

2025-26 BIENNIAL BUDGET

LAKE WHATCOM WATER & SEWER DISTRICT



LAKE WHATCOM WATER & SEWER DISTRICT
1220 LAKEWAY DRIVE
BELLINGHAM, WASHINGTON 98229

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK.

2025-26 BIENNIAL BUDGET



LAKE WHATCOM WATER & SEWER DISTRICT
1220 LAKEWAY DRIVE
BELLINGHAM, WASHINGTON 98229

APPROVED November 26, 2024

A handwritten signature in black ink, appearing to read "Todd Citron", written over a horizontal line.

Todd Citron, President, Board of Commissioners

A handwritten signature in blue ink, appearing to read "Justin Clary", written over a horizontal line.

Justin Clary, General Manager

CONTENTS

1	GENERAL MANAGER'S MESSAGE	1
2	SUMMARY OF FUNDS	3
	2.1 WATER UTILITY FUND (FUND 401)	3
	2.2 SEWER UTILITY FUND (FUND 402)	3
	2.3 BOND RESERVE FUND (FUND 460)	4
3	2025-26 REVENUE PROJECTIONS	5
4	2025-26 EXPENDITURES	7
	4.1 WATER UTILITY FUND (FUND 401)	7
	4.2 SEWER UTILITY FUND (FUND 402)	10
	4.3 BOND RESERVE FUND (FUND 460)	12
	APPENDIX A	
	2025-26 BUDGET	
	APPENDIX B	
	2025-26 SYSTEM REINVESTMENT PLAN	
	APPENDIX C	
	2025-26 REVENUE BOND AND LOANS SUMMARY	

1 GENERAL MANAGER'S MESSAGE

This 2025-26 Biennial Budget defines the fiscal plan for the Lake Whatcom Water and Sewer District for the 2025 and 2026 calendar years (please refer to Appendix A for the comprehensive 2025-26 Budget). This budget represents the culmination of a collaborative effort between the District Board of Commissioners and staff, and supports the District's mission *to provide the best possible water and sewer services in a safe and cost-efficient manner, and in a way that contributes to protecting Lake Whatcom's water quality*. This budget was developed in alignment with the District's financial policies, which define the principles that guide District budgeting and long-term fiscal management, reinforcing the key values of fiscal prudence, pay-as-you-go financing to the extent practicable, and effective asset stewardship through proactive management.

The District's adherence to its conservative financial policies has allowed it to enter 2025 with stable revenue projections while continuing to preserve its fully funded operations and contingency reserves. In addition, the District's dedication since 2022 to building capital reserves in each utility will come to fruition under this budget period when the District's share of significant investments by the City of Bellingham in the Post Point Wastewater Treatment Plant are due—with the capital reserves the District is positioned to finance its portion of the Post Point WWTP improvements without incurring debt.

As a special purpose district authorized under [Title 57 Revised Code of Washington](#), the District's primary functions are the operation of water and sewer utilities, which generate the forecastable revenues presented in this budget that primarily consist of rates associated with water sales and sewer services. To provide rate certainty to its customers, the District adopts a multi-year rate structure every five years that smooths necessary increases over that period. With 2025 and 2026 constituting the final two years of the current rate structure, the District will conduct a comprehensive rate analysis mid-biennium. In 2024, the District invested in the Waterworth utility fiscal management system, which released our reliance on external consultants and allows for real-time tracking of District finances and modeling of future operational and capital improvement scenarios to effectively manage our fiscal resources. The Waterworth system will prove invaluable during the coming biennium, both by eliminating consultant fees and by allowing greater flexibility in evaluating financial scenarios, as the District defines the necessary utility rates for the next multi-year (2027-2031) period.

This biennial budget includes approximately \$24.1 million in expenditures, which is comprised of allocations of approximately \$12 million and \$12.1 million for the water utility and sewer utility, respectively, while maintaining a required restricted bond reserve of approximately \$650,000. The water utility budget includes \$5.9 million dedicated to operations, a capital reinvestment budget of approximately \$5.5 million, and a debt service budget of approximately \$481,000. Also supporting conservative fiscal management of the water utility are a contingency reserve of \$460,000, an operating reserve of \$735,000, and a capital reserve of \$576,000. The sewer utility budget includes \$6.9 million dedicated to operations, a capital reinvestment budget of approximately \$3.9 million, and a debt service budget of approximately \$1.2 million, as well as a contingency reserve of \$901,000, an operating

reserve of \$563,000, and \$596,000 in a capital reserve for the District's share of the City of Bellingham's improvements to the Post Point WWTP (anticipated in 2026).

This 2025-26 Budget reflects a 15.4% increase over the 2023-24 Budget. Some of the increase may be attributed to capital reinvestment program carryover of projects that were budgeted for but not completed in the prior biennium (e.g., Division 7 Reservoir project and Lakewood and Rocky Ridge Sewer Lift Stations Improvements), as well as significant water capital projects planned for this biennium (e.g., Sudden Valley Water Treatment Plant Chlorine Contact Basin replacement and seismic upgrades to the Geneva Reservoir and SVWTP Pump House). Though these projects are extremely costly, much of the financing will be from external sources (FEMA and USEPA grants, and a Washington State Public Works Board low interest loan), thus relieving the District's reliance on utility revenues to wholly fund these necessary projects. In addition, the District's portion of the aforementioned Bellingham Post Point WWTP improvements constitutes one of the sewer utility's larger capital expenditures (\$1.1 million). Also contributing to the biennium-to-biennium increase are operational increases (many of which have been conservatively budgeted at inflationary rates above historical trends and/or in line with recent projections), as well as District personnel-related expenses (annual cost-of-living adjustments to salaries and health insurance increases).

This budget has been developed in a manner that ensures continuity of the District's exceptional levels of service while leveraging both internal and external funding sources to significantly invest in our infrastructure. Relative to prior budgets, this biennial budget reflects a shift in focus from sewer utility to water utility capital projects while continuing funding necessary to support the District's commitment to proactive maintenance of our sewer infrastructure to mitigate the potential for sewage overflows in the environmentally sensitive Lake Whatcom Watershed. Also of note, this budget reflects strategic investments in District infrastructure that align with our FEMA-approved Natural Hazards Mitigation Plan, enhancing our ability to survive a disruptive event and maintain continuity of services in its aftermath through strategically integrating resiliency and redundancy within our systems. Lastly, this budget also reflects a continued investment in our greatest asset—our employees—to ensure we preserve the significant institutional knowledge of our staff (comprising a combined 225 years of District experience) while also providing access to the necessary training to allow for integration of new and more efficient technologies into our processes.

Forecasting resources, preparing a budget, monitoring its implementation, and assuring accountability and transparency, all while completing day-to-day work functions, takes an exceptional group of professionals. I want to thank District staff, all of whom had a hand in the development of this 2025-26 Budget. I also want to thank the Board of Commissioners, whose leadership and policy direction has placed the District in a position that enables many of the progressive investments found in this budget. Lastly, I thank the District's customers that make up the Lake Whatcom community, without whom we would not have a purpose.

Sincerely,



Justin L. Clary
General Manager

2 SUMMARY OF FUNDS

The Lake Whatcom Water and Sewer District (District) is a special purpose local government authorized under [Title 57 Revised Code of Washington](#) (Water-Sewer Districts). Originally formed in 1968 as Whatcom County Water District No. 10, the District's primary function is to provide water and sewer service to customers in an 18-square mile area encompassing much of the Lake Whatcom watershed, including Geneva, Sudden Valley and the North Shore of Lake Whatcom. The District is governed by a five-member Board of Commissioners (Board) who set the policies and rates of the District, and who adopt a biennial budget. The biennial budget defines the operational and capital improvement programs for each year of the budget, as well as maintenance of operating and contingency reserves to respond to unanticipated events, should they occur. The following summarizes each of the District's funds.

2.1 Water Utility Fund (Fund 401)

This fund serves as the primary operating fund of the District's water utility. The majority of revenue is derived from rates charged to water customers. Other revenue sources are grants and loans, interest income, late payment fees, recording fees, general facility charges, and miscellaneous charges and fees. All fees and charges are set by the Board. Funds collected are used to pay for operations, maintenance, and capital improvement program-related expenditures (system reinvestment) of the water utility in accordance with the Board-approved biennial budget.

Managed within the water utility fund are an operating reserve, contingency reserve, and debt service funds:

- Operating Reserve - The operating reserve serves as a liquidity cushion providing protection from the risk of short-term variation in the timing of revenue collection relative to payment of expenses and is maintained consistent with District financial policies at the cost to operate the utility for 90 days.
- Contingency Reserve - The contingency reserve ensures that unanticipated projects related to water system expenditures will be funded, subsequent to Board approval, and is established through the District's financial policies at one percent of the water utility infrastructure replacement cost.
- Debt Service - This fund provides redemption of long-term loans that financed past water utility projects. Principal and interest on those loans are paid entirely from water utility revenues. Debt service payments for principal and interest are paid annually.

2.2 Sewer Utility Fund (Fund 402)

This fund serves as the primary operating fund of the District's sewer utility. The majority of revenue is derived from rates charged to sewer customers. Other revenue sources are interest income, recording fees, general facility charges, payments associated with an existing utility local improvement

district (ULID), and miscellaneous charges and fees. All fees and charges are set by the Board. Funds collected are used to pay for operations, maintenance, and capital improvement program-related expenditures (system reinvestment) of the sewer utility in accordance with the Board-approved biennial budget.

Managed within the sewer utility fund are an operating reserve, contingency reserve, and debt service funds:

- Operating Reserve - The operating reserve serves as a liquidity cushion providing protection from the risk of short-term variation in the timing of revenue collection relative to payment of expenses and is maintained consistent with District financial policies at the cost to operate the utility for 60 days.
- Contingency Reserve - The contingency reserve ensures that unanticipated projects related to sewer system expenses will be funded, subsequent to Board approval, and is established through the District's financial policies at one percent of the sewer utility infrastructure replacement cost.
- Debt Service - The debt service allocation provides redemption of outstanding debt incurred associated with a bond that was issued to finance past sewer utility projects. Bond interest is paid semi-annually, and the principal is paid annually from sewer utility revenues.

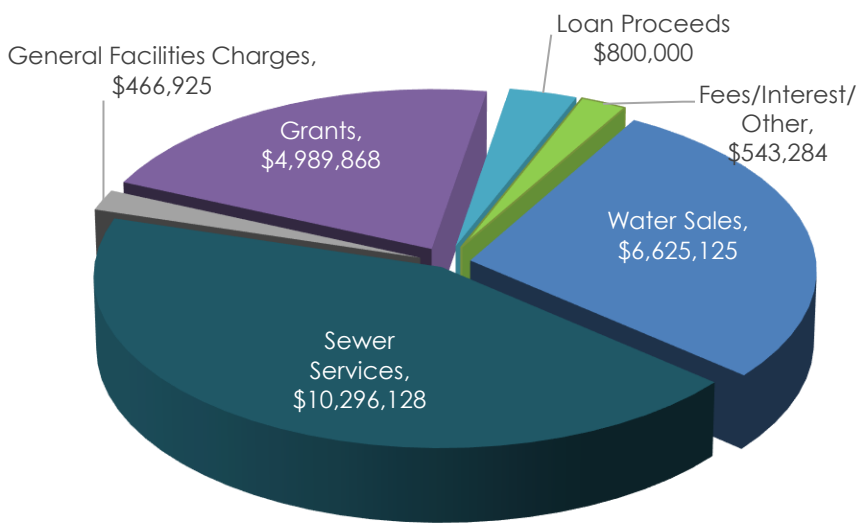
2.3 Bond Reserve Fund (Fund 460)

The Bond Reserve Fund was established by the covenants of the 2016 bond sale and is restricted by definition. A reserve limitation is required to be held in this fund until the outstanding 2016 bond payment obligations are paid in full, which is currently scheduled for 2035.

3 2025-26 REVENUE PROJECTIONS

District functions are funded primarily through revenues received through water sales and sewer service fees, with a relatively small remainder of revenues coming from other fees and charges, which include the general facility charges, and other miscellaneous revenues. One item of note is that the District anticipates an increase in grant revenue relative to recent budgets (primarily from FEMA Hazard Mitigation Grants). The grant revenues total approximately \$5 million dollars supporting water utility capital improvement projects (the Division 7 Reservoir project, the Water Asset Seismic Upgrades and Improvements project, and the Sudden Valley Water Treatment Plant Chlorine Contact Basin project [see Appendix B, System Reinvestment Plan, for more detail]). Further, the District anticipates loan proceeds in the amount of \$800,000 as an additional funding source for the Division 7 Reservoir project.

As outlined in its 2021 rate study, the District adopted incremental annual increases to water and sewer rates through 2026 to ensure sufficient funding for operations, outstanding debt service, proposed future debt service, and system reinvestment through capital improvement projects and scheduled equipment replacement. Per the Board-approved multi-year rate schedule, 2025-26 budget revenues



2025-26 Projected Revenues

are based on water and sewer rate increases of 4.5% and 3.75% percent, respectively. This results in rate revenue projections of approximately \$6.6 million in the water utility fund and \$10.3 million in the sewer utility fund.

The other relatively significant revenue stream is fees the District receives for the connection of new development to its water and sewer systems. These *general facility charges* have been developed based upon the new customer’s proportionate share of the cost of constructing the system to which they are connecting, as well as the proportionate share for future system expansion to accommodate that connection’s capacity impact. In 2022, the District performed an in-depth analysis of its general facility charges, with new charges adopted by the Board effective January 1, 2023, through December 31, 2026. The District takes a conservative approach when budgeting for revenues associated with the general facility charges and only budgets for ten new connections in each fiscal year. While recent

trends have been between 20-25 new connections each year, the District continues to monitor the effects of inflation on new construction and maintains within this budget revenues based upon the conservative ten annual connections.

