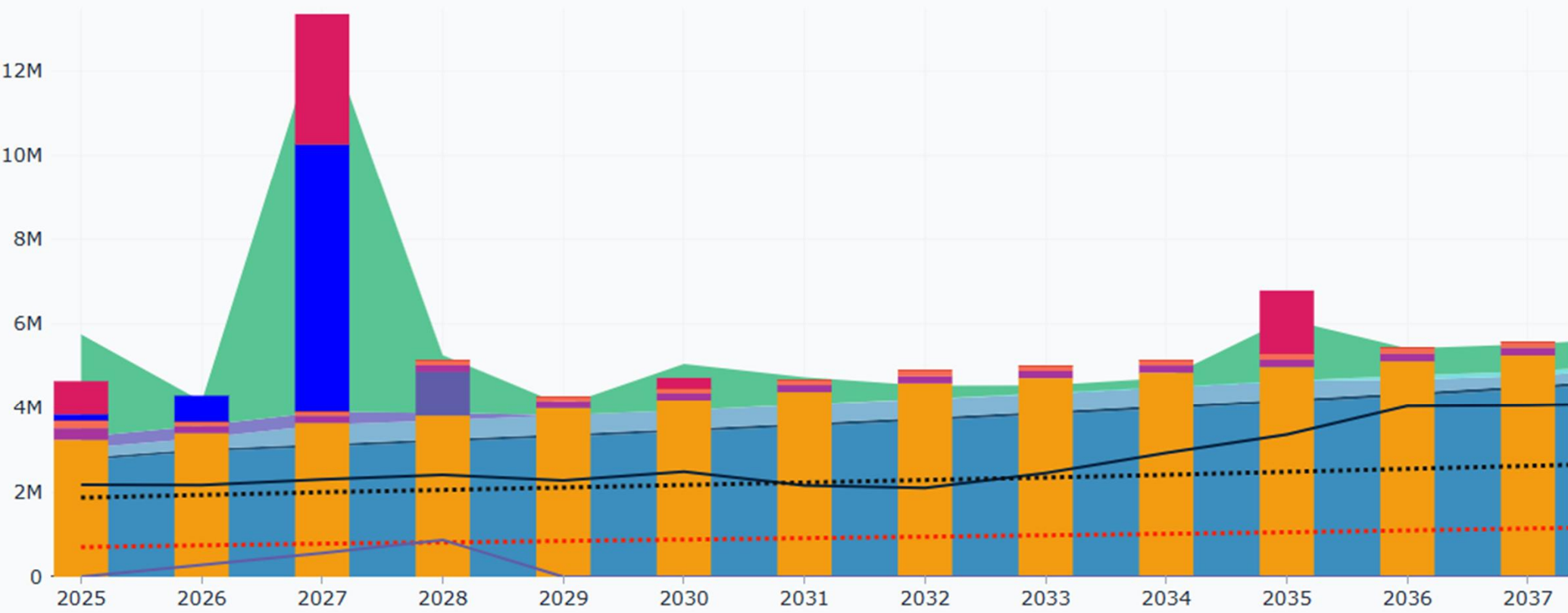


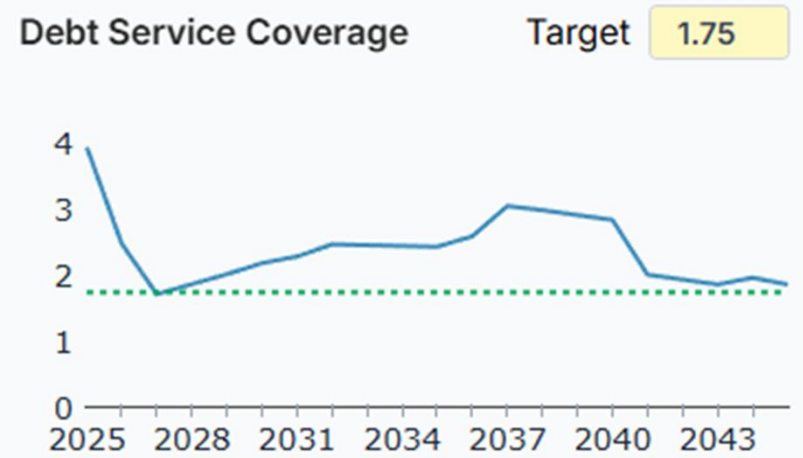
Water Utility Fund



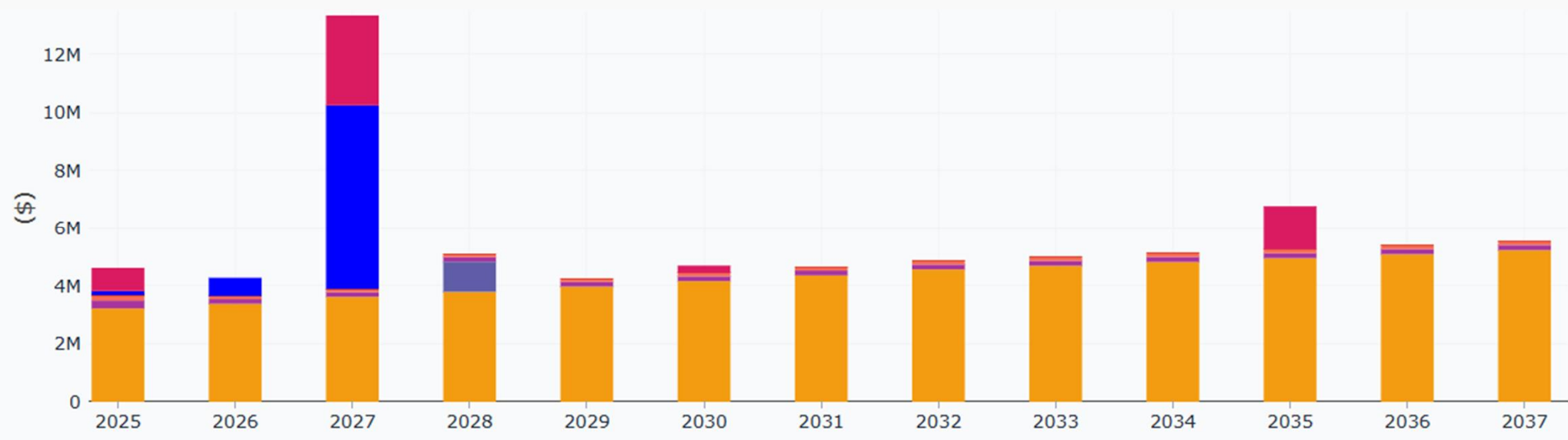
2027-2031 Water Utility Fund Overview – 4.75% Rate Increase YOY



- Key Points to Note:
- Increased contingency to \$1,163,474 in 2027; escalates YOY based on inflation
