

**Thurston PUD
2026 Proposed Debt Service Budget**

	2026 Proposed 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 Proposed 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 Proposed 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 Proposed 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.