Most of the other revenues, totaling approximately \$543,000, reflect projected interest earned from the various investments the District has as well as late fees. The remaining revenues are comprised of other miscellaneous fees.

Therefore, based upon adopted rate increases and conservative projections of other revenues, the 2025-26 Biennial Budget reflects total revenue of approximately \$23.7 million (\$12,973,018 water utility and \$10,748,312 sewer utility).

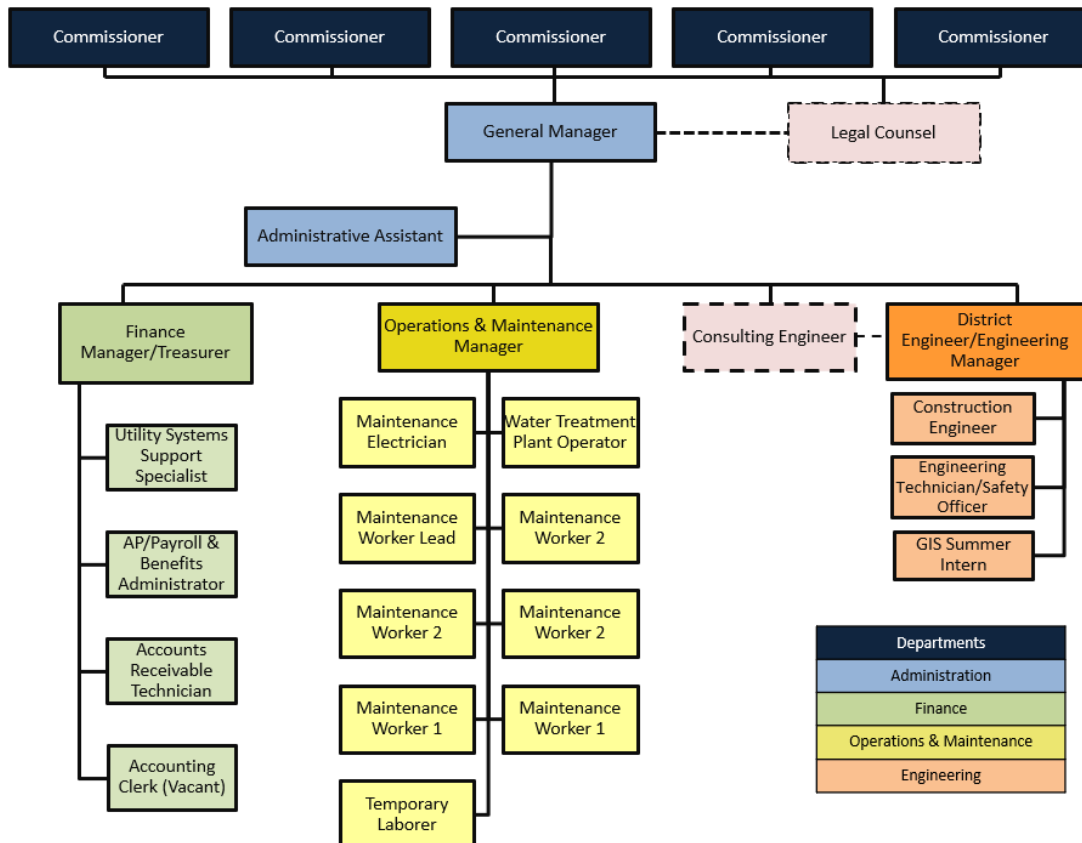
4 2025-26 EXPENDITURES

4.1 Water Utility Fund (Fund 401)

The Water Utility Fund is the primary fund through which the District conducts water utility-related business. It should be noted that many administrative expenses are shared with the Sewer Utility Fund equally. The following sections provide summaries of the primary components of the fund expenses.

4.1.1 Operating Expenses

Personnel. Being a service-oriented organization, staff salary and associated benefits make up a substantial portion of the Water Utility Fund budget. Salary and benefit-related expenses are shared equally with the Sewer Utility Fund, with exception to the Water Treatment Plant Operator position, which is wholly funded by the Water Utility Fund. For the 2025-26 Budget, the District has budgeted for 18 full-time equivalent (FTE) positions and two seasonal positions. One FTE within the Finance Department will remain vacant (Accounting Clerk) as a result of staffing succession and workload. Personnel-related cost increases from the 2023-24 Budget are primarily associated with the recommendations of the recent compensation study and cost-of-living adjustments to salaries and increases to healthcare and related benefits (approximately five percent per year). The 2025-26 Organization Chart is:



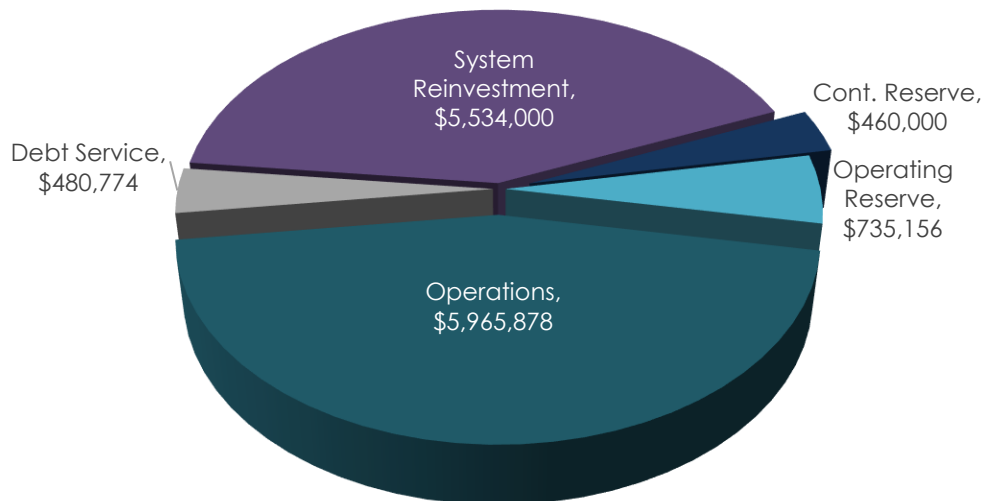
Professional Services. The District relies on several professional- and vendor-related services to efficiently and effectively conduct the business of the District. Such providers include contracting with the District’s legal counsel and on-call consulting engineer, support services associated with asset management, infrastructure control, administrative systems, and general services (e.g., custodial, landscape maintenance, security, etc.). Many of these services are shared equally between the water and sewer utilities. The combined professional services for 2025-26 are projected at \$616,200. The District will maintain a separate budgetary line item for Software and IT (information technology) subscriptions to comply with the Washington State Auditor’s Office requirement for reporting costs associated with software-based subscriptions. The combined costs for Software/IT in the 2025-26 budget are approximately \$346,000.

City of Bellingham Fees. The District does not have a drinking water source that is connected to the Eagleridge residential neighborhood located on the Lake Whatcom north shore. Therefore, the District purchases water from the City of Bellingham to serve Eagleridge. The total projected cost for water fees from the City of Bellingham for 2025-26 is budgeted at \$125,840, which reflects an increase due to anticipated City of Bellingham rate increases.

Water Quality Partnerships. With Lake Whatcom as the primary source of drinking water within the District, protection of its water quality is crucial. In 2025 and 2026, the District will continue its partnership with Whatcom County and the City of Bellingham through the Lake Whatcom Management Program for water quality monitoring and invasive species inspection programs (\$175,600).

Utilities. Electricity to treat and distribute water to District customers, and to pump sewage to the City of Bellingham makes up a significant portion of the District’s operating budget. Combined water and sewer utility electricity costs, together with other utilities, are budgeted at \$643,500. This is a significant increase from the 2023-2024 Budget due to the impacts of inflation over the past few years.

2025-26 Water Utility Allocations



4.1.2 Operating Reserve

In accordance with District financial policies, an operating reserve is maintained equivalent to the cost of operating the water utility for 90 days (\$735,519).

4.1.3 Contingency Reserve

A contingency reserve is maintained in accordance with the District’s financial policies at one percent of the water utility infrastructure replacement cost (\$460,000). As this is a contingency fund, no expenditures are budgeted for 2025-26.

4.1.4 System Reinvestment

The *2025-2026 Capital System Reinvestment Plan*, included as Appendix B, provides a comprehensive description of the projects that will be completed using system reinvestment funds. The following are projects specific to the water utility:

Category	Project	Cost
Capital Outlay Projects—General		
Water/Sewer	Tool Truck Replacement (2025)	\$52,000
Water/Sewer	Phone Line Conversion (2025)	\$26,000
	Subtotal	\$78,000
Capital Outlay Projects—Water Utility		
Water	Security Upgrades (2026)	\$184,000
Water	Miscellaneous Water Outlay (2025 & 2026)	\$21,000
	Subtotal	\$205,000
Capital Improvement Projects—Water Utility		
Water	Division 7 Reservoir – Construction (2025)	\$1,690,000
Water	Replace 2" PVC with 2" HDPE – 1237 Lakeview (2025)	\$65,000
Water	Scenic Intertie – Replace Piping (2025)	\$78,000
Water	Chlorine Contact Basin Design & Permitting (2025)	\$242,000
Water	Chlorine Contact Basin Construction (2026)	\$1,669,000
Water	Geneva Reservoir & Sudden Valley Pump House Seismic Upgrades Design & Permitting (2025)	\$218,000
Water	Geneva Reservoir & Sudden Valley Pump House Seismic Upgrades Construction (2026)	\$1,152,000
Water	Safety Improvements (2025)	\$37,000
Water	Sudden Valley Water Treatment Plant – Replace Flash Mixer (2025)	\$16,000
Water	Well Decommissioning (2025)	\$52,000
Water	Eagleridge Building Improvements (2025)	\$32,000
	Subtotal	\$5,251,000
	TOTAL	\$5,534,000

Please refer to Appendix B for specific project narratives and details.

4.1.5 Debt Service

The District is obligated to annually set aside sufficient funds for debt service repayment associated with prior District capital improvements, which are summarized in the *Revenue Bonds and Loan Funds Summary* (Appendix C). Water utility-related 2025-26 expenditures to make principal and interest payments on District low interest loans will be associated with:

- Geneva AC Pipe Mains Replacement Project (\$277,657)
- Division 22 Water Reservoir Construction Project (\$155,503)
- Public Works Board Loan for Division 7 Reservoir (\$47,614)

Please refer to Appendix C for the 2025-26 Revenue Bond and Loans Summary.

4.2 Sewer Utility Fund (Fund 402)

The Sewer Utility Fund is the primary fund through which the District conducts sewer utility-related business. As discussed in the Water Utility Fund, many administrative expenses are shared with the Water and Sewer Utility Funds. The following sections provide summaries of the primary components of the fund expenses.

4.2.1 Operating Expenses

Personnel. As sewer utility-related expenses associated with personnel are largely consistent with those of the water utility, please refer to the personnel discussion in Section 4.1.1.

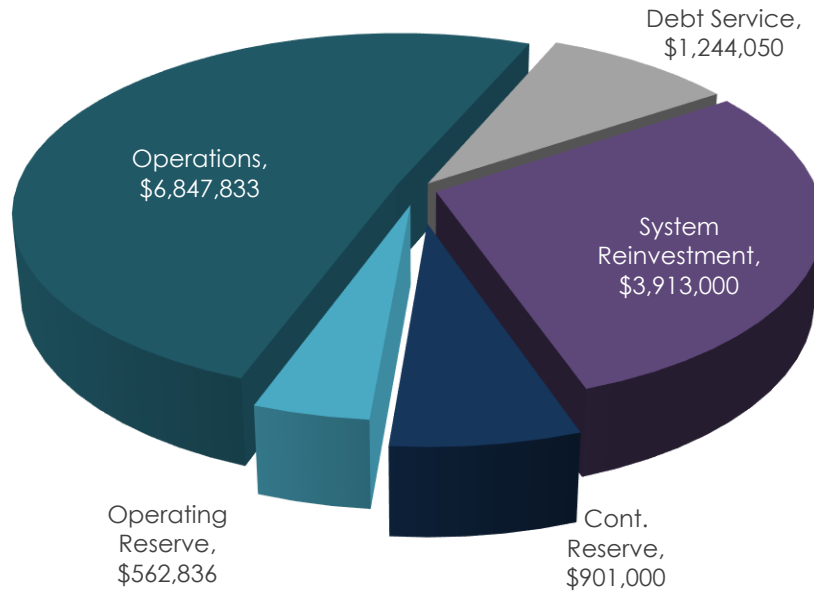
Professional Services. As sewer utility-related expenses associated with professional services are largely consistent with those of the water utility, please refer to the professional services discussion in Section 4.1.1.

City of Bellingham Fees. To protect the quality of Lake Whatcom, all sewage collected by the District is conveyed to the City of Bellingham's sanitary sewer system and treated at the City's Post Point wastewater treatment plant. As a result, the District pays the City for treatment of all sewage collected by the District. The total projected cost for sewer fees from the City of Bellingham for 2025-26 is budgeted at \$1,791,350, which is slightly below prior years' costs and is based on recent trends.

Utilities. Please refer to the utilities discussion in Section 4.1.1.

The following chart reflects the breakdown of costs associated with operating and maintaining the District's Sewer Utility Fund.

2025-26 Sewer Utility Allocations



4.2.2 Operating Reserve

In accordance with District financial policies, an operating reserve is maintained equivalent to the cost of operating the sewer utility for 60 days (\$562,836).

4.2.3 Contingency Reserve

A contingency reserve is maintained in accordance with the District's financial policies at one percent of the sewer utility infrastructure replacement cost (\$901,000). As this is a contingency fund, no expenditures are budgeted for 2025-26. However, under the recommendation of the 2021 Rate Study, this fund will increase from \$815,000 in 2025 to \$901,000 in 2026.