 - Discontinued Capital Surplus contributions in 2028
 - 4.75% Rate Increases YOY through 2032; Drops to 2.75% after
 - Drop slightly below Cash Position Target in 2032
 - 1.72 Debt Service Coverage in 2027
 - 2027 Projected Revenue in Sales = \$3,625,812



Revenues

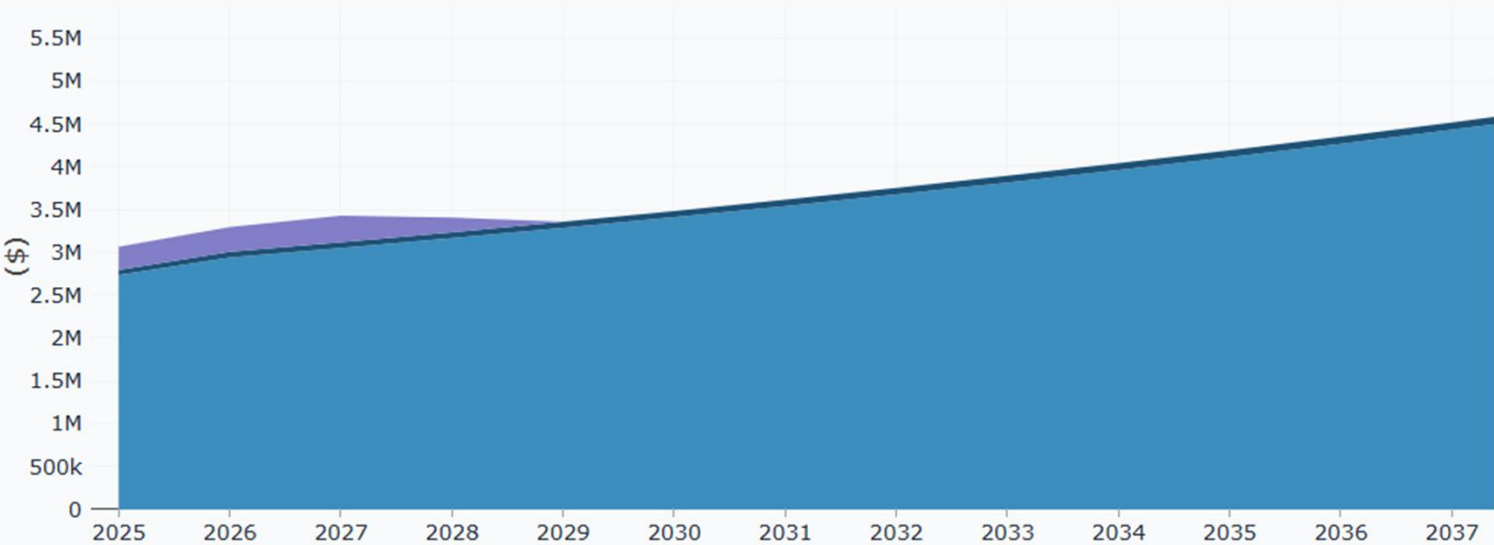
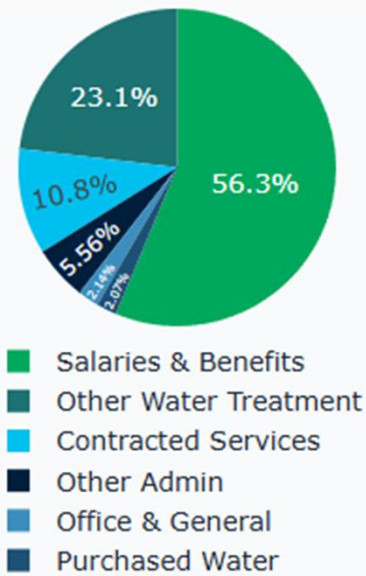


