

**SOUTHWEST SUBURBAN SEWER DISTRICT
KING COUNTY, WASHINGTON**

RESOLUTION NO. 2025-12-01

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF SOUTHWEST
SUBURBAN SEWER DISTRICT, KING COUNTY, WASHINGTON,
AUTHORIZING THE TRANSFER OF FUNDS FROM THE MAINTENANCE
FUND TO THE CONSTRUCTION REVOLVING FUND**

WHEREAS, The District has established the Construction Revolving Fund to accumulate sewer revenues, connection charges, assessments and other capital contributions for the purpose of financing necessary District capital improvements and debt service; and

WHEREAS, the District has undertaken certain other capital improvements as set forth below; and

WHEREAS, the Board of Commissioners has determined the District will finance such construction at this time with the District's funds and without bond issuance.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Southwest Suburban Sewer District, King County, Washington, as follows:

1. The General Manager is authorized and directed to transfer the sum of \$563,788.00 from the Maintenance Fund, Account # 11-555-0010 to the Construction Revolving Fund, Account # 11-555-3020 for the purpose of funding the District's capital improvement projects.

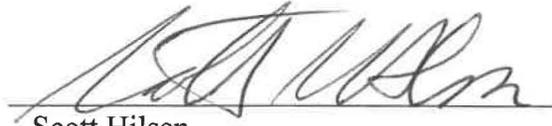
ADOPTED by the Board of Commissioners of Southwest Suburban Sewer District, King County, Washington, at a regular meeting thereof held this 16th day of December 2025.

[Signatures on following page]

SOUTHWEST SUBURBAN SEWER DISTRICT
KING COUNTY, WASHINGTON

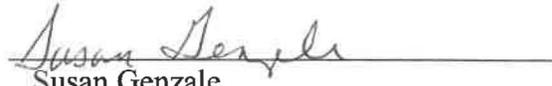
Individual Commissioner's
Vote on Resolution

In Favor Of:
Opposed:
Abstained:



Scott Hilsen
President and Commissioner

In Favor Of:
Opposed:
Abstained:



Susan Genzale
Vice President and Commissioner

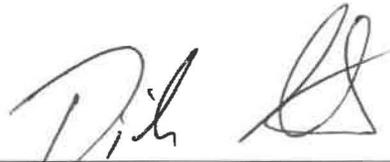
In Favor Of:
Opposed:
Abstained:



Dick Swaab
Secretary and Commissioner

CERTIFICATE

I, Dick Swaab, Secretary of the Board of Commissioners of Southwest Suburban Sewer District, King County, Washington, **DO HEREBY CERTIFY** that the foregoing resolution is a true and correct copy of Resolution **2025-12-01** of said Board, duly adopted at a regular meeting thereof held the 16th day of December, 2025, signed by the members of such Board in attendance at such meeting and attested by myself in authentication of such adoption.

A handwritten signature in black ink, appearing to read 'Dick Swaab', written over a horizontal line.

Dick Swaab
Secretary of the Board of Commissioners
Southwest Suburban Sewer District



Southwest Suburban Sewer District

17840 Des Moines Memorial DR S, Burien, WA 98166

Phone 206-244-9575

Fax 206-433-8546

Dedicated to preserve the purity of your environment."

MEMORANDUM

To: Bill Stephani, General Manager

From: Mesfin Mekonnen

Date: December 11, 2025

Subject: Transfer Requests based on the District Financial Management Policy

Based on the district Financial Management Policy, I am requesting the following transfer and attached is the supporting document for the transfer.

1. Operating reserve

Sewer- 60 days of O&M expenses

Based on the 2024 district adopted budget the total operating expense will be \$12,403,179 and 60 days of the annual O&M will be \$2,038,860

Sewer- 60 days of O&M expenses	Annual O&M Expense	12,403,179	\$33,981
	365 Days	365	

Sewer- 60 days of O&M expenses = **2,038,860** (\$33,981*60)

Reserve balance as of Dec, 31 2025 2,038,860

Balance needs to transfer for 2025= **296,220** (=\$2,038,860 - \$1,742,640)

2. Capital reserve

- 2% of original asset value for the sewer

Based on the current District Trial Balance the total fixed asset is \$188,723,934 (See attached GL

Trial Balance) and 2% will be **\$3,774,479**. The current balance is **\$3,65,860**. Transfer request for this period =**\$3,774,479 - \$3,656,860= 117,618**

3. Bond Reserve Fund

Based on the current bond schedule payment, the Principal and Interest due within one year will be **\$2,217,452** and the current bond reserve balance is **\$168,878** and as per the policy we need to transfer a total of **\$2,048,574** to the District Bond Reserve account.