4.2.4 System Reinvestment

The *2025-26 Capital System Reinvestment Plan*, included as Appendix B, provides a comprehensive description of the projects that will be completed using system reinvestment funds. The following are projects specific to the sewer utility:

Category	Project	Cost
Capital Outlay Projects—General		
Water/Sewer	Tool Truck Replacement (2025)	\$52,000
Water/Sewer	Phone Line Conversion (2025)	\$26,000
	Subtotal	\$78,000
Capital Improvement Projects – Sewer Utility		
Sewer	Agate Bay Sewer Lift Station – Predesign (2025)	\$146,000
Sewer	Agate Bay Sewer Lift Station – Design and Bidding (2026)	\$188,000
Sewer	Rocky Ridge Lift Station – Construction (2025)	\$656,000
Sewer	Lakewood Lift Station – Construction (2025)	\$591,000
Sewer	LWBI CIPP Renewal Projects (2025 & 2026)	\$795,000
Sewer	Sewer Rehab & Replacement Projects (2025 & 2026)	\$74,000
Sewer	Flatcar Lift Station Reverse Flow (2025)	\$155,000
Sewer	Flow Meter- Sudden Valley Lift Station (2026)	\$54,000
Sewer	City of Bellingham Wastewater Treatment Plant Improvements (2025 & 2026)	\$1,176,000
	Subtotal	\$3,835,000
	TOTAL	\$3,913,000

Please refer to Appendix B for specific project narratives and details.

4.2.5 Debt Service

The District is obligated to annually set aside sufficient funds for debt service repayment associated with prior District capital improvements, which are summarized in the *Revenue Bonds and Loan Funds Summary* (Appendix C). Sewer utility-related expenditures to make principal and interest payments on District bond obligations are solely associated with the 2016 Bond (which consisted of financing the renovation of two sewer lift stations and the District’s portion of 2014 upgrades to the City of Bellingham’s Post Point wastewater treatment plant). The 2025-26 sewer utility debt service will be approximately \$1,244,000. Please refer to Appendix C for the 2025-26 Revenue Bond and Loans Summary.

4.3 Bond Reserve Fund (Fund 460)

No expenditures are anticipated in 2025-26 from this fund. A fund balance of approximately \$646,125 will be carried over from 2024. This is a decrease in years past as the District’s Maximum Annual Debt service declines, this fund will also decrease.

APPENDIX A

2025-26 BUDGET



LAKE WHATCOM WATER AND SEWER FUND SUMMARIES 2025-2026

	401 WATER	402 SEWER	TOTAL	460 BOND RESERVE (RESTRICTED)
2025 Projected Beginning Fund Balance	\$992,617	\$4,486,010	\$5,478,627	\$646,125
2025 - 2026 Revenues	\$12,973,018	\$10,748,312	\$23,721,330	
2025 - 2026 Expenditures	\$ (11,980,652)	\$ (12,090,883)	\$ (24,071,535)	
Net Surplus/(Deficit)	\$ 992,366	\$ (1,342,571)	\$ (350,205)	\$646,125
2026 Projected Ending Fund Balance	\$1,984,983	\$3,143,439	\$5,128,422	\$646,125
2025 - 2026 Allocated to Operating Reserve	\$735,519	\$562,836	\$1,298,355	
2025 - 2026 Rate Study Capital Surplus*	\$576,000	\$596,225	\$1,172,225	
2025 - 2026 Projected Year End Fund Balance	\$ 673,464	\$1,984,379	\$2,657,843	
	426 Water	425 Sewer	Total	
2025 Contingency Reserve Funds	\$460,000	\$815,000	\$1,275,000	
2026 Contingency Reserve Funds	\$460,000	\$901,000	\$1,361,000	

*Aggregate Rate Study Surplus 2025 through 2026

Lake Whatcom Water and Sewer District
2025 - 2026 Biennial Budget
Water Utility Fund (401)

Fund	Dept.	Account	Title	2023	2024	2024	2025	2026	2025-2026
				Actual	Budget	Projected 10.31.2024	Proposed	Proposed	Combined Proposed
Intergovernmental Revenue									
401	330	331 66 00 01	Environmental Protection Agency	\$ -	\$ 220,000	\$ -	\$ 220,000	\$ -	\$ 220,000
401	330	333 97 00 02	Federal Indirect Grant Homeland Security	\$ -	\$ 2,310,877	\$ 266,775	\$ 1,567,983	\$ 2,287,825	\$ 3,855,808
401	330	334 01 80 01	State Grant From Military Department	\$ -	\$ 93,700	\$ 44,462	\$ 647,926	\$ 266,134	\$ 914,060
Charges For Services									
401	340	343 40 10 00	Water Sales Metered	\$ 3,050,799	\$ 3,161,387	\$ 3,100,164	\$ 3,239,670	\$ 3,385,455	\$ 6,625,125
401	340	343 40 20 01	DEA Permits - Water	\$ 11,050	\$ -	\$ 5,000	\$ -	\$ -	\$ -
401	340	343 41 10 01	General Facilities Charges - Water	\$ 218,052	\$ 104,058	\$ 234,235	\$ 105,485	\$ 107,540	\$ 213,025
Fines & Penalties									
401	350	359 81 10 00	Combined Fees	\$ 15,315	\$ 8,500	\$ 8,114	\$ 12,500	\$ 12,500	\$ 25,000
401	350	359 90 00 00	Late Fees	\$ 64,752	\$ 60,000	\$ 56,653	\$ 65,000	\$ 65,000	\$ 130,000
Miscellaneous Revenues									
401	360	361 11 00 00	Investment Interest	\$ 77,205	\$ 64,091	\$ 112,958	\$ 118,000	\$ 70,000	\$ 188,000
401	360	369 10 00 00	Sale Of Surplus	\$ 3,991	\$ -	\$ -	\$ -	\$ -	\$ -
401	360	369 10 01 00	Miscellaneous	\$ 3,132	\$ 1,000	\$ 658	\$ 1,000	\$ 1,000	\$ 2,000
401	360	369 40 00 00	Project Reimbursement	\$ -	\$ -	\$ 900	\$ -	\$ -	\$ -
401	360	369 80 00 00	Over/Under	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Financing Sources									
401	390	391 80 00 01	Intergovernmental Loans - Public Works Board Loan	\$ -	\$ 200,000	\$ -	\$ 800,000	\$ -	\$ 800,000
401	390	395 10 00 00	Sale Of Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
401	390	395 20 00 00	Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
401	390	395 20 00 01	Compensation For Loss/Impairment (Formerly Ins. Recovery)	\$ 13,857	\$ -	\$ -	\$ -	\$ -	\$ -
Total Water Fund Revenues				\$ 3,458,153	\$ 6,003,613	\$ 3,829,919	\$ 6,777,564	\$ 6,195,454	\$ 12,973,018

Water Fund Expenditures									
401	534	534 10 10 00	Water - Gen Admin Payroll	\$ 346,232	\$ 371,432	\$ 370,781	\$ 398,451	\$ 410,405	\$ 808,856
401	534	534 10 20 00	Water - Gen Admin Personnel Benefits	\$ 136,723	\$ 184,645	\$ 151,448	\$ 163,307	\$ 168,206	\$ 331,513
401	534	534 10 31 00	Water - Gen Admin Supplies	\$ 7,948	\$ 12,500	\$ 6,405	\$ 12,500	\$ 12,500	\$ 25,000
401	534	534 10 31 01	Water - Meetings/Team building	\$ 2,399	\$ 2,000	\$ 2,293	\$ 3,200	\$ 3,200	\$ 6,400
401	534	534 10 40 00	Water - Merchant Services Fees	\$ 16,760	\$ 14,200	\$ 19,322	\$ 19,700	\$ 20,300	\$ 40,000
401	534	534 10 40 01	Water - Bank Fees	\$ 378	\$ 1,400	\$ 460	\$ 750	\$ 750	\$ 1,500
401	534	534 10 41 00	Water - Quality Assurance Programs	\$ 10,734	\$ 132,310	\$ 133,502	\$ 87,800	\$ 87,800	\$ 175,600
401	534	534 10 41 01	Water - Gen Admin Prof Svc	\$ 127,876	\$ 124,175	\$ 141,254	\$ 116,315	\$ 110,915	\$ 227,230
401	534	534 10 41 02	Water - Engineering Svc	\$ 4,987	\$ 14,000	\$ 5,298	\$ 9,000	\$ 9,000	\$ 18,000
401	534	534 10 41 03	Water - Legal Svc	\$ 18,070	\$ 31,000	\$ 19,950	\$ 31,000	\$ 31,900	\$ 62,900
401	534	534 10 41 04	Water - DEA Expenditures	\$ 6,557	\$ -	\$ -	\$ -	\$ -	\$ -
401	534	534 10 42 00	Water - Admin Communication	\$ 31,484	\$ 33,000	\$ 32,400	\$ 34,000	\$ 35,400	\$ 69,400
401	534	534 10 43 00	Water - Software/IT Subscriptions	\$ 59,653	\$ 63,405	\$ 73,055	\$ 90,310	\$ 73,010	\$ 163,320
401	534	534 10 46 00	Water - Gen Admin Insurance	\$ 98,619	\$ 114,000	\$ 109,800	\$ 89,000	\$ 93,450	\$ 182,450
401	534	534 10 49 00	Water - Gen Admin Misc.	\$ 105	\$ 200	\$ -	\$ 200	\$ 200	\$ 400
401	534	534 10 49 01	Water - Memberships/Dues/Permits	\$ 16,178	\$ 20,500	\$ 18,700	\$ 21,100	\$ 21,750	\$ 42,850
401	534	534 10 49 02	Water - Taxes	\$ 161,097	\$ 165,095	\$ 169,404	\$ 177,800	\$ 185,800	\$ 363,600
401	534	534 40 43 00	Water - Admin Training & Travel	\$ 9,025	\$ 13,000	\$ 10,400	\$ 13,000	\$ 13,000	\$ 26,000
401	534	534 40 43 01	Water - Tuition Reimbursement	\$ -	\$ 500	\$ -	\$ 500	\$ 500	\$ 1,000
401	534	534 50 31 00	Water - Maintenance Supplies	\$ 114,825	\$ 120,500	\$ 94,643	\$ 120,500	\$ 120,500	\$ 241,000
401	534	534 50 31 01	Water - Small Assets	\$ 39,698	\$ 62,250	\$ 57,770	\$ 48,000	\$ 48,000	\$ 96,000
401	534	534 50 48 00	Water - Repair & Maint	\$ 105,923	\$ 120,750	\$ 74,371	\$ 145,000	\$ 150,800	\$ 295,800
401	534	534 50 49 00	Water - Insurance Claims	\$ 3,418	\$ 5,000	\$ 6,000	\$ 5,000	\$ 5,000	\$ 10,000
401	534	534 60 41 00	Water - Operations Contracted (Edge Analytical)	\$ 9,485	\$ 12,000	\$ 11,137	\$ 12,500	\$ 12,900	\$ 25,400
401	534	534 60 47 00	Water - City of Bellingham	\$ 51,526	\$ 62,920	\$ 54,641	\$ 62,920	\$ 62,920	\$ 125,840
401	534	534 80 10 00	Water - Operations Payroll	\$ 638,689	\$ 692,736	\$ 667,605	\$ 734,736	\$ 756,778	\$ 1,491,513
401	534	534 80 20 00	Water - Operations Personnel Benefits	\$ 262,021	\$ 288,803	\$ 278,459	\$ 340,742	\$ 350,964	\$ 691,706
401	534	534 80 32 00	Water - Operations Fuel	\$ 26,201	\$ 26,000	\$ 17,811	\$ 31,900	\$ 33,200	\$ 65,100
401	534	534 80 35 00	Water - Safety Supplies	\$ 5,130	\$ 10,000	\$ 5,516	\$ 10,000	\$ 10,000	\$ 20,000
401	534	534 80 35 01	Water - Safety Boots	\$ 1,298	\$ 1,400	\$ 584	\$ 1,400	\$ 1,400	\$ 2,800
401	534	534 80 35 02	Water - Emergency Preparedness	\$ 588	\$ 3,000	\$ 650	\$ 3,000	\$ 3,000	\$ 6,000
401	534	534 80 43 00	Water - Operation Training/Travel/Certifications	\$ 12,693	\$ 13,000	\$ 12,300	\$ 13,000	\$ 13,000	\$ 26,000
401	534	534 80 47 00	Water - Ops Utilities	\$ 145,246	\$ 153,835	\$ 146,416	\$ 156,200	\$ 162,500	\$ 318,700
401	534	534 80 49 00	Water - Operations Laundry	\$ 1,269	\$ 2,000	\$ 1,648	\$ 2,000	\$ 2,000	\$ 4,000
Total Water Fund Expenditures				\$ 2,472,835	\$ 2,871,556	\$ 2,694,023	\$ 2,954,830	\$ 3,011,048	\$ 5,965,878

Debt Service									
401	591	591 34 77 01	Geneva AC Mains Principal	\$ 119,938	\$ 119,938	\$ 119,938	\$ 119,938	\$ 119,938	\$ 239,876
401	591	591 34 77 02	Div. 22 Reservoir Principal	\$ 65,475	\$ 65,475	\$ 65,475	\$ 65,475	\$ 65,475	\$ 130,950
401	591	591 34 77 03	PWB Loan for Division 7 Reservoir Principal	\$ -	\$ -	\$ -	\$ -	\$ 33,854	\$ 33,854
401	591	592 34 83 01	Geneva AC Mains Interest	\$ 23,388	\$ 21,589	\$ 21,589	\$ 19,790	\$ 17,991	\$ 37,781
401	591	592 34 83 02	Div. 22 Reservoir Interest	\$ 14,732	\$ 13,750	\$ 13,750	\$ 12,768	\$ 11,785	\$ 24,553
401	591	592 34 83 03	PWB Loan for Division 7 Reservoir Interest	\$ -	\$ -	\$ -	\$ -	\$ 13,760	\$ 13,760
Total Water Fund Debt Service				\$ 223,533	\$ 220,752	\$ 220,752	\$ 217,971	\$ 262,803	\$ 480,774