	2027	2028	2029	2030	2031
Water Sales	\$ 3,625,812	\$ 3,798,038	\$ 3,978,445	\$ 4,167,421	\$ 4,635,374
Grants	6,348,081				
Loan Proceeds	3,092,000			250,000	
Other	270,210	274,873	279,654	284,559	289,588
Total	\$13,336,103	\$ 4,072,911	\$ 4,258,099	\$ 4,701,980	\$ 4,924,962

- Grants (FEMA HMG)
 - Division 22-1 Reservoir
 - SVWTP Chlorine Contact Basin
 - Geneva Reservoir/SVWTP Booster Station
- Loans
 - SVWTP Chlorine Contact Basin (DWSRF)
 - Geneva Reservoir Recoating (DWSRF)
 - Division 22-1 Reservoir (PWB)
 - SVWTP Transfer Pumps

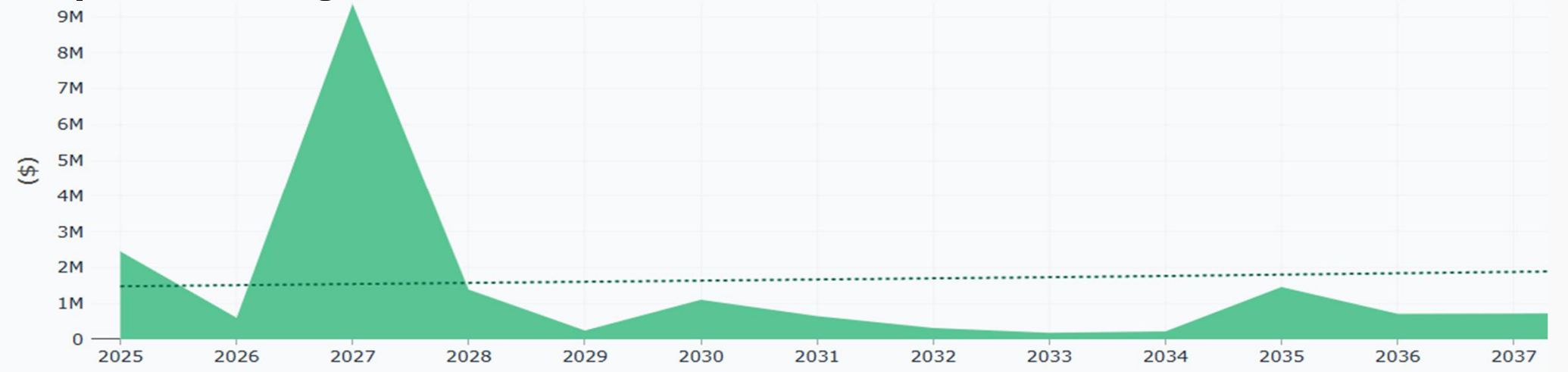
Operating Expenses

2027



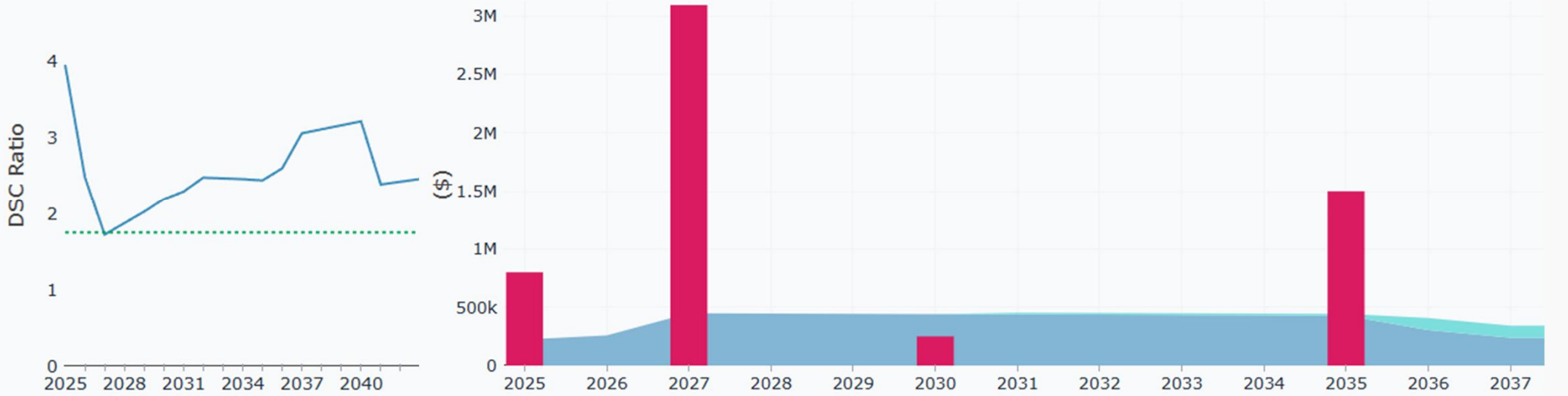
	2027	2028	2029	2030	2031
Salaries & Benefits	\$ 1,758,999	\$ 1,834,810	\$ 1,913,926	\$ 1,996,493	\$ 2,082,664
Water Treatment	721,824	743,479	765,783	788,757	812,419
Contracted Services	337,351	347,471	357,895	368,632	379,691
Admin/General	240,454	247,670	255,097	262,750	270,633
Purchased Water	64,808	66,752	68,754	70,817	72,942
Capital Surplus Deposits	310,000	170,000			
Total	\$ 3,433,436	\$ 3,410,182	\$ 3,361,455	\$ 3,487,449	\$ 3,618,349