4. Transfer for Construction Budget

Based on the current 2025 financial report a total of **\$1,520,470** General Facilities Charge, Local Connection charge and Installment agreement collected in 2025 need to transfer to construction account.

5. Rate stabilization fund

- Sewer- 10% of annual rate revenue

Based on the 2025 District budget approved the total annual rate revenue will be \$17,353,554 (See attached approved budget worksheet) and 10% will be **\$1,735,355**. **The current balance is \$1,585,405**. **Transfer request for this period = \$1,735,355 - \$1,585,405 = \$149,950**

So based on all calculation please transfer as follows....

1. A total of **\$563,788** from Maintenance fund (115550010) to Construction Revolving Fund (115553020)
2. A total of **\$1,520,470** from Maintenance fund (115550010) to Construction Fund (115553010)
3. A total of **\$2,048,574** from Maintenance fund (115550010) to Bond Fund (115558040)

Thanks,

Mesfin Mekonnen, CPA
Finance and Admin Dep't

Southwest Suburban Sewer District
Maintenance Fund Budget
2025 - 2026 Budget

Source of Funds (Revenue)	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget
Carryover Fund Balance	4,249,536	3,488,804	5,283,102	5,228,911	3,134,810
Revenues					
Service Charges	14,003,221	15,365,025	15,854,052	16,167,600	16,248,438
Contractual Customers	1,037,699	1,147,529	1,144,754	1,185,954	1,190,574
Other Revenue	520,511	1,173,600	281,323	509,990	278,891
Contributions	671,232	1,184,123	398,116	503,740	499,016
Total Revenues	16,232,663	18,870,277	17,678,246	18,367,285	18,216,919
Expenses					
Sewer Department	853,188	895,847	940,640	1,315,390	1,381,160
Maintenance/Pumping	465,570	488,849	513,291	535,600	562,380
Miller Creek	1,520,190	1,596,200	1,676,009	1,859,877	1,952,871
Salmon Creek	1,079,400	1,133,370	1,190,039	1,272,200	1,335,810
Administration	2,798,605	2,938,535	3,085,462	3,418,787	3,589,726
General	2,898,525	3,043,451	3,195,624	4,001,325	4,201,391
Total Expenses	9,615,478	10,096,252	10,601,064	12,403,179	13,023,338
Net Operating Income	6,617,186	8,774,025	7,077,181	5,964,106	5,193,581
Funds Available	10,866,722	12,262,829	12,360,283	11,193,017	8,328,391
Uses					
PWTF Loans	332,585	330,969	329,351	732,288	730,671
Transfers to Bond Fund	2,219,333	2,209,759	2,218,021	2,213,918	2,217,452
Capital Improvements	1,176,000	789,000	934,000	1,102,000	1,181,560
Transfers to Const Rev Fund	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Total Uses	6,727,918	6,329,728	6,481,372	7,048,207	7,129,682
Year End Fund Balance	4,138,804	5,933,102	5,878,911	4,144,810	1,198,709
Less Reserves					
Operating Reserve	250,000	250,000	250,000	480,000	500,000
Capital Reserve	200,000	200,000	200,000	250,000	350,000
Rate Stabilization Fund Reserve	200,000	200,000	200,000	280,000	330,000
Total Reserves	650,000	650,000	650,000	1,010,000	1,180,000
Available Funds	3,488,804	5,283,102	5,228,911	3,134,810	18,709