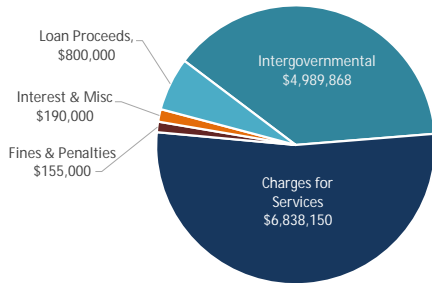
**Lake Whatcom Water and Sewer District
2025 - 2026 Biennial Budget
Water Utility Fund (401)**

Fund	Dept.	Account	Title	2023 Actual	2024 Budget	2024 Projected 10.31.2024	2025 Proposed	2026 Proposed	2025-2026 Combined Proposed
<i>System Reinvestments</i>									
				Capital Expenditures					
401	594	594 34 60 01	Capital Outlay - Budget Only		\$ 1,978,138	\$ 1,463,765	\$ 2,518,000	\$ 3,016,000	\$ 5,534,000
401	594	594 34 62 01	Capital Projects - Water Structures	\$ 352,884					\$ -
401	594	594 34 63 01	Capital Projects - Water System	\$ 127,675					\$ -
401	594	594 34 64 01	Capital Outlay - Water Equipment	\$ 54,599					\$ -
401	594	594 34 65 01	Capital Outlay - Small Water Projects	\$ 2,637					\$ -
				Capital Outlay Carryover Projects/Additional Funding					
				\$ -					
Total Water Fund Capital Expenditures				\$ 537,795	\$ 1,978,138	\$ 1,463,765	\$ 2,518,000	\$ 3,016,000	\$ 5,534,000
				Other Financing Sources					
401	597	597 10 00 26	Transfers Out To Fund 426	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Water Fund Other Financing Sources				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Water Fund Expenditures				\$ 3,234,163	\$ 5,070,446	\$ 4,378,540	\$ 5,690,801	\$ 6,289,851	\$ 11,980,652
Fund Gain/Loss				\$ 223,990	\$ 933,167	\$ (548,621)	\$ 1,086,763	\$ (94,396)	\$ 992,366

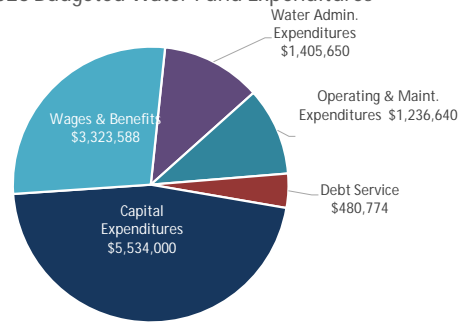
Fund Balance Summary		
2024 Beginning Fund Balance		\$ 1,541,238
2024 Projected Gain/Loss		\$ (548,621)
2024 Projected Ending Fund Balance		\$ 992,617
2025 Projected Gain/Loss		\$ 1,086,763
2025 Projected Ending Fund Balance		\$ 2,079,380
2026 Projected Gain/Loss		\$ (94,396)
2026 Projected Ending Fund Balance		\$ 1,984,983

Water Contingency Reserve Fund Balance Summary		
2024 Beginning Fund Balance		\$ 460,000
2024 Projected Gain/Loss		\$ -
2024 Projected Ending Fund Balance		\$ 460,000
2025 Projected Gain/Loss		\$ -
2025 Projected Ending Fund Balance		\$ 460,000
2026 Projected Gain/Loss		\$ -
2026 Projected Ending Fund Balance		\$ 460,000

2025 - 2026 Budgeted Water Fund Revenues



2025-2026 Budgeted Water Fund Expenditures



Lake Whatcom Water and Sewer District
2025-2026 Biennial Budget
Sewer Utility Fund (402)

Fund	Dept.	Account	Title	2023 Actual	2024 Budget	2024 Projected 10.31.2024	2025 Proposed	2026 Proposed	2025-2026 Combined Proposed
Intergovernmental Revenue									
401	330	331 97 10 02	Federal Grants (FEMA)	\$ 34,987	\$ -	\$ -	\$ -	\$ -	\$ -
Charges For Services									
402	340	343 50 11 00	Sewer Service Residential	\$ 4,791,731	\$ 4,763,437	\$ 4,865,130	\$ 5,047,572	\$ 5,236,856	\$ 10,284,428
402	340	343 50 19 00	Sewer Service Other	\$ 4,581	\$ 5,540	\$ 5,443	\$ 5,750	\$ 5,950	\$ 11,700
402	340	343 50 30 02	DEA Cost Reimbursement	\$ -	\$ -	\$ 6,186	\$ -	\$ -	\$ -
402	340	343 51 10 02	General Facilities Charges - Sewer	\$ 265,644	\$ 122,324	\$ 295,926	\$ 125,380	\$ 128,520	\$ 253,900
Miscellaneous Revenues									
402	360	361 11 00 02	Investment Interest	\$ 77,205	\$ 64,091	\$ 112,959	\$ 118,000	\$ 70,000	\$ 188,000
402	360	361 40 00 02	ULID 18 Interest/Penalties	\$ 1,550	\$ -	\$ 1,675	\$ -	\$ -	\$ -
402	360	368 10 00 02	ULID 18 Principal Payments	\$ 3,571	\$ -	\$ 1,396	\$ -	\$ -	\$ -
402	360	369 10 00 02	Sale Of Surplus	\$ 3,991	\$ 1,000	\$ -	\$ -	\$ -	\$ -
402	360	369 40 00 02	Project Reimbursement	\$ 4,142	\$ 4,141	\$ 5,687	\$ 4,142	\$ 4,142	\$ 8,284
402	360	369 91 01 02	Miscellaneous	\$ 3,132	\$ 1,000	\$ 608	\$ 1,000	\$ 1,000	\$ 2,000
Other Financing Sources									
402	390	395 10 00 02	Sale Of Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
402	395	395 20 00 02	Compensation for Loss/Impairment of Capital Asset	\$ 13,857	\$ -	\$ -	\$ -	\$ -	\$ -
402	397	397 10 00 02	Transfers In	\$ -	\$ -	\$ 126,209	\$ -	\$ -	\$ -
Total Sewer Fund Revenues				\$ 5,169,404	\$ 4,961,533	\$ 5,421,219	\$ 5,301,844	\$ 5,446,468	\$ 10,748,312
Sewer Fund Expenditures									
402	535	535 10 10 00	Sewer - Admin Payroll	\$ 346,231	\$ 371,434	\$ 370,781	\$ 398,451	\$ 410,405	\$ 808,856
402	535	535 10 20 00	Sewer - Gen Admin Personnel Benefits	\$ 136,720	\$ 163,622	\$ 151,445	\$ 163,307	\$ 168,206	\$ 331,513
402	535	535 10 31 00	Sewer - Gen Admin Supplies	\$ 7,779	\$ 11,500	\$ 6,260	\$ 12,500	\$ 12,500	\$ 25,000
402	535	535 10 31 01	Sewer - Meetings/Team Building	\$ 2,388	\$ 2,000	\$ 2,293	\$ 3,200	\$ 3,200	\$ 6,400
402	535	535 10 40 00	Sewer - Merchant Services Fees	\$ 16,760	\$ 14,200	\$ 18,906	\$ 18,000	\$ 18,000	\$ 36,000
402	535	535 10 40 01	Sewer - Bank Fees	\$ 370	\$ 1,400	\$ 460	\$ 750	\$ 750	\$ 1,500
402	535	535 10 41 01	Sewer - Gen Admin Prof Svc	\$ 111,810	\$ 124,175	\$ 125,919	\$ 116,315	\$ 110,915	\$ 227,230
402	535	535 10 41 02	Sewer - Engineering Svc	\$ 3,831	\$ 14,000	\$ 1,287	\$ 9,000	\$ 9,000	\$ 18,000
402	535	535 10 41 03	Sewer - Legal Svc	\$ 25,486	\$ 31,000	\$ 19,787	\$ 31,000	\$ 31,900	\$ 62,900
402	535	535 10 41 04	Sewer - DEA Expenditures	\$ 5,142	\$ -	\$ -	\$ -	\$ -	\$ -
402	535	535 10 42 00	Sewer - Admin Communication	\$ 31,484	\$ 33,000	\$ 32,925	\$ 34,000	\$ 35,400	\$ 69,400
402	535	535 10 43 00	Sewer - Software/IT Subscriptions	\$ 57,468	\$ 63,405	\$ 67,162	\$ 99,960	\$ 82,660	\$ 182,620
402	535	535 10 46 00	Sewer - Gen Admin Insurance	\$ 98,619	\$ 114,000	\$ 109,800	\$ 89,000	\$ 93,450	\$ 182,450
402	535	535 10 49 00	Sewer - Gen Admin Misc.	\$ 80	\$ 200	\$ -	\$ 200	\$ 200	\$ 400
402	535	535 10 49 01	Sewer - Memberships/Dues/Permits	\$ 9,326	\$ 15,300	\$ 15,746	\$ 16,220	\$ 16,700	\$ 32,920
402	535	535 10 49 02	Sewer - Taxes	\$ 112,681	\$ 115,000	\$ 123,666	\$ 129,650	\$ 134,500	\$ 264,150
402	535	535 40 43 00	Sewer - Gen Admin Training & Travel	\$ 9,029	\$ 13,000	\$ 8,504	\$ 13,000	\$ 13,000	\$ 26,000
402	535	535 40 43 01	Sewer - Tuition Reimbursement	\$ -	\$ 500	\$ -	\$ 500	\$ 500	\$ 1,000
402	535	535 50 31 00	Sewer - Maintenance Supplies	\$ 43,462	\$ 45,000	\$ 30,264	\$ 45,000	\$ 46,800	\$ 91,800
402	535	535 50 31 01	Sewer - Small Assets	\$ 19,105	\$ 42,000	\$ 36,908	\$ 42,000	\$ 43,700	\$ 85,700
402	535	535 50 48 00	Sewer - Repair & Maint	\$ 122,370	\$ 140,000	\$ 61,719	\$ 145,000	\$ 150,000	\$ 295,000
402	535	535 50 49 00	Sewer - Insurance Claims	\$ -	\$ 2,500	\$ -	\$ 2,500	\$ 2,500	\$ 5,000
402	535	535 60 47 00	Sewer - City of Bellingham	\$ 756,791	\$ 942,500	\$ 826,309	\$ 865,350	\$ 926,000	\$ 1,791,350
402	535	535 80 10 00	Sewer - Operations Payroll	\$ 549,579	\$ 588,048	\$ 572,059	\$ 625,864	\$ 644,639	\$ 1,270,503
402	535	535 80 20 00	Sewer - Operations Personnel Benefits	\$ 222,900	\$ 255,921	\$ 237,624	\$ 284,947	\$ 293,495	\$ 578,441
402	535	535 80 32 00	Sewer - Operations Fuel	\$ 30,048	\$ 26,000	\$ 15,283	\$ 31,900	\$ 33,200	\$ 65,100
402	535	535 80 35 00	Sewer - Safety Supplies	\$ 7,055	\$ 10,000	\$ 3,784	\$ 10,000	\$ 10,000	\$ 20,000
402	535	535 80 35 01	Sewer - Safety Boots	\$ 1,298	\$ 1,400	\$ 584	\$ 1,400	\$ 1,400	\$ 2,800
402	535	535 80 35 02	Sewer - Emergency Preparedness	\$ 3,753	\$ 5,000	\$ 646	\$ 5,000	\$ 5,000	\$ 10,000
402	535	535 80 43 00	Sewer - Operations Training/Travel/Certification	\$ 9,888	\$ 13,000	\$ 11,387	\$ 13,000	\$ 13,000	\$ 26,000
402	535	535 80 47 00	Sewer - Ops Utilities	\$ 124,037	\$ 156,383	\$ 132,538	\$ 160,000	\$ 164,800	\$ 324,800
402	535	535 80 49 00	Sewer - Operations Laundry	\$ 1,871	\$ 2,500	\$ 1,702	\$ 2,500	\$ 2,500	\$ 5,000
Total Sewer Fund Expenditures				\$ 2,867,361	\$ 3,317,988	\$ 2,985,748	\$ 3,369,513	\$ 3,478,320	\$ 6,847,833
Debt Service									
402	591	591 35 77 02	Bond 2016 Principal	\$ 470,000	\$ 480,000	\$ 480,000	\$ 490,000	\$ 520,000	\$ 1,010,000
402	591	591 35 83 02	Bond 2016 Interest	\$ 179,025	\$ 164,925	\$ 164,925	\$ 126,125	\$ 107,925	\$ 234,050
Total Sewer Fund Debt Service				\$ 649,025	\$ 644,925	\$ 644,925	\$ 616,125	\$ 627,925	\$ 1,244,050
Capital Expenditures									
402	594	594 35 60 02	Capital Outlay - Budget Only	\$ -	\$ 2,729,500	\$ 1,317,020	\$ 1,857,000	\$ 2,056,000	\$ 3,913,000
402	594	594 35 62 02	Capital Projects - Sewer Structures	\$ 724,923	\$ -	\$ -	\$ -	\$ -	\$ -
402	594	594 35 63 02	Capital Projects - Sewer System	\$ 302,267	\$ -	\$ -	\$ -	\$ -	\$ -
402	594	594 35 64 02	Capital Outlay - Sewer Equipment	\$ 80,156	\$ -	\$ -	\$ -	\$ -	\$ -
402	594	594 35 65 02	Capital Outlay - Small Sewer Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
402	594	594 35 65 02	Capital Outlay - Carry Over Projects/Additional Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Sewer Fund Capital Expenditures				\$ 1,107,346	\$ 2,729,500	\$ 1,317,020	\$ 1,857,000	\$ 2,056,000	\$ 3,913,000
Other Financing Sources									
402	597	597 10 00 25	Transfer Out To Sewer Contingency	\$ -	\$ -	\$ -	\$ -	\$ 86,000	\$ 86,000
Total Other Financing Sources				\$ -	\$ -	\$ -	\$ -	\$ 86,000	\$ 86,000

