preparedness: This project includes the installation of water trees. This is new infrastructure and will be funded with project funds or other funding available for new infrastructure.

CI-106 Pattison Infrastructure Replacement and Upgrades (DWSRF): This project includes installing a new well, booster pump stations, and reservoir. Drinking Water State Revolving Fund (DWSRF) Loan and Grant funding was obtained to complete this project. Separate from the DWSRF project, the reservoir at Pattison Water System is being upsized to provide water service for additional connections. This is new infrastructure, funded by project funds and a community developer.

CI-109 PFOA/PFAS Treatment: This project includes the installation of treatment to remove Per- and polyfluoroalkyl substances (PFAS) at eight (8) water systems. These projects will require new infrastructure. Drinking Water State Revolving Fund (DWSRF) Grant funding for two (2) years (2025 – 2026) was obtained for eight (8) water systems.

CI-112 District Chlorine Plant: This multi-year (2026 – 2027) project includes the installation of a chlorine plant at the Tanglewilde Thompson Place well site. This is new infrastructure and will be funded by project funds or other funding available for new infrastructure.

CI-113 Water Systems Chlorine Analyzers & Telemetry: This project includes the implementation of chlorine analyzers & telemetry system at water systems to allow District Management to monitor the chlorine residuals remotely. Adjustments to the chlorine levels will be performed in-person by the District's Field Operations Team. This is new infrastructure, funded by General Facility Charges (GFCs).

2026 Adopted Capital Budget - Project Code Explanations, continued

Contingency: This line item is reserved for contingency on all Asset Management Plan project estimates.

WM-1 Acquisition and Disposal of New Water Systems: Line item reserved to provide funding to evaluate water systems for acquisition or disposal. This project is funded by project funds or other available funding sources.

WM-4 Water System Plan – Part B: Line item to track the cost of updates to the water system plans or small water system management plans for individual water systems. This project is funded by capital surcharges.

WM-28 New Service Lines: This project includes materials and labor to install new service lines for new customers. Project is funded by General Facility Charge (GFC) monies.

WM-33 Easements: Line item for expenditures associated with the negotiation and recording of new easements for the District's water system infrastructure. This project is funded by project funds or other available funding sources.

2026 Adopted Capital Budget - Funding Sources

After projects are identified, it is the District's guiding principle for funding to first determine if the project should be funded with District reserves including capital surcharges, general facility charges or water rate revenue. Next, District staff will research available funding through state agencies. As a last resort, the District will use available project funds to pay for projects.

Transfer from Capital Surcharges: Amounts held in reserve from previous surcharge collection.

Project Fund: Amounts obtained from financing to use for capital projects.

General Facilities Charge (GFC) Fund: Current (2025) fee is \$7,000, paid by customers for new services. Effective January 1, 2026, the fee will increase to \$8,000.

PWTF Loan: The District was awarded a loan from the Public Works Trust Fund for the Tanglewilde Mainline Replacement project.

DWSRF Loans and Grants: The District was awarded and accepted loans with loan forgiveness from the Drinking Water State Revolving Fund for water system improvements, consolidation and PFOA/PFAS Treatment.

Proposed Additional Loan/Grant Funding Needed: The District will pursue outside sources of funding to complete this portion of the capital budget.