Capital Program



2027		2028		2029	2030	2031
\$ 9,348,000		\$ 1,385,000		\$ 245,000	\$ 1,104,000	\$ 644,000
Vehicle Replacement		IT Infrastructure		Hydrants	Vehicle Replacement	Hydrants
Hydrants		Vehicle Replacement		Dump Truck	Safety Improvements	PRV Replacement
PRV Replacement		Mini Excavator		Reservoir Inspection & Maintenance	Eagleridge Controls & Pumps	SVWTP Raw Water Pumps
Chlorine Contact Basin		SVWTP Turbidimeters		PRV Replacement	Johnson Well Pumps	SVWTP HVAC
Geneva/Recoating & Pumphouse		Safety Improvements			SVWTP Transfer Pumps	O&M Windows & HVAC
Water System Comp. Plan Update		Finished Water Pumps			SVWTP Soda Ash Tank Coating	
Division 22-1 Replacement						
Division 7 Transmission Main						

Debt Financing

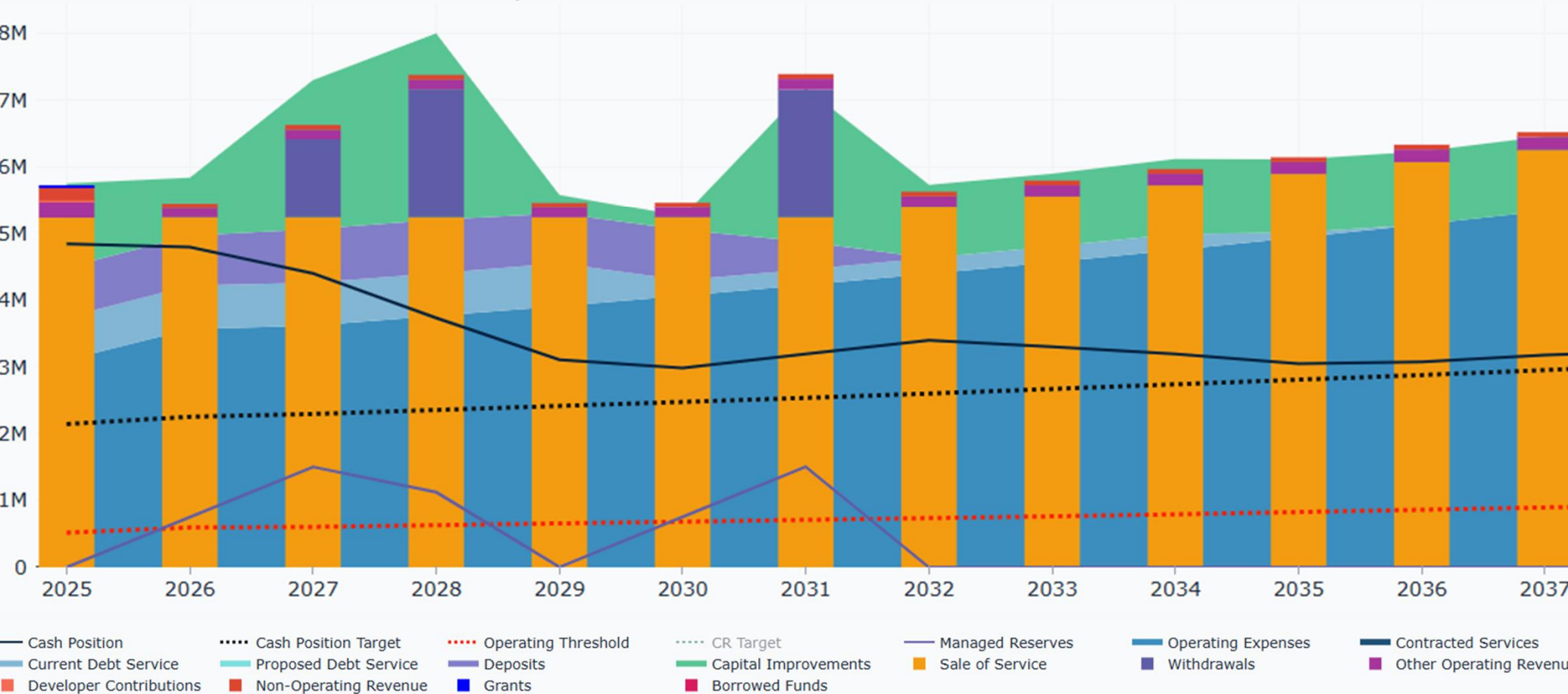


	Matures	2027	2028	2029	2030	2031
DWSRF – 5137	2035	\$ 136,129	\$ 134,330	\$ 132,531	\$ 130,732	\$ 128,933
DWSRF – 1136	2036	76,278	75,296	74,314	73,332	72,350
PWB Div 7	2043	43,985	43,985	43,985	43,985	43,985
DWSRF – CCB	2047		107,556	107,556	107,556	107,556
DWSRF – Geneva	2047		63,268	63,268	63,268	63,268
PWB Div 22-1	2047		22,582	22,582	22,582	22,582
Transfer Pumps	2050					14,923
Total		\$ 256,392	\$447,017	\$ 444,236	\$ 441,455	\$ 453,597