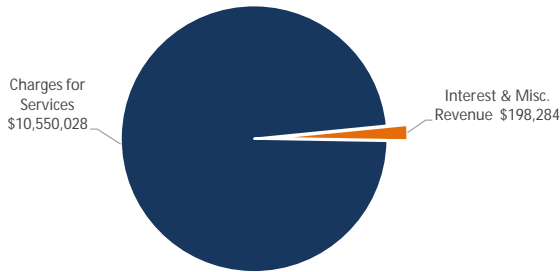
**Lake Whatcom Water and Sewer District
2025-2026 Biennial Budget
Sewer Utility Fund (402)**

Fund	Dept.	Account	Title	2023 Actual	2024 Budget	2024 Projected 10.31.2024	2025 Proposed	2026 Proposed	2025-2026 Combined Proposed
Total Sewer Fund Expenditures				\$ 4,623,732	\$ 6,692,413	\$ 4,947,693	\$ 5,842,638	\$ 6,248,245	\$ 12,090,883
Fund Gain/Loss				\$ 545,672	\$ (1,730,880)	\$ 473,526	\$ (540,794)	\$ (801,777)	\$ (1,342,571)

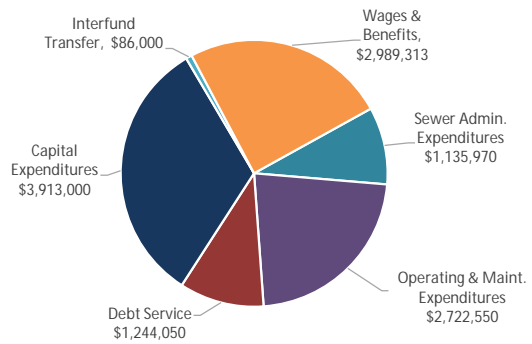
Fund Balance Summary		
2024 Beginning Fund Balance		\$ 4,012,484
2024 Projected Gain/Loss		\$ 473,526
2024 Projected Ending Fund Balance		\$ 4,486,010
2025 Projected Gain/Loss		\$ (540,794)
2025 Projected Ending Fund Balance		\$ 3,945,216
2026 Projected Gain/Loss		\$ (801,777)
2026 Projected Ending Fund Balance		\$ 3,143,439

Sewer Contingency Reserve Fund Balance Summary		
2024 Beginning Fund Balance		\$ 815,000
2024 Projected Gain/Loss		\$ -
2024 Projected Ending Fund Balance		\$ 815,000
2025 Projected Gain/Loss		\$ -
2025 Projected Ending Fund Balance		\$ 815,000
2026 Projected Gain/Loss		\$ 86,000
2026 Projected Ending Fund Balance		\$ 901,000

2025-2026 Budgeted Sewer Fund Revenues



2025-2026 Budgeted Sewer Fund Expenditures



Lake Whatcom Water and Sewer District
2025 - 2026 Biennial Budget
Sewer Contingency Reserve Fund (425)

Fund	Dept.	Account	Title	2023 Actual	2024 Budget	2024 Projected	2025 Proposed	2026 Proposed	2025-2026 Combined Proposed
Other Financing Sources									
425	397	397 10 00 25	Transfer In From Sewer Fund	\$ -	\$ -	\$ -	\$ -	\$ 86,000	\$ 86,000
Total Fund Revenue				\$ -	\$ -	\$ -	\$ -	\$ 86,000	\$ 86,000
Other Financing Sources									
425	597	597 10 20 00	Transfers Out To Fund 420	\$ -	\$ -	\$ -	\$ -	-	
Total Fund Expenditures				\$ -	\$ -	\$ -	\$ -	\$ -	-
Fund Gain/Loss				\$ -	\$ -	\$ -	\$ -	\$ 86,000	\$ 86,000

Sewer Contingency Reserve Fund Balance Summary

2024 Beginning Fund Balance	\$ 815,000
2024 Projected Gain/Loss	\$ -
2024 Projected Ending Fund Balance	<u>\$ 815,000</u>
2025 Projected Gain/Loss	\$ -
2025 Projected Ending Fund Balance	<u>\$ 815,000</u>
2026 Projected Gain/Loss	\$ 86,000
2026 Projected Ending Fund Balance	<u>\$ 901,000</u>

Lake Whatcom Water and Sewer District
 2025 - 2026 Biennial Budget
 Water Contingency Reserve Fund (426)

Fund	Dept.	Account	Title	2023 Actual	2024 Budget	2024 Projected	2025 Proposed	2026 Proposed	2025-2026 Combined Proposed
Other Financing Sources									
426	397	397 10 00 26	Transfers In From Fund 401	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Fund Revenue				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Fund Expenditures				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Water Contingency Reserve Fund Balance Summary

2024 Beginning Fund Balance	\$ 460,000
2024 Projected Gain/Loss	\$ -
2024 Projected Ending Fund Balance	<u>\$ 460,000</u>
2025 Projected Gain/Loss	\$ -
2025 Projected Ending Fund Balance	<u>\$ 460,000</u>
2026 Projected Gain/Loss	\$ -
2026 Projected Ending Fund Balance	<u>\$ 460,000</u>

Lake Whatcom Water and Sewer District
2025 - 2026 Biennial Budget
Bond Reserve Fund (460)

Fund	Program	Dept.	Sub Dept.	Account	Title	2023 Actual	2024 Budget	2024 Projected	2025 Proposed	2026 Proposed	2025-2026 Combined Proposed
Total Fund Revenue						\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Fund Expenditures						\$ -	\$ -	\$ 126,209	\$ -	\$ -	\$ -

Bond Reserve Fund Balance Summary

2024 Beginning Fund Balance	\$ 772,334
2024 Projected Gain/Loss	<u>\$ (126,209)</u>
2024 Projected Ending Fund Balance	\$ 646,125
2025 Projected Gain/Loss	<u>\$ -</u>
2025 Projected Ending Fund Balance	\$ 646,125
2026 Projected Gain/Loss	<u>\$ -</u>
2026 Projected Ending Fund Balance	\$ 646,125

APPENDIX B

2025-26 SYSTEM REINVESTMENT PLAN

Water System Reinvestment Plan 2025 through 2030

	Total (2025 - 2030)	2025	2026	2027	2028	2029	2030
Capital Outlay - General (Water Share)							
IT Infrastructure	\$ 20,000.00				\$ 20,000.00		
Replace 5-yard Dump Truck (2007 model in fleet)	\$ 99,000.00					\$ 99,000.00	
Replace Mini Excavator	\$ 52,000.00				\$ 52,000.00		
Replace Admin Staff Vehicle	\$ 21,000.00			\$ 21,000.00			
Convert Phone Lines to Cellular Communication	\$ 26,000.00	\$ 26,000.00					
VEH31 - Tool Truck Replacement (2005)	\$ 52,000.00	\$ 52,000.00					
VEH41 - Tool Truck Replacement (2010)	\$ 60,000.00						\$ 60,000.00
Subtotal - Capital Outlay (General - Water Share)	\$ 330,000.00	\$ 78,000.00	\$ -	\$ 21,000.00	\$ 72,000.00	\$ 99,000.00	\$ 60,000.00
Capital Outlay - Water Only							
Misc Water Capital Outlay	\$ 67,000.00	\$ 10,000.00	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00	\$ 12,000.00	\$ 12,000.00
VEH36 - Utility Locater Van Replacement WATER ONLY	\$ 57,000.00				\$ 57,000.00		
Reservoirs - Inspection & Maintenance	\$ 48,000.00					\$ 48,000.00	
SVWTP - Replace 6 Turbidimeters and 2 Chlorine Analyzers	\$ 59,000.00				\$ 59,000.00		
Security - Intrusion Alarms at Reservoirs, Cameras at SVWTP AHWTP	\$ 184,000.00		\$ 184,000.00				
Water System Plan Update	\$ 147,000.00			\$ 147,000.00			
Water Use Efficiency Plan Update	\$ 18,000.00			\$ 18,000.00			
Subtotal - Capital Outlay (Water Only)	\$ 580,000.00	\$ 10,000.00	\$ 195,000.00	\$ 176,000.00	\$ 127,000.00	\$ 60,000.00	\$ 12,000.00
Capital Projects - Water Only							
Div 7 Reservoir Phase 2 Construction (carryover)	\$ 1,690,000.00	\$ 1,690,000.00					
1237 Lakeview St - Replace 2" PVC with 2" HDPE	\$ 65,000.00	\$ 65,000.00					
Eagleridge - Replace all pumps and controls with new package pump station	\$ 359,000.00						\$ 359,000.00
Scenic Intertie - Replace failed piping to restore intertie	\$ 78,000.00	\$ 78,000.00					
SVWTP - Core - Replace Finished Water Pumps	\$ 1,140,000.00				\$ 1,140,000.00		
SVWTP - Core - Replace Transfer Pumps	\$ 559,000.00						\$ 559,000.00
SVWTP - Core - New 0.3MG Welded Steel CCB - Design, Permitting (carryover)	\$ 242,000.00	\$ 242,000.00					
SVWTP - Core - New 0.3MG Welded Steel CCB - Construction	\$ 1,669,000.00		\$ 1,669,000.00				
Geneva Reservoir and SVWTP Pump House Seismic Upgrades - Design and Permitting (carry over)	\$ 218,000.00	\$ 218,000.00					
Geneva Reservoir and SVWTP Pump House Seismic Upgrades - Construction	\$ 1,152,000.00		\$ 1,152,000.00				
Physical Security Improvements (Locks, Ladders and Fencing) - Phase 1	\$ 37,000.00	\$ 37,000.00					
Physical Security Improvements (Locks, Ladders and Fencing) - Phase 2	\$ 46,000.00				\$ 46,000.00		
Physical Security Improvements (Locks, Ladders and Fencing) - Phase 3	\$ 48,000.00						\$ 48,000.00
Replace static mixer - SVWTP	\$ 16,000.00	\$ 16,000.00					
Treatment Center Wells Decommissioning	\$ 52,000.00	\$ 52,000.00					
Eagleridge Building Roof	\$ 21,000.00	\$ 21,000.00					
Eagleridge Building Exterior Paint	\$ 11,000.00	\$ 11,000.00					
Johnson Well Pumps	\$ 36,000.00						\$ 36,000.00
Sudden Valley WTP Soda Ash Tank Coating	\$ 30,000.00						\$ 30,000.00
Division 22-1 - Recoat	\$ 811,000.00			\$ 811,000.00			
Geneva - Recoat	\$ 1,100,000.00			\$ 1,100,000.00			
Hydrants	\$ 104,000.00			\$ 50,000.00		\$ 54,000.00	
PRV Replacement	\$ 62,000.00			\$ 30,000.00		\$ 32,000.00	
Subtotal - Capital Projects - Water Only	\$ 9,546,000.00	\$ 2,430,000.00	\$ 2,821,000.00	\$ 1,991,000.00	\$ 1,186,000.00	\$ 86,000.00	\$ 1,032,000.00
GRAND TOTAL	\$ 10,456,000.00	\$ 2,518,000.00	\$ 3,016,000.00	\$ 2,188,000.00	\$ 1,385,000.00	\$ 245,000.00	\$ 1,104,000.00