GL Summary Trial Balance

Southwest Suburban Sewer District

General Ledger

Inactive	Account	Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
	01-00-101000	Plant Capital Projects	\$49,721.02	\$220,814.42	\$13,318.49	\$207,495.93	\$257,216.95
	01-00-101302	FRANCHISES & CONSENTS	\$11,346.95	\$0.00	\$0.00	\$0.00	\$11,346.95
	01-00-101303	MISC INTANGIBLE PLANT	\$54,136.58	\$0.00	\$0.00	\$0.00	\$54,136.58
	01-00-101304	GENL.FAC & COMP PLANS	\$1,185,219.86	\$0.00	\$0.00	\$0.00	\$1,185,219.86
	01-00-101308	PLAND & LAND RIGHTS MC	\$1,133,592.85	\$0.00	\$0.00	\$0.00	\$1,133,592.85
	01-00-101309	PLAND & LAND RIGHTS SC	\$231,085.38	\$0.00	\$0.00	\$0.00	\$231,085.38
	01-00-101310	SHOP LAND & LAND RIGHTS	\$1,182,831.41	\$0.00	\$0.00	\$0.00	\$1,182,831.41
	01-00-101311	SHOP STRUCTURES & IMPROVEMENTS	\$59,521.42	\$0.00	\$0.00	\$0.00	\$59,521.42
	01-00-101312	PLANT STRUCTURES & IMPROVE	\$39,912,979.49	\$0.00	\$0.00	\$0.00	\$39,912,979.49
	01-00-101313	COLLECTION/TRANSMISSION LINES	\$72,519,572.53	\$0.00	\$0.00	\$0.00	\$72,519,572.53
	01-00-101314	PLANT STRUCTURES & IMPROVE MC	\$23,883,847.75	\$0.00	\$0.00	\$0.00	\$23,883,847.75
	01-00-101315	SERVICES - STUB INSTALLATION	\$576,459.68	\$0.00	\$0.00	\$0.00	\$576,459.68
	01-00-101319	OTHER COLLECTION/TRANSMISSION	\$64,931.48	\$0.00	\$0.00	\$0.00	\$64,931.48
	01-00-101320	PUMP STA LAND & LAND RIGHTS	\$91,810.55	\$0.00	\$0.00	\$0.00	\$91,810.55
	01-00-101321	PUMP STA STRUCTURES & IMPROVE	\$1,030,701.53	\$0.00	\$0.00	\$0.00	\$1,030,701.53
	01-00-101322	SEWAGE TREATMENT EQUIPMENT	\$1,704,315.23	\$0.00	\$0.00	\$0.00	\$1,704,315.23
	01-00-101323	SEWAGE TREATMENT EQUIPMENT MC	\$6,045,245.61	\$0.00	\$0.00	\$0.00	\$6,045,245.61
	01-00-101325	ELECTRIC POWER PUMPING EQUIP	\$540,506.90	\$0.00	\$0.00	\$0.00	\$540,506.90
	01-00-101333	COMPOST FACILITY	\$1,342,173.66	\$0.00	\$0.00	\$0.00	\$1,342,173.66
	01-00-101389	OFFICE LAND & LAND RIGHTS	\$1,282,969.06	\$0.00	\$0.00	\$0.00	\$1,282,969.06
	01-00-101390	OFFICE STRUCTURES & IMPROVE	\$15,208,730.46	\$0.00	\$0.00	\$0.00	\$15,208,730.46
	01-00-101391	OFFICE FURNITURE & EQUIPMENT	\$579,050.80	\$0.00	\$0.00	\$0.00	\$579,050.80
	01-00-101392	TRANSPORTATION EQUIPMENT	\$2,614,800.68	\$65,191.51	\$65,191.51	\$0.00	\$2,614,800.68
	01-00-101394	TOOLS, SHOP & GARAGE EQUIPMENT	\$151,603.55	\$0.00	\$0.00	\$0.00	\$151,603.55
	01-00-101395	LABORATORY EQUIPMENT	\$38,523.97	\$0.00	\$0.00	\$0.00	\$38,523.97
	01-00-101396	POWER OPERATED EQUIPMENT	\$265,017.85	\$0.00	\$0.00	\$0.00	\$265,017.85
	01-00-101397	COMMUNICATION EQUIPMENT	\$402,574.47	\$11,883.81	\$0.00	\$11,883.81	\$414,458.28
	01-00-101398	MISCELLANEOUS EQUIPMENT	\$59,336.31	\$0.00	\$0.00	\$0.00	\$59,336.31
	01-00-101399	OTHER TANIGIBLE PROPERTY	\$219,778.94	\$0.00	\$0.00	\$0.00	\$219,778.94
	01-00-101402	PUMP STATION 2 LABOR/EXPENSE	\$1,038,871.86	\$0.00	\$0.00	\$0.00	\$1,038,871.86
	01-00-101404	PUMP STATION 4 LABOR/EXPENSE	\$166,470.52	\$0.00	\$0.00	\$0.00	\$166,470.52
	01-00-101407	PUMP STATION 7 LABOR/EXPENSE	\$52,121.74	\$0.00	\$0.00	\$0.00	\$52,121.74
	01-00-101408	PUMP STATION 8 LABOR/EXPENSE	\$890,858.45	\$0.00	\$0.00	\$0.00	\$890,858.45
	01-00-101411	PUMP STATION 11 LABOR/EXPENSE	\$108,965.10	\$0.00	\$0.00	\$0.00	\$108,965.10
	01-00-101412	PUMP STATION 12 LABOR/EXPENSE	\$645,519.80	\$0.00	\$0.00	\$0.00	\$645,519.80
	01-00-101414	PUMP STATION 14 LABOR/EXPENSE	\$1,336,341.21	\$0.00	\$0.00	\$0.00	\$1,336,341.21
	01-00-101415	PUMP STATION 15 LABOR/EXPENSE	\$1,331,040.56	\$0.00	\$0.00	\$0.00	\$1,331,040.56
	01-00-101416	PUMP STATION 16 LABOR/EXPENSE	\$47,745.44	\$0.00	\$0.00	\$0.00	\$47,745.44
	01-00-101417	PUMP STATION 17 LABOR/EXPENSE	\$1,101,992.63	\$0.00	\$0.00	\$0.00	\$1,101,992.63
	01-00-101418	PUMP STATION #18 N/P LABOR/EXP	\$1,465,838.82	\$0.00	\$0.00	\$0.00	\$1,465,838.82
	01-00-107000	CONSTRUCTION IN PROGRESS	\$3,593,620.71	\$5,115,474.41	\$832,692.96	\$4,282,781.45	\$7,876,402.16
			Beginning Balane	Debit	Credit	Net Change	Ending Balance
Grand Totals:		Total Asset	\$184,221,772.81	\$5,413,364.15	\$911,202.96	\$4,502,161.19	\$188,723,934.00
		Capital reserve percentage					2%
		Total Asset Reserve for 2025					\$3,774,478.68
		Reserve in 2024					\$3,656,861.00
		Updated Reserve					\$117,617.68