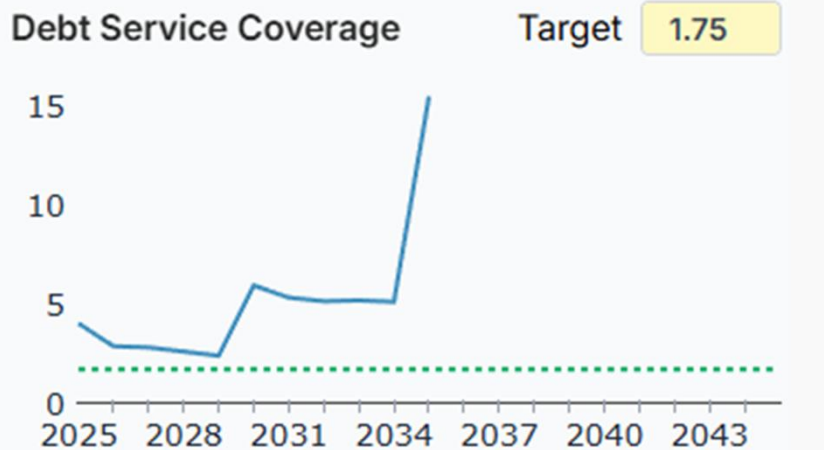
Sewer Utility Fund



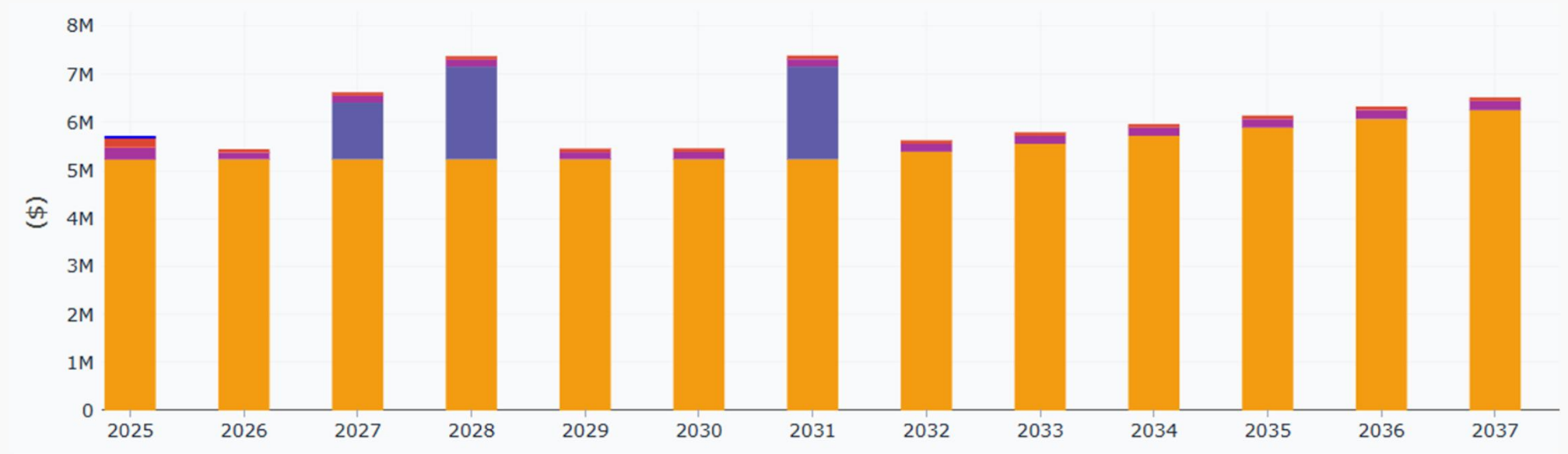
2027-2031 Sewer Utility Fund Overview – No Rate Increase YOY



- Key Points to Note:
- Fully fund contingency reserve at \$1.7 M in 2027 (Current \$901,000) and \$1.9M by 2032 to keep with inflation
 - Increased capital budget in outlier years to \$1.1M in 2036 increase at inflationary rate of 2% (Current \$860,000 increase \$10k each year)
 - Suggested Rate Increases 0% 2027 – 2031; 3% YOY thereafter
 - Debt Service Coverage Ratio in 2027 – 2.85
 - Discontinues capital surplus contributions after last known COB Project in 2031