Sewer System Reinvestment Plan 2025 through 2030

	Total (2025 - 2030)	2025	2026	2027	2028	2029	2030
Capital Outlay - General (Sewer Share)							
IT Infrastructure	\$ 20,000.00				\$ 20,000.00		
Replace 5-yard Dump Truck (2007 model in fleet)	\$ 99,000.00					\$ 99,000.00	
Replace Mini Excavator	\$ 52,000.00				\$ 52,000.00		
Replace Admin Staff Vehicle	\$ 21,000.00			\$ 21,000.00			
Convert Phone Lines to Cellular Communication	\$ 26,000.00	\$ 26,000.00					
VEH31 - Tool Truck Replacement (2005)	\$ 52,000.00	\$ 52,000.00					
VEH41 - Tool Truck Replacement (2010)	\$ 60,000.00						\$ 60,000.00
Subtotal - Capital Outlay - General (Sewer Share)	\$ 330,000.00	\$ 78,000.00	\$ -	\$ 21,000.00	\$ 72,000.00	\$ 99,000.00	\$ 60,000.00
Capital Outlay - Sewer Only							
Update Sewer Comprehensive Plan	\$ 124,000.00					\$ 124,000.00	
Subtotal - Capital Outlay - Sewer Only	\$ 124,000.00	\$ -	\$ -	\$ -	\$ -	\$ 124,000.00	\$ -
Capital Projects - Sewer Only							
Agate Bay Sewer Pump Station - Predesign	\$ 146,000.00	\$ 146,000.00					
Agate Bay Sewer Pump Station - Design and Bidding	\$ 188,000.00		\$ 188,000.00				
Agate Bay Sewer Pump Station - Construction	\$ 947,000.00			\$ 947,000.00			
Rocky Ridge Pump Station - Construction and CM							
Rocky Ridge Pump Station - Construction and CM (Carryover)	\$ 656,000.00	\$ 656,000.00					
Lakewood Pump Station - Construction and CM							
Lakewood Pump Station - Construction and CM (Carryover)	\$ 591,000.00	\$ 591,000.00					
Sudden Valley Lift Station - Recondition Electrical Controls	\$ 248,000.00				\$ 248,000.00		
Flat Car Lift Station - Recondition Electrical Controls	\$ 248,000.00				\$ 248,000.00		
Beaver Lift Station- Recondition Electrical Controls	\$ 248,000.00				\$ 248,000.00		
Airport Sewer Crossing Gravity Pipeline Sag	\$ 52,000.00			\$ 52,000.00			
LWBI CIPP Renewal Project P1-2023							
LWBI CIPP Renewal Project P1-2024	\$ 195,000.00	\$ 195,000.00					
LWBI CIPP Renewal Project P2	\$ 600,000.00		\$ 600,000.00				
Sewer System Rehab and Replacement Projects	\$ 294,000.00	\$ 36,000.00	\$ 38,000.00	\$ 39,000.00	\$ 40,000.00	\$ 65,000.00	\$ 76,000.00
Flatcar Lift Station Reverse Flow (Carryover)	\$ 155,000.00	\$ 155,000.00					
Revise Flow Meter Piping - Northshore	\$ 23,000.00				\$ 23,000.00		
Flow Meter - Sudden Valley LS (submersible system only)	\$ 54,000.00		\$ 54,000.00				
COB WWTP Improvements - Post Point Generators & Controls	\$ 480,000.00		\$ 480,000.00				
COB WWTP Improvements - Post Point Sludge Tank Replacement	\$ 696,000.00		\$ 696,000.00				
COB WWTP Improvements - Post Point Incinerator Emission	\$ 1,920,000.00			\$ 1,920,000.00			
Flat Car LS Building Roof	\$ 24,000.00						\$ 24,000.00
Sudden Valley LS Building Roof	\$ 24,000.00						\$ 24,000.00
Beaver LS Building Roof	\$ 24,000.00						\$ 24,000.00
Subtotal - Capital Projects - Sewer Only	\$ 7,813,000.00	\$ 1,779,000.00	\$ 2,056,000.00	\$ 2,958,000.00	\$ 807,000.00	\$ 65,000.00	\$ 148,000.00
GRAND TOTAL	\$ 8,267,000.00	\$ 1,857,000.00	\$ 2,056,000.00	\$ 2,979,000.00	\$ 879,000.00	\$ 288,000.00	\$ 208,000.00

CAPITAL PROJECT NARRATIVE

Project Name:	Convert Phone to Cellular Communications
CIP #:	25-01

PURPOSE and DESCRIPTION OF THE PROJECT

Presently, communication for 17 of the District's 26 sewer lift stations, one of the District's five water booster stations and three of the District's seven water storage reservoirs is provided by telephone service. This method of communication with District assets is outdated, no longer supported and has become unreliable. In addition, the District incurs monthly costs to maintain telephone service to these assets.

The proposed project, which includes both water and sewer facilities, is the first phase of a multi-year project to upgrade the communication infrastructure to replace all telephone communication infrastructure with modern communication infrastructure capable of providing the necessary monitoring and controls for the District's modern water and sewer infrastructure. Cellular communication infrastructure provides a cost-effective option to provide modern communications cost effectively since no conduits or cables are required for this conversion.

Based on funding available, the 2025-26 budget includes \$26,000 in each utility fund in 2025 to convert as many facilities as can be accommodated within that budget. District staff has identified the Division 22-1 and 22-2 reservoirs, the Cable Street, Ranch House, Airport, Marina and Louise Lift Stations as the highest priorities for communications upgrade.

For further information about this project contact Greg Nicoll.

Revision History

- 10/17/2024 – Project Narrative Creation – Greg Nicoll.

CAPITAL PROJECT NARRATIVE

Project Name:	Replace Tool Truck
CIP #:	V0001

PURPOSE and DESCRIPTION OF THE PROJECT

The District replaces tool trucks that are used daily by District operations staff as they reach the end of their useful life, which is typically 15 to 20 years. Tool Truck VEH31, a 2005 Chevrolet Silverado 3500, is nearing 20 years old and is the next tool truck in line for replacement. This truck will be replaced in-kind with a new one-ton truck (Chevrolet Silverado 3500 or equal), equipped with bed boxes and all other ancillary equipment typically included on District tool trucks.

For further information about this project call Greg Nicoll.

Revision History

- Updated 12/5/2016 by BH. Updated description and budget estimate based on current state bid prices.
- Updated 10/24/2017 by RM. Updated description and vehicle mileages.
- Updated 11/30/2021 by RM. Updated prices from state contract and vehicle mileages
- Updated 10/31/2022 by RM Updated prices from state contract and vehicle mileages
- Updated 8/26/24 by GN.

CAPITAL PROJECT NARRATIVE

Project Name:	Misc. Water Capital Outlay
CIP #:	W0001

PURPOSE and DESCRIPTION OF THE PROJECT

Annual budget line item to fund emergent issues and minor improvements associated with water system infrastructure. This may include minor improvements such as new valves, small pipe replacements, leak repairs, and other minor improvements to the water system not anticipated at the time of budgeting.

Past projects funded by this annual budget include emergency replacement of a check valve on the raw water intake at the Sudden Valley WTP, installation of PRV vault drains, and emergency replacement of a 6-inch broken water main.

For further information about this project call Greg Nicoll.

Revision History

- 11/20/24 – Project Narrative Creation – GN

CAPITAL PROJECT NARRATIVE

Project Name:	Intrusion Alarms at Reservoirs, Cameras at SVWTP and AHWTP
CIP #:	25-11

PURPOSE and DESCRIPTION OF THE PROJECT

In 2022, the District contracted with BHC Consultants to complete a security assessment to identify vulnerabilities and provide recommendations to improve security of the District's facilities. The assessment identified the Sudden Valley Water Treatment Plant (SVWTP) and Agate Heights Water Treatment Plant (AHWTP) as high priority facilities that should be prioritized for security improvements. Recommended improvements include new high resolution wi-fi security cameras and intrusion alarms to detect unauthorized entry into the facilities and ancillary structures such as the SVWTP Pump House and chlorine contact basin. The improvements will be integrated into a centralized District-wide security system that will be expanded in the coming years as part of a phased facility security improvements program.

For further information about this project contact Greg Nicoll.

Revision History

- 10/23/2024 – Project Narrative Creation – Greg Nicoll.

CAPITAL PROJECT NARRATIVE

Project Name:	Division 7 Reservoir Replacement
CIP #:	0145

PURPOSE and DESCRIPTION OF THE PROJECT

A structural analysis of the Lake Whatcom Water and Sewer District Division 7 water reservoir found significant deficiencies in its ability to meet existing earthquake code requirements (BHC report, December 2016). The recent Water System Plan also analyzed the capacity of the Division 7 reservoir and found it to be significantly oversized at a volume of one million gallons. The Water System Plan recommended an alternatives analysis for this reservoir to compare the cost of making seismic upgrades and replacing the interior and exterior coatings that are beyond their useful life against the alternative of replacing the Division 7 reservoir with a more appropriate amount of storage volume (~half a million gallons). Wilson Engineering, LLC prepared a technical memorandum dated February 8, 2018, that documents the analysis of alternatives. The selected alternative replaces the existing 1-million gallon Division 7 reservoir with two smaller 235,000-gallon reservoirs. Wilson Engineering subsequently completed design and prepared bid documents for construction of the project.

The contract for construction of the new reservoirs was awarded to Tiger Construction in January 2024 and active on-site construction started in June 2024, concurrent with the start of the Lake Whatcom Watershed ground disturbance window. Work continued until the close of the work window on September 30, 2024, when the project was paused. To date, the contractor has completed site grading to reach the new reservoir subgrade elevations, construction of a small retaining wall and installation of most of the below grade utilities. Construction of the new reservoirs is scheduled to begin in December 2024 with commissioning of the new reservoirs in May 2025. Following commissioning of the new reservoirs, the contractor will demolish the existing reservoir and restore the site. The project is scheduled to be substantially complete in September 2025.

This project is largely funded by grant and loan funds, including:

- FEMA Hazard Mitigation Grant
- EPA Community Grant
- Public Works Board loan

The balance of the project cost is funded by District funds.

For further information about this project contact Greg Nicoll.

Revision History

- Created 11/30/2020 by BH.
- 11/2/2022 BH. Updated narrative.
- 11/20/2024 GN. Updated narrative.

CAPITAL PROJECT NARRATIVE

Project Name:	1237 Lakeview St - Replace 2" PVC with 2" HDPE
CIP #:	25-03

PURPOSE and DESCRIPTION OF THE PROJECT

A District-owned 2-inch diameter PVC water line runs adjacent to the property line of 1237 Lakeview Street and serves four properties. Since the installation of this water line, for which the District does not have documentation of an easement, a large tree has been planted and an out building constructed directly over the water line, preventing clear access to this water line in the event of a break.

The proposed project will abandon the existing water line and install a new 2-inch diameter HDPE water line within the right-of-way of North Terrace Avenue, which is located immediately north of 1237 Lakeview Street. Replacement of this line will eliminate a pipe that is at risk of failure with limited access for repair.

For further information about this project contact Greg Nicoll.

Revision History

- Created 10/17/24 by GN.

CAPITAL PROJECT NARRATIVE

Project Name:	Scenic Avenue Intertie Repair
CIP #:	25-04

PURPOSE and DESCRIPTION OF THE PROJECT

The District maintains an intertie with the City of Bellingham's water distribution system within Lakeway Drive near the intersection with Scenic Avenue and the border between the District and City of Bellingham service areas. This intertie allows the District to serve portions of the District's Geneva service area with water purchased from the City in the event of an emergency or during maintenance activities that require taking the Geneva reservoir out of service.

In 2021, District staff discovered that there was a leak in the system between the City's flow meter vault and the District's PRV building located at the southeast corner of Lakeway Drive and Scenic Avenue. District staff determined that the fittings and gate valve immediately upstream of the PRV were leaking and in need of replacement. In 2022, the District completed a project to replace these valves and fittings. Following completion of these repairs, the District discovered that the system continued to leak and determined that the piping upstream of these valves and fittings was also leaking. Due this ongoing leakage, this intertie cannot be used in the event of emergency or during times when the Geneva reservoir is out of service for maintenance.

To restore this intertie to operation, it is necessary to replace approximately 30 linear feet of existing 6-inch diameter wrapped steel pipe with new 8-inch diameter ductile iron pipe to match the existing piping upstream and downstream of this repair. This section of pipe is located within the eastbound lane of Lakeway Drive and is approximately 9 feet below grade. Due to the depth and location of this pipe, Lakeway Drive will need to be reduced to a single lane and traffic control provided throughout construction along with substantial shoring to complete the project.

The six-year capital improvement plan includes complete recoating of the Geneva reservoir in 2027. This recoating project will require taking the reservoir out of service and the intertie will be needed to provide water service to serve the service area currently served by the Geneva reservoir. Therefore, completion of this project will be critical for completing the recoating project to maximize the remaining useful life of the Geneva reservoir.

For further information about this project contact Greg Nicoll.

Revision History

- 10/17/2024 – Created by Greg Nicoll.

CAPITAL PROJECT NARRATIVE

Project Name:	Replace Sudden Valley WTP Chlorine Contact Basin (CCB)
CIP #:	25-05

PURPOSE and DESCRIPTION OF THE PROJECT

The purpose of this project is to replace the Sudden Valley Water Treatment Plant Chlorine Contact Basin (CCB) to address the deficiencies identified in the 2016 Seismic Evaluation produced by BHC Consultants, Inc., the 2016 tracer study completed by Gray & Osborne, Inc. and the 2020 coatings assessment completed by Evergreen Coatings Engineers.

In the past 10 years, multiple evaluations have been completed that have identified deficiencies with the existing CCB that need to be addressed to ensure that the water treatment system continues to operate reliably and efficiently now and into the future. The identified deficiencies include:

- A seismic vulnerability assessment was completed in 2016 and determined that the Chlorine Contact Basin did not meet current seismic design standards and would be unlikely to survive a significant earthquake. First, the report stated that the concrete ring wall foundation did not provide sufficient uplift resistance and, secondly, the existing rigid piping connections present a risk of damage that would result in emptying of the reservoir.
- The CCB was originally designed to provide sufficient chlorine contact time for the design water treatment capacity of 2 million gallons per day (MGD). This sizing was based on an estimated baffling factor of 0.7. In 2016, Gray & Osborne, Inc. completed a tracer study on behalf of the Washington State Department of Health to determine the actual baffling factor. Based on the results of this evaluation, the baffling factor was revised from 0.7 to 0.3. As a result, the capacity of the CCB is less than the rated capacity of the plant of 2.0 MGD.
- In 2020, Evergreen Coatings Engineers completed an assessment of the interior and exterior coating system that revealed that the coating system is nearing the ends of its useful service life.

In light of these deficiencies, the District submitted a FEMA Hazard Mitigation Grant application to replace the existing CCB with a new CCB designed to meet seismic design standards and to provide sufficient chlorine contact time to treat the plant design capacity of 2.0 MGD. The grant application was developed in conjunction with Washington State Emergency Management Division (WA-EMD) of the Washington State Military Department and the Federal Emergency Management Agency (FEMA) as a hazard mitigation project in 2022. In 2024, the District received approval for the application with cost sharing as follows: FEMA 75% (\$1,472,250), WA-EMD 12.5% (\$245,375), and Lake Whatcom Water and Sewer District 12.5% (\$245,375).

For further information about this project contact Greg Nicoll.

