



Lake Whatcom Water & Sewer District Board Meeting Access Information

Next Meeting:

Wed February 26, 2025
8:00 a.m.

Meeting Access

Meetings are held in person at our Administrative offices at 1220 Lakeway Drive in Bellingham. If you prefer to attend remotely, access information is below.

Join the meeting from your computer, tablet smartphone:

<https://meet.goto.com/lwwsd/boardmeeting>

You can also dial in using your phone.

Call: +1 (224) 501-3412 Access Code: 596-307-141
*Press *6 to mute/unmute your microphone*

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Attending a Meeting

Lake Whatcom Water & Sewer District's regular Board meetings take place on the second Wednesday of each month at 6:30 pm and the last Wednesday of each month at 8:00 am.

Meetings are open to the public per the Open Public Meetings Act.

All meetings are hybrid, available in person or online. If you wish to observe a meeting, but do not plan to actively participate, you may attend anonymously. Turn off your mic & camera, and change your display name to "Observation Only."

Public Comment Periods

Public comment periods are built in to the agenda, one near the beginning of the meeting and one near the end.

Commissioners will listen, but will not respond or engage in dialogue during the comment period. Direct questions or requests are noted by staff for follow-up.

For the sake of time, and to leave plenty of time for scheduled agenda items, public comments are limited to 3 minutes per person and 45 minutes per comment period.

Comments may be submitted at any time through mail, email, our online contact form, or by phone.

For more information about communicating with the Board of Commissioners, [please visit our website!](#)



Questions?

If you have questions about attending an upcoming meeting, please contact Administrative Assistant Rachael Hope at rachael.hope@lwwsd.org or 360-734-9224.



LAKE WHATCOM WATER AND SEWER DISTRICT

1220 Lakeway Drive
Bellingham, WA 98229

REGULAR MEETING OF THE BOARD OF COMMISSIONERS

AGENDA

February 12, 2025

6:30 p.m. – Regular Session

1. CALL TO ORDER
2. ROLL CALL
3. PUBLIC COMMENT OPPORTUNITY
At this time, members of the public may address the Board of Commissioners. Please state your name and address prior to making comments, and limit your comments to three minutes. For the sake of time, each public comment period will be limited to 45 minutes.
4. ADDITIONS, DELETIONS, OR CHANGES TO THE AGENDA
5. CONSENT AGENDA
6. SPECIFIC ITEMS OF BUSINESS
 - A. Cost Reimbursement Program for Water Right No. CG1-23449C
7. OTHER BUSINESS
8. STAFF REPORTS
 - A. General Manager
9. PUBLIC COMMENT OPPORTUNITY
10. ADJOURNMENT



**AGENDA
BILL
Item 5**

Consent Agenda

DATE SUBMITTED:	February 20, 2025	MEETING DATE:	February 26, 2025
TO: BOARD OF COMMISSIONERS	FROM: Rachael Hope		
GENERAL MANAGER APPROVAL	<i>[Signature]</i>		
ATTACHED DOCUMENTS	1. See below		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input checked="" type="checkbox"/>	INFORMATIONAL/ OTHER <input type="checkbox"/>

****TO BE UPDATED 02.25.2025****

BACKGROUND / EXPLANATION OF IMPACT

- Minutes for the 1.29.2025 Regular Board Meeting
- Minutes for the 2.12.2025 Regular Board Meeting
- Payroll for Pay Period #04 (02.01.2025 through 02.14.2025) totaling \$56,951.17
- Benefits for Pay Period #04 totaling \$61,797.56
- Accounts Payable Vouchers total to be added

FISCAL IMPACT

Fiscal impact is as indicated in the payroll/benefits/accounts payable quantities defined above. All costs are within the Board-approved 2025-2026 Budget.

RECOMMENDED BOARD ACTION

Staff recommends the Board approve the Consent Agenda.

PROPOSED MOTION

A recommended motion is:

“I move to approve the Consent Agenda as presented.”



1220 Lakeway Dr • Bellingham, WA 98229

REGULAR SESSION OF THE BOARD OF COMMISSIONERS

Minutes

January 29, 2025

Board President Todd Citron called the Regular Session to order at 8:00 a.m.