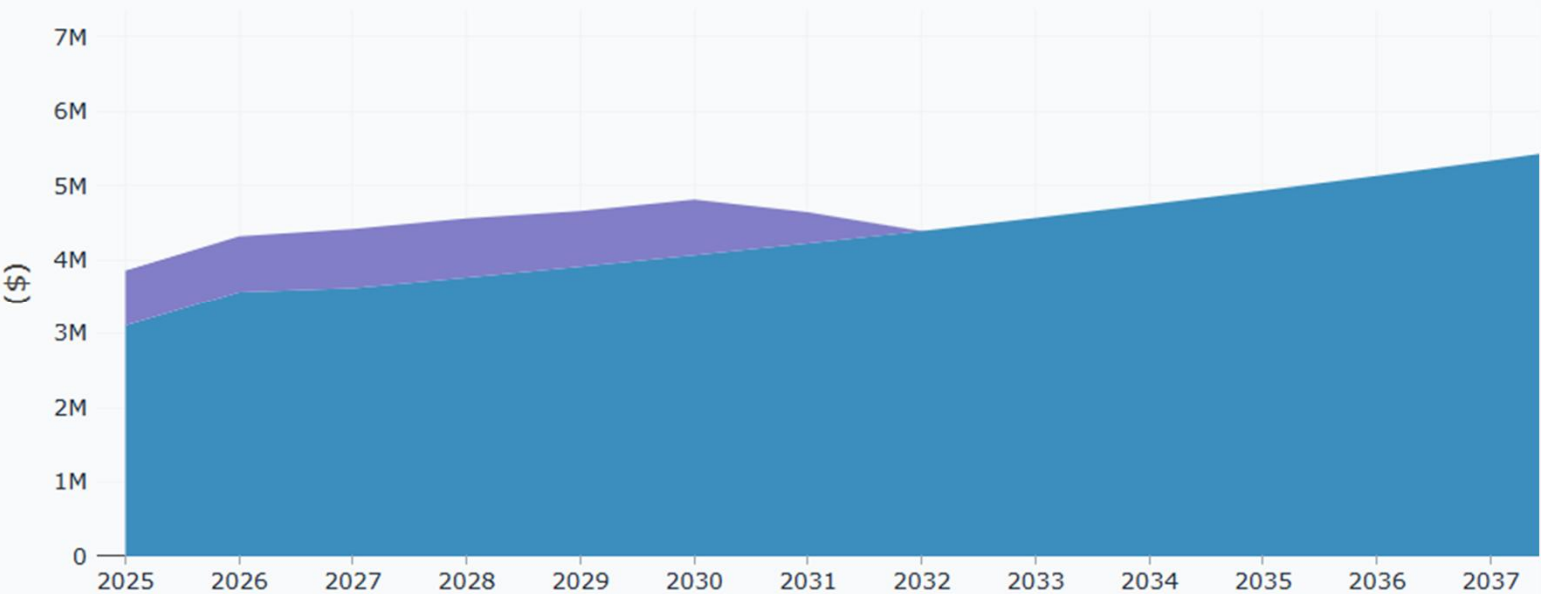
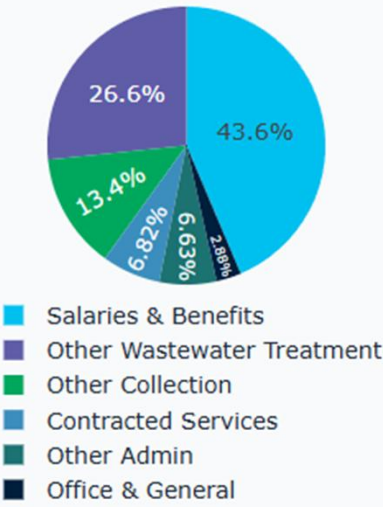
Revenues



	2027	2028	2029	2030	2031
Sewer Service	\$ 5,236,856	\$ 5,236,856	\$ 5,236,856	\$ 5,236,856	\$ 5,236,856
Capital Surplus Draw	1,176,000	1,920,000			1,920,000
Other	213,058	217,102	221,267	225,555	229,970
Total	\$ 6,625,914	\$ 7,373,958	\$ 5,458,123	\$ 5,462,411	\$ 7,386,826