CAPITAL PROJECT NARRATIVE

Revision History

- Created 10/27/2021 by KPS (G&O).
- 10/21/2024 – Scope, schedule and budget updated (GN)

CAPITAL PROJECT NARRATIVE

Project Name:	Geneva Reservoir and Sudden Valley WTP Pump House Seismic Improvements
CIP #:	25-06

PURPOSE and DESCRIPTION OF THE PROJECT

The purpose of this project is to complete seismic upgrades recommended by the 2016 Seismic Deficiency Report produced by BHC Consultants, Inc. and the 2022 SV WTP Improvements Master Plan to ensure the facilities can survive a design level earthquake.

The District provides potable water to its South Shore water system, which includes the Sudden Valley and Geneva communities, wholly by water treated at its Sudden Valley Water Treatment Plant (SVWTP). Finished water from the SVWTP is conveyed to the South Shore water distribution system by four pumps that are housed within the SVWTP Booster Station. In 2022, as part of the Sudden Valley Water Treatment Plan Improvements Master Plan, Gray & Osborne Engineers completed a seismic evaluation of the SVWTP Booster Station and identified non-structural improvements that are required to ensure that the building can survive a significant earthquake.

Storage and system pressure is maintained in the South Shore distribution system by five reservoirs, which includes the Geneva Reservoir, a 500,000-gallon welded steel reservoir. The Geneva Reservoir serves most of the Geneva community, which includes approximately 1,136 connections. In 2016, BHC Consultants performed a seismic vulnerability assessment of the District's steel reservoirs, including the Geneva Reservoir. The assessment identified two structural deficiencies with the Geneva Reservoir (inadequate uplift resistance of the foundation and insufficient anchorage) that would prohibit the Geneva Reservoir from surviving a significant earthquake.

As a result of these findings, the District identified the need to complete upgrades to ensure that both structures meet current seismic standards. This project will construct a new concrete ring wall around the reservoir and improve the anchorage system for the reservoir. The project will also construct seismic improvements at the SV WTP Pump House building to ensure it will remain in service following a significant earthquake.

In 2022, the District submitted a FEMA Hazard Mitigation Grant application to complete seismic retrofits to the Geneva Reservoir and the SVWTP Booster Station. The grant application was developed in conjunction with Washington State Emergency Management Division (WA-EMD) of the Washington State Military Department and the Federal Emergency Management Agency (FEMA) as a hazard mitigation project which was approved in 2024. The grant will fund 95% of the design and construction costs for this project.

For further information about this project, contact Greg Nicoll.

Revision History

- Created 10/21/2024 by GN

CAPITAL PROJECT NARRATIVE

Project Name:	Physical Security Improvements – Phase 1
CIP #:	25-07

PURPOSE and DESCRIPTION OF THE PROJECT

The District owns and operates buildings and infrastructure throughout the service area that are susceptible to security breaches that could damage facilities and compromise the ability of the District to maintain service to the District customers. In 2022, the District contracted with BHC Consultants to complete a facility security assessment to evaluate existing security systems and provide recommendations for improvements to further secure the District facilities. Based on this evaluation, District staff have developed a preliminary plan for implementing the proposed improvements. Staff have separated the improvements into “system improvements”, such as access controls, security cameras, intrusion alarms, and “physical improvements”, such as fencing, reservoir ladder security and locks.

This phased project will focus on physical improvements including installing cages around existing reservoir access ladders, constructing fencing and installing new, more secure locks on access hatches and ladders at locations identified by the Facility Security Assessment. The first phase of work will include facilities identified by both BHC and District staff as being the most critical assets, which will be primarily drinking water reservoirs. Future phases will construct physical improvements at other drinking water reservoirs and water treatment facilities with identified vulnerabilities.

For further information about this project contact Greg Nicoll.

Revision History

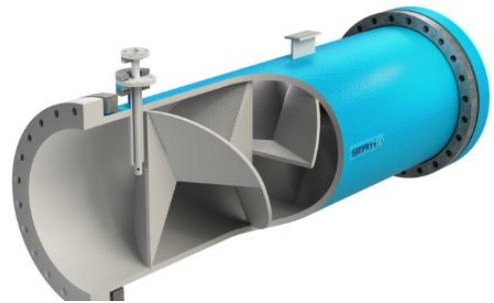
- 10/17/2024 – Created by Greg Nicoll.

CAPITAL PROJECT NARRATIVE

Project Name:	Replace Static Mixer at Sudden Valley WTP
CIP #:	25-08

PURPOSE and DESCRIPTION OF THE PROJECT

Prior to entering the water treatment filters at the Sudden Valley Water Treatment Plant (SVWTP), the raw water pump from Lake Whatcom is mixed with aluminum sulfate, also known as alum, which is a flocculant that causes small particles to clump together into larger particles that are more effectively filtered out in the filter bays. Alum is added to the raw water pipe via a small dosing pump and, to ensure that the alum is completely mixed with the raw water, there is an in-line static mixer immediately downstream of the alum dosing point. The static mixer, which is a pipe with internal baffles that create turbulence in the water flow, causes the water to mix with the alum. The existing static mixer is fiberglass and has been in service since the water treatment plant was renovated in 1994. This mixer, which is critical to the water treatment process, is at risk of failure due to the fragile construction materials and being beyond the end of its useful life. The proposed project will remove the existing static mixer and install a new static mixer. All work is currently planned to be completed by District staff and no interruption to water service is anticipated.



For further information about this project contact Greg Nicoll.

Revision History

- 10/22/2024 – Project Narrative Creation – Greg Nicoll.

CAPITAL PROJECT NARRATIVE

Project Name:	Decommission Treatment Center Wells
CIP #:	25-09

PURPOSE and DESCRIPTION OF THE PROJECT

In 2009, the Lake Whatcom Residential Treatment Center transferred its entire water system, including two groundwater wells and associated water rights, to the District. The District subsequently transferred the acquired water rights to the District-owned Geisbrecht well serving the Agate Heights water system and permanently removed the two wells from service. In compliance with Washington State regulations (WAC 173-160-381), the proposed project will fully decommission these two wells, eliminating the potential liability associated with possible contamination of the underlying aquifer. Work will remove and dispose of the two existing pumps and associated appurtenances, perforate the casing pipes, completely fill the wells with neat cement grout and document proper decommissioning of these wells.

For further information about this project contact Greg Nicoll.

Revision History

- 10/22/2024 – Project Narrative Creation – Greg Nicoll.

CAPITAL PROJECT NARRATIVE

Project Name:	Repaint and Reroof Eagleridge Booster Station Building
CIP #:	25-10

PURPOSE and DESCRIPTION OF THE PROJECT

The Eagleridge Booster Station building was constructed in 1989 as part of the Eagleridge residential development. The building is primarily concrete masonry unit (CMU) construction with a wood framed pitched roof, wood trim and cedar shingle roof. Based on recent inspection of the building, the roof and paint on the wood siding and trim are very deteriorated and are no longer protecting the structure. The proposed project will replace the existing shingle roofing with standing seam metal roofing and the structure will be repainted.

For further information about this project contact Greg Nicoll.

Revision History

- 10/23/2024 – Project Narrative Creation – Greg Nicoll.

CAPITAL PROJECT NARRATIVE

Project Name:	Agate Bay Pump Station Retrofit
CIP #:	0032

PURPOSE and DESCRIPTION OF THE PROJECT

Project includes retrofitting an existing Smith & Loveless underground, dry-pit duplex pump station with new pumps, controls, telemetry, pressure transducers for monitoring the wet well level, backup high and low floats and a pole mounted work light manually switched at control panel. The retrofit is part of a District wide pump station plan to replace all 30+ year old equipment.

The existing pump station was installed in the 1977 and a new stationary generator was added to the site in 2011. The site is located adjacent to Lake Whatcom.

The station has two existing 15 HP pumps; each have a design point of 350 GPM at 72-foot TDH. The wet well diameter is 6-feet, and the power service is currently 3-phase / 230V. Check valves are inaccessible for maintenance and cleaning. If a check valve ever jams it would be a major project to access the check valves for service.

The exact scope will be determined during preliminary design, but the proposed project will likely replace the below grade top mounted package lift station with new controls, submersible pumps and valves. The existing wet well will be reused and extended to grade. The estimate assumes that power supply and most site piping will be retained and reused.

For further information about this project contact Greg Nicoll.

Revision History

- Created 8/1/2006.
- Revised 8/2/2006 by MMM: Revised project scope, added budget.
- Revised 8/3/2006 by BH: Added to purpose.
- Revised 8/6/2007 by BH: Adjusted budget estimate to reflect recent Plum/Strawberry Canyon PS project costs.
- Revised 8/6/2009 by BH: Adjusted budget to reflect recent Tomb PS project.
- Revised 1/4/2010 by BH: Removed stationary generator – broke out as separate 2010 project.
- Revised 10/4/2011 by BH. Adjusted budget numbers slightly.
- Revised 10/24/17 by KH. Updated narrative and updated budget numbers based on recent pump station projects.
- Revise 8/22/24 by GAN: Revised cost estimate based on recent District LS upgrades as well as costs for similar sized lift stations outside of the District.

CAPITAL PROJECT NARRATIVE

Project Name:	Rocky Ridge Sewer Pump Station Replacement
CIP #:	0055

PURPOSE and DESCRIPTION OF THE PROJECT

Project includes retrofitting existing Smith & Loveless wet well mounted pump station with new single speed pumps, controls, telemetry, pressure transducers for monitoring the wet well level, backup high and low floats and a pole mounted work light manually switched at control panel. Land access is limited to foot traffic and the project will need to address a construction easement or access to the site via Lake Whatcom. The retrofit is part of a District wide pump station plan to replace all 30+ year old equipment.

The existing pump station was installed in the 1970's and is located adjacent to Lake Whatcom. Two existing 10 HP pumps each have a design point of 100 GPM at 70-foot TDH. The wet well diameter is four feet, and the power service is currently 3-phase / 230V. Check valves are inaccessible for maintenance and cleaning. If a check valve ever jams it would be a major project to access the check valves for service.

This project was originally budgeted for 2021, design was completed in 2023, and construction of the project was started in June 2024. Although the project was scheduled to be completed by the end of 2024, equipment procurement delays will delay completion of this project until the first quarter of 2025.

For further information about this project contact Greg Nicoll.

Revision History

- Created 8/1/2006.
- Revised 8/2/2006 by MMM: Revised project scope, added budget.
- Revised 8/3/2006 by BH: Added to purpose.
- Revised 8/28/2006 by MMM: Revised PS description.
- Revised 12/6/2007 by BH: Adjusted budget to reflect recent Plum/Strawberry Canyon project costs.
- Revised 8/6/2009 by BH: Adjusted budget to reflect recent Tomb PS project.
- Revised 10/4/2011 by BH: Updated budget numbers to be a bit more conservative.
- Revised 12/5/2016 by BH: Updated budget numbers base on recent pump station projects.
- Revised 10/24/17 by KH. Updated narrative and updated budget numbers based on recent pump station projects.
- Revised 11/30/2020 by BH. Updated budget numbers based on Edgewater and Dellesta Sewer Pump Station Improvements.
- Updated 11/30/2021 by BH. Updated phase status and budget estimates.
- Updated 10/16/2024 by GN. Updated to carry over budget to the 2025/26 budget.

CAPITAL PROJECT NARRATIVE

Project Name:	Lakewood Sewer Pump Station Retrofit
CIP #:	0056

PURPOSE and DESCRIPTION OF THE PROJECT

Project includes retrofitting existing Smith & Loveless wet well mounted pump station with new single speed pumps, controls, telemetry, pressure transducers for monitoring the wet well level, backup high and low floats and a pole mounted work light manually switched at control panel. Maintenance access is sometimes an issue with the adjacent homeowner and the project will need to provide a new permanent access road and easement either through WWU or the adjacent homeowner's property. The retrofit is part of a District wide pump station plan to replace all 30+ year old equipment.

The existing pump station was installed in the 1974 and is located adjacent to Lake Whatcom. The service area for this pump station is very small (about 5 residences and the WWU Lakewood facility). Wastewater from this station is re-pumped by Airport Pump Station. The station has two existing 15 HP pumps; each have a design point of 100 GPM at 85-feet TDH. The wet well diameter is x-feet and the power service is currently 3-phase / 230V. Check valves are inaccessible for maintenance and cleaning. If a check valve ever jams it would be a major project to access the check valves for service. The O&M Manual for this pump station is missing.

For further information about this project contact Greg Nicoll.

Revision History

- Created 8/2/2006.
- Revised 8/2/2006 by MMM: Revised project scope, added budget.
- Revised 8/3/2006 by BH: Added to purpose.
- Revised 12/6/2007 by BH: Adjusted budget up slightly.
- Revised 8/6/2009 by BH: Adjusted budget to reflect recent Tomb PS project.
- Revised 10/4/2011 by BH: Updated budget numbers to be a bit more conservative.
- Revised 12/5/2016 by BH: Updated budget numbers base on recent pump station projects.
- Revised 10/24/17 by KH. Updated narrative and updated budget numbers based on recent pump station projects.
- Revised 11/30/2020 by BH. Updated budget numbers based on Edgewater and Dellesta Sewer Pump Station Improvements.
- Updated 11/30/2021 by BH. Updated phase status and budget estimates.
- Updated 10/16/2024 by GN. Updated to carry over budget to the 2025/26 budget.

CAPITAL PROJECT NARRATIVE

Project Name:	Lake Whatcom Blvd Interceptor (LWBI) CIPP Renewal Phases 4 and 5
CIP #:	0222

PURPOSE and DESCRIPTION OF THE PROJECT

The LWBI has been in operation for nearly 50 years. Recent television (2021) inspection that identified pipe wall corrosion and significant struvite buildup and a small sewer overflow at manhole GT-29 in February 2020 prompted an updated hydraulic analysis of the LWBI. This hydraulic analysis modelled the overflow event and, with model calibration, estimated the current pipe conditions and system capacity. The hydraulic modelling confirmed that existing pipe wall conditions are reducing the system capacity. Iterative modeling using projected pipe conditions following CIPP renewal shows that, upon relining approximately 6,300 linear feet of pipe, the LWBI interceptor will have sufficient system capacity without dependence on the existing Sudden Valley Detention Basin that is used periodically to mitigate peak flows.