**Southwest Suburban Sewer District
Bond Fund
2025 - 2026 Budget**

	2022 Actual	2023 Actual	2024 Actual	2025 Budget	2026 Budget
Beginning Balance	3,054,177	3,108,388	3,159,722	3,208,248	3,254,035
Receipts					
Estimated Transfers in from Maintenance Fund	2,219,333	2,209,759	2,218,021	2,213,918	2,217,452
ULID 79-P2 Principal	27,291	25,442	23,593	21,744	19,895
Interest on Assessments	10,427	9,107	7,870	6,718	5,649
Interest on Investments	16,493	16,785	17,062	17,325	17,572
Total Receipts	2,273,544	2,261,093	2,266,547	2,259,705	2,260,568
Funds Available for Debt	5,327,721	5,369,481	5,426,269	5,467,953	5,514,603
Expenditures					
Bond Principal	1,295,000	1,335,000	1,395,000	1,445,000	1,505,000
Bond Interest	924,333	874,759	823,021	768,918	712,452
Total Expenditures	2,219,333	2,209,759	2,218,021	2,213,918	2,217,452
Ending Balance	3,108,388	3,159,722	3,208,248	3,254,035	3,297,151
Reserve Fund Minimum Balance	2,240,115	2,240,115	2,240,115	2,240,115	2,240,115

Budget Narrative – Debt Service Account (Bond Fund)

Sources

Budgeted revenues for 2025 include interest and ULID payment on account reserves of \$47,787. In addition, this account will receive \$2.2 million in transfers from maintenance rates.

Uses

Debt service payments will be \$2.2 million for 2025, of which \$768,918 will be interest.

TRIAL BALANCE SUMMARY FOR 2025

Southwest Suburban Sewer District
 General Ledger

Ranges: From:
 Date: 1/1/2025
 Account: 01-00-500300

To:
 12/31/2025
 01-00-500900

Sorted By: FUND
 Include: Posting

Inactive Account	Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
01-00-500300	LOCAL FACILITY CHARGE	\$0.00	\$0.00	\$122,393.77	-\$122,393.77	-\$122,393.77
01-00-500700	GENERAL FACILITY CHARGE	\$0.00	\$0.00	\$1,088,762.00	-\$1,088,762.00	-\$1,088,762.00
01-00-500800	GRANTS	\$0.00	\$0.00	\$8,880.00	-\$8,880.00	-\$8,880.00
01-00-500900	INSTALLMENT AGREEMENT PAYMENTS	\$0.00	\$0.00	\$309,314.63	-\$309,314.63	-\$309,314.63

	<u>Accounts</u>	<u>Beginning Balance</u>	<u>Debit</u>	<u>Credit</u>	<u>Net Change</u>	<u>Ending Balance</u>
Grand Totals:	4	\$0.00	\$0.00	\$1,529,350.40	-\$1,529,350.40	-\$1,529,350.40

Total

- 8880

1,529,470

Southwest Suburban Sewer District
Maintenance Fund Budget
2025 - 2026 Budget

	2022	2023	2024	2025	2026
Source of Funds (Revenue)	Actual	Actual	Budget	Budget	Budget
Carryover Fund Balance	4,249,536	3,488,804	5,283,102	5,228,911	3,134,810
Revenues					
Service Charges	14,003,221	15,365,025	15,854,052	16,167,600	16,248,438
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Less Reserves					
Operating Reserve	250,000	250,000	250,000	480,000	500,000
Capital Reserve	200,000	200,000	200,000	250,000	350,000
Rate Stabilization Fund Reserve	200,000	200,000	200,000	280,000	330,000
Total Reserves	650,000	650,000	650,000	1,010,000	1,180,000
Available Funds	3,488,804	5,283,102	5,228,911	3,134,810	18,709