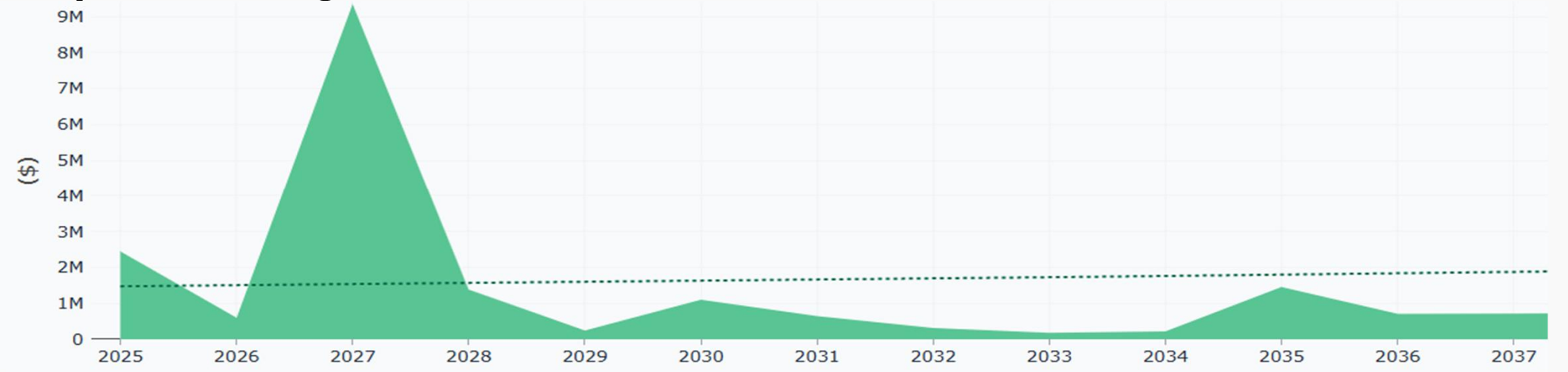
Operating Expenses

2027



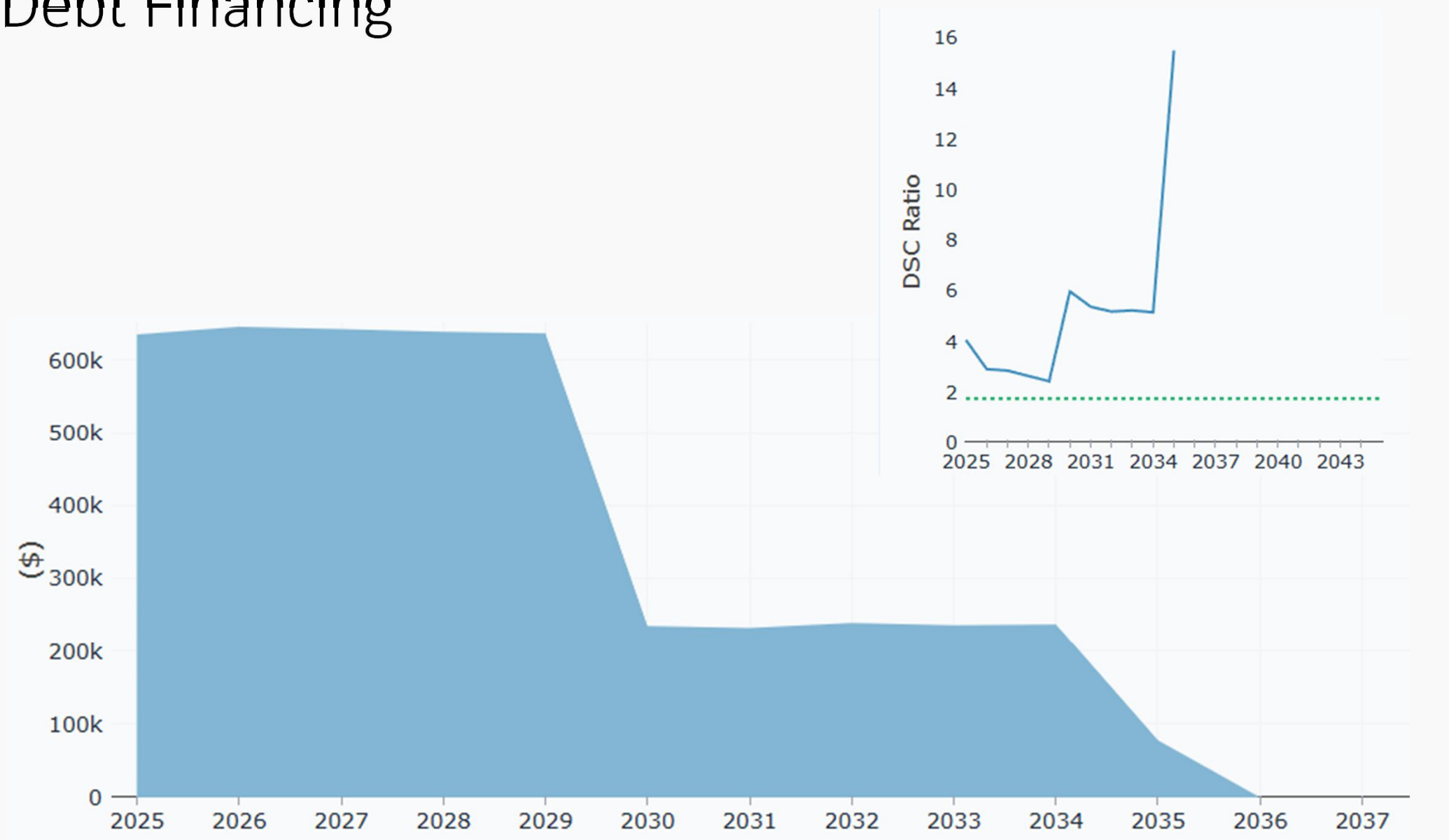
	2027	2028	2029	2030	2031
Salaries & Benefits	\$ 1,577,041	\$ 1,638,331	\$ 1,702,116	\$ 1,768,501	\$ 1,837,598
COB Treatment	963,040	1,001,562	1,041,624	1,083,289	1,126,621
Other Collection Costs	485,160	504,566	524,749	545,739	567,569
Contracted Services	246,454	256,312	266,565	277,227	288,316
Admin/General	343,928	357,655	371,993	386,872	402,347
Capital Surplus Deposits	800,000	800,000	750,000	750,000	416,000
Total	\$ 4,415,623	\$ 4,558,426	\$ 4,657,047	\$ 4,811,628	\$ 4,638,451

Capital Program



2027	2028	2029	2030	2031
\$ 2,235,000	\$ 2,799,000	\$ 288,000	\$ 208,000	\$ 2,308,220
Sewer System Rehab	Sewer System Rehab	Sewer System Rehab	Sewer System Rehab	Sewer System Rehab
Vehicle Replacement	IT Infrastructure	Dump Truck	Vehicle Replacement	IT Infrastructure
Agate Bay Lift Station	Mini Excavator	Sewer Comp Plan Update	Flatcar Lift Station Roof	Vehicle Replacement
Airport Sewer Crossing	Flatcar Lift Station Controls		Sudden Valley Lift Station Roof	Sudden Valley Lift Station Wet Well
City of Bellingham Wastewater Treatment	City of Bellingham Wastewater Treatment		Beaver Lift Station Roof	City of Bellingham Wastewater Treatment
	Sudden Valley Lift Station Controls			O&M Windows & HVAC
	Beaver Lift Station Controls			Cable Lift Station Wet Well
	Northshore Lift Station Flow Meter			