Over the past three years, the District has been completing a phased project to re-line a gravity portion of the Lake Whatcom Boulevard Interceptor located between the Strawberry Point and Cable Street Lift Stations that has contributed to capacity limitations and sewer overflows. Re-lining of the pipes with cured-in-place-pipe removes buildup inside the pipe and provides reduced friction, increasing the capacity of the interceptor. To date, three phases of work have been completed that re-lined approximately 3,100 linear feet of the highest priority 10- and 14-inch pipe. Phases 4 (2025) and 5 (2026) will perform cure-in-place-pipe (CIPP) pipe rehabilitation on the remaining 14-inch diameter gravity pipe that has not already been addressed by the previous phases of this project.

Phase 4 is planned for completion in 2025 and will begin at manhole GT- 21 (near the intersection of Lake Whatcom Boulevard and Grand Boulevard), continuing downstream to manhole GT-19 (near 2757 Lake Whatcom Blvd.). Phase 5 is planned for completion in 2026, will begin at Manhole GT-19 and will continue downstream to the Cable Street Lift Station.

For further information about this project contact Greg Nicoll.

Revision History

- Created 8/21/24 by GN based on narrative originally prepared for all phases of the project on 11/30/21 by KH & BH.

CAPITAL PROJECT NARRATIVE

Project Name:	Sewer System Rehabilitation and Replacement Projects
CIP #:	S0001

PURPOSE and DESCRIPTION OF THE PROJECT

This project combines several separate District projects into one annual project. The goals of this project include finding and repairing inflow and infiltration (I&I) sources, rehabilitating degraded pipelines, and increasing capacity where needed to provide for planned growth and future flow rates.

The annual project scope and focus will vary based on the type of high priority items identified during the previous year. Types of work include sewer main slip lining (spot repairs and full lengths), pressure grouting service tees, pressure grouting manhole leaks/voids, rebuild/seal manholes, smoke testing, and other efforts to reduce I&I, rehabilitate pipelines, and increase capacity where needed.

For further information about this project call Greg Nicoll.

Revision History

- 10/26/2011. Combined separate I&I related projects into one annual project budget. Bill Hunter. Footnote: October 2011 Pro-Vac Estimate (Hank) for Smoke Testing: \$0.65/LF and can test approximately 10,000 LF per day.
- 11/18/2013. Minor budget updates. Bill Hunter.
- 12/6/2016. Updated budget for year 2017. BH.
- 11/6/2018. Updated budget for year 2019. BH.
- 11/4/2019. Updated budget for year 2020. BH.
- 12/1/2020. Updated budget and cost estimates for year 2021, edited project description. BH & KH.
- 11/30/2021. Updated budget and cost estimates for year 2022, edited project description. BH.
- 8/22/24: Updated budget for 2025-26 budget. GN.

CAPITAL PROJECT NARRATIVE

Project Name:	Flat Car Lift Station Reverse Flow to Sudden Valley Lift Station
CIP #:	0222

PURPOSE and DESCRIPTION OF THE PROJECT

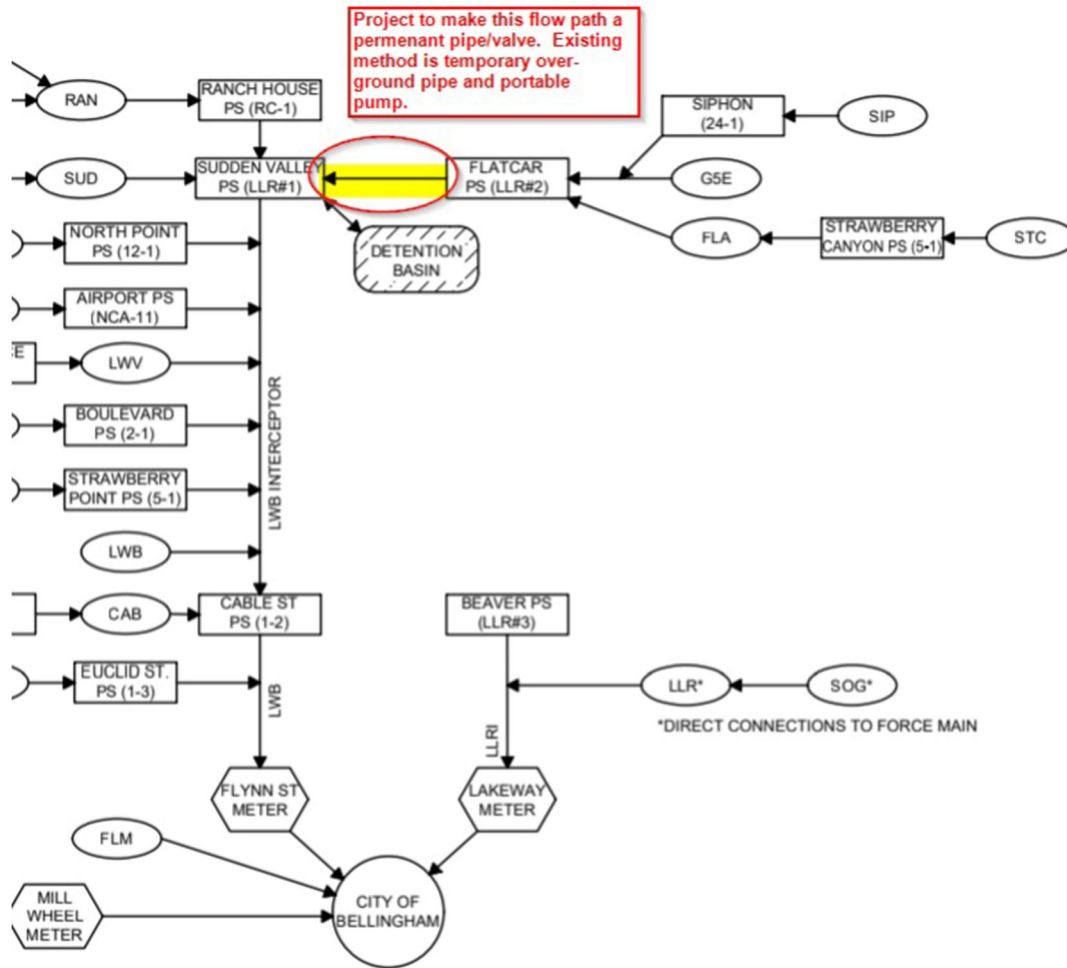
This project adds a permanent or semi-permanent means to change the direction of flow output from the Flat Car Sewer Lift Station. The purpose is to be able to quickly select which direction the Flat Car Sewer Lift Station discharge is directed; either to Beaver (normal operations), or reverse flow back to Sudden Valley Sewer Lift Station (SVLS) (special operations or emergencies).

The standard District operating mode sends the flow from the SVLS (via Flat Car Lift Station) to the Lake Louise Road Interceptor (LLRI) – the former “High Energy” scenario – because of the lack of sufficient capacity in the Lake Whatcom Boulevard Interceptor (LWBI). The schematic for this standard operating mode is shown in Exhibit E-1 in the 2020 Sewer Comprehensive Plan.

The District maintains the capability to send flows from the Sudden Valley Lift Station and the Flat Car Lift Station to the LWBI. Implementing this capability requires operations staff to install temporary piping across a structurally compromised bridge to the existing piping that extends to the SVLS. This operating mode is used only during dry weather and mainly to facilitate maintenance of the LLRI and its associated facilities (Flat Car and Beaver Lift Stations) or in emergencies. This reverse mode was used during the reconstruction of the Whatcom Falls sewer manhole and the HDPE fitting failure at the Beaver Lift Station. The schematic for this reverse operating mode is shown in Exhibit E-2 2020 Sewer Comprehensive Plan.

Exhibit E-2 Schematic from 2020 Sewer Comprehensive Plan Reverse Flow Scenario Diagram

CAPITAL PROJECT NARRATIVE



In 2022, the District contracted with Wilson Engineering to evaluate alternatives for constructing this improvement and preparing design documents. The preferred alternative is construction of a new pipe bridge and routing the new piping from the Flat Car Lift Station and across the pipe bridge to the piping that extends to the SVLS.

This project will be constructed in two phases. Phase 1 will construct the new pipe bridge across Beaver Creek. District staff intends to prepare bid documents and advertise the public works project for bid in early 2025 with construction planned to begin once the watershed work window opens in June 2025. Phase 2 will install the piping between the Flat Car Lift Station and the west end of the pipe bridge and from the east end of the pipe bridge to the connection to the existing sewer piping that extends to the Sudden Valley Lift Station. It is anticipated that District crews will construct Phase 2 of this project prior to the close of the 2025 watershed work window on September 30, 2025.

This project was originally included in the 2021 Capital Improvement Plan for design in 2021 and construction in 2022 with a total project budget of \$150,000. At the time of the original cost estimate used to establish this budget, it was assumed that the piping would be routed across an existing bridge. It has since been determined that the bridge is not structurally sound and a new bridge will be required, increasing the estimated project cost beyond the current budget. The 2025-26 budget will increase the project budget to close this funding gap.

CAPITAL PROJECT NARRATIVE

For further information about this project contact Greg Nicoll.

Revision History

- Created 11/30/2020. BH.
- Updated 11/30/2021. BH.
- Updated 8/26/24 by GN.

CAPITAL PROJECT NARRATIVE

Project Name:	Sudden Valley Lift Station Flow Meter
CIP #:	25-02

PURPOSE and DESCRIPTION OF THE PROJECT

The Sudden Valley Lift Station was originally constructed in 1971 as part of the original construction of the sewer collection system that serves the Sudden Valley development. The original lift station included two dry pit pumps that pump sewage through the Lake Whatcom Boulevard Interceptor. In 2001, the lift station was expanded to add a second wet well equipped with two submersible pumps that pump sewage through the Lake Louise Road Interceptor. Currently, all four pumps remain in service and District Operations staff have the option to operate either the original dry pit pumps or the wet pit pumps installed in 2001, depending on conditions within the system.

The discharge piping from the wet pit side of the station does not include a flow meter. As a result, the District is not able to collect flow information from this station. Flow data is very useful to evaluate how well the pumps are operating, if there are clogs in the system, amount of infiltration and inflow entering the system, and to better understand how the entire system is operating.

The proposed project will install a new magnetic flow meter on the discharge piping from the wet pit side of the lift station. The flow meter will be wired to send collected data to the lift station controls and ultimately to the District-wide SCADA system. It may be necessary to modify the discharge piping to accommodate the new flow meter. Costs associated with piping modifications are accounted for in the costs included in the 2025-26 budget.

For further information about this project contact Greg Nicoll.

Revision History

- 10/17/2024 – Project Narrative Creation – Greg Nicoll.

CAPITAL PROJECT NARRATIVE

Project Name:	City of Bellingham Post Point WWTP Capital Improvements
CIP #:	25-13

PURPOSE and DESCRIPTION OF THE PROJECT

Per the Interlocal Agreement (ILA) between the District and the City of Bellingham (City) dated March 27, 2014, the City agrees to accept, convey, treat and dispose of the District's sewage for a fee. Section 6.2 of the ILA stipulates that "[t]he District shall reimburse the City for the District's proportionate share of the costs of Major Improvements...to the Post Point Treatment Facility in an amount equal to 4.8% of Eligible Project Costs." Section 6.2.2 of the ILA define "Major Improvements" as "...individual projects that meet both of the following criteria: (a) the project is for the purpose of maintaining, repairing, replacing, improving or expanding the Post Point Treatment Plant or any component thereof; and (b) the actual cost of the project is greater than or equal to Five Million Dollars (\$5,000,000).

The draft City of Bellingham 2025 budget includes two projects that qualify for District reimbursement per the ILA:

- Post Point Generators and Controls - \$10,000,000
- Post Point Sludge Tank Replacement - \$14,500,000

Based on discussions with City staff, it is anticipated that both projects will be completed in 2026.

For further information about this project contact Greg Nicoll.

Revision History

- Created 10/23/2024 by GN.

APPENDIX C

2025-26 REVENUE BOND AND LOANS SUMMARY



APPENDIX C

Revenue Bonds and Loan Summary

The District has obtained publicly funded loans to construct projects. The project title, outstanding balance, funding source, agency, and interest rates are noted as follows:

Project Title	Balance Remaining 12/31/2025	Funding Source	Agency/Service	End Date	Rate
Geneva AC Mains	\$ 1,199,375	Rates	Drinking Water State Revolving Fund	2035	1.50%
Division 22 Reservoir	\$ 785,696	Rates	Drinking Water State Revolving Fund	2037	1.50%
2016 Revenue Bonds	\$ 3,285,000	Rates	US Bank	2035	2.25%
Division 7 Reservoir	\$ 800,000	Rates	Public Works Board	2045	1.72%
<i>Total Outstanding Debt 12/31/2025</i>	\$ 6,070,071				

Project Title	Balance Remaining 12/31/2026	Funding Source	Agency/Service	End Date	Rate
Geneva AC Mains	\$ 1,079,438	Rates	Drinking Water State Revolving Fund	2035	1.50%
Division 22 Reservoir	\$ 720,222	Rates	Drinking Water State Revolving Fund	2037	1.50%
2016 Revenue Bonds	\$ 2,765,000	Rates	US Bank	2035	2.25%
Division 7 Reservoir	\$ 766,147	Rates	Public Works Board	2045	1.72%
<i>Total Outstanding Debt 12/31/2026</i>	\$ 5,330,807				