Debt Financing

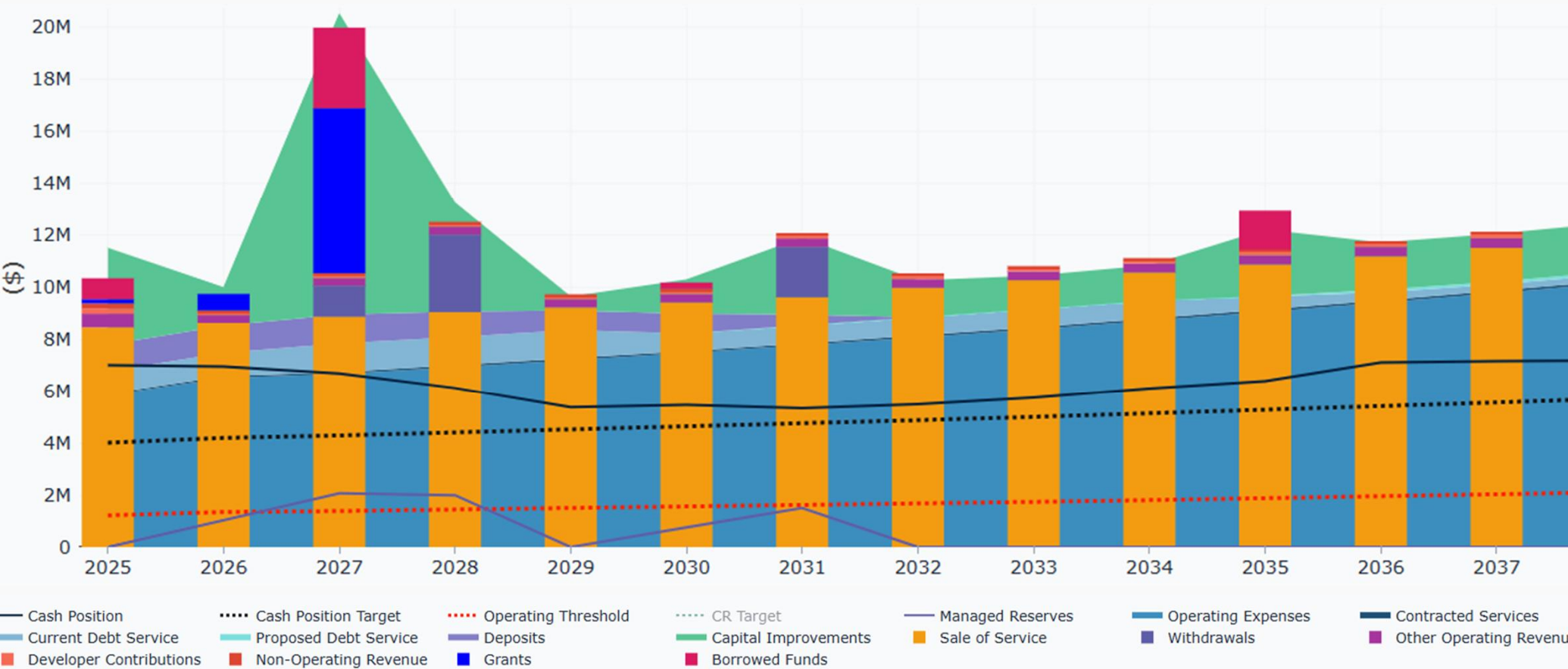


	Matures	2027	2028	2029	2030	2031
US Bank Bond	2035	\$ 642,925	\$ 639,200	\$ 637,200	\$234,400	\$ 231,800

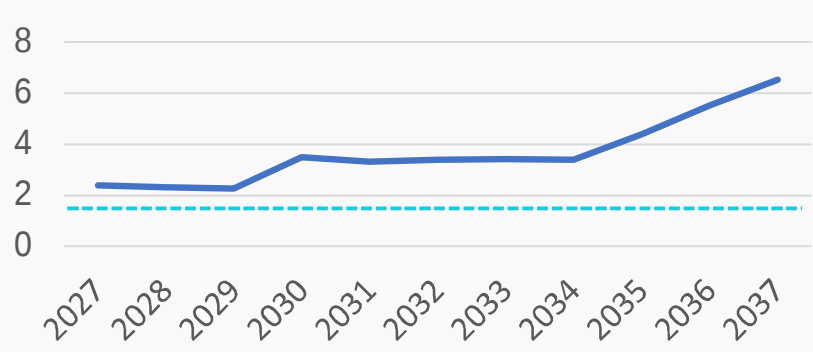
Water & Sewer Combined



District Summary



Debt Service Coverage



2027-2031 Proposed Base Rates

	2027	2028	2029	2030	2031
Water Base	\$ 99.24	\$103.95	\$108.89	\$114.06	\$119.48
Sewer Base	206.36	206.36	206.36	206.36	206.36
Total Base Charges	\$305.60	\$310.31	\$315.25	\$320.42	\$325.84

*Current Base Rate Total \$301.13