Attendees: Commissioner Todd Citron (v) General Manager Justin Clary
Commissioner John Carter (v) Engineering Manager Greg Nicoll
Commissioner Jeff Knakal Finance Manager Jenny Signs
Commissioner Bruce Ford (v) Operations Manager Jason Dahlstrom
Recording Secretary Rachael Hope

Excused Absences: Commissioner David Holland

Also in attendance: Kristin Hemenway, District Construction Engineer
Rich Munson, District Engineering Technician
Members of the public Joe O'Keefe and James Johansson

Attendees noted with a (v) attended the meeting virtually.

Public Comment

District constituents spoke to the Board regarding the decommissioning of the existing Division 7 reservoir, scheduled as part of the Division 7 Reservoir Replacement Project.

Consent Agenda

Action Taken

Knakal moved, Carter seconded, approval of:

- **Minutes for the January 8, 2025 Regular Board Meeting**
- **Payroll for Pay Period #02 (01.04.2025 through 01.17.2025) totaling \$55,047.69**
- **Benefits for Pay Period #02 totaling \$60,089.87**
- **Payroll taxes for 4th Quarter 2024 totaling \$12,361.10**
- **Accounts Payable Vouchers totaling \$299,236.33**

Motion passed.

Commissioner Bruce Ford joined the meeting virtually at 8:15 a.m.

Chlorine Contact Basin Replacement Alternative Selection

Nicoll explained that an essential component of the District's Sudden Valley Water Treatment Plant (SVWTP) system is the chlorine contact basin (CCB). The CCB, constructed in 1994, provides filtered water the necessary chlorine contact time, as regulated by the Washington State Department of Health (DOH). In 2016,

BHC Consultants performed a seismic vulnerability assessment of the District's steel water reservoirs, including the CCB. The assessment identified structural deficiencies with the CCB that would prohibit it from surviving a significant earthquake. Through this assessment, along with subsequent assessments of the CCB's treatment capacity performed by Gray & Osborne, Inc. (G&O), the District identified the need to replace the existing CCB with a new CCB that meets current seismic standards and that is sized to accommodate full design flow of the SVWTP.

Following the award of a FEMA Hazard Mitigation Grant (HMG) which will fund 87.5% of the estimated project budget, the District selected G&O to design the new CCB. G&O's first task was completion of an alternative analysis of various alternatives for configuration and materials of construction for the new CCB. This alternative analysis identified an approximate \$1,000,000 funding gap between the estimated project cost and available grants and budgeted District funds. To fill this gap, District staff has requested additional grant funds from FEMA and Washington State Emergency Management Department. Staff presented a proposed funding scenario for discussion, and will subsequently prepare an amendment to the 2025-2026 Budget and present to the Board for approval at a future meeting.

Resolution No. 900 Lake Whatcom Management Program 2025-2029 Work Plan

Clary recalled that, in 1998, due to observed deterioration of the water quality in Lake Whatcom, the Lake Whatcom Water and Sewer District, City of Bellingham, and Whatcom County entered into an interlocal agreement formally creating the Lake Whatcom Management Program (LWMP). The LWMP's primary goal is to improve lake water quality by jointly implementing programs affecting the Lake Whatcom watershed.

Since its creation, LWMP partners have developed and implemented five 5-year work plans focused on the program areas including land preservation & use, stormwater, recreation, and climate change. With the most recent work plan (2020-2024) approaching expiration, the LWMP interjurisdictional coordinating team (ICT) began development of a successor work plan in early 2024, which was presented for Board review and approval via Resolution No. 900. Discussion followed.

Action Taken

Knakal moved, Ford seconded, to adopt Resolution No. 900 as presented. Motion passed.

Water Right No. CG1-23449C Status

Clary explained that in 2006, the District entered into an agreement with the Lake Whatcom Residential & Treatment Center (LWRTC) to extend the District's Agate Heights System to serve the LWRTC's facility located at 3400 Agate Heights Road. A condition of the agreement was LWRTC's transfer of ownership of its water distribution system, groundwater wells, and groundwater water right (Water Right Certificate No. G1-23449C) to the District. Following execution of this agreement, in 2010 Wilson Engineering filed the District's Application for Change/Transfer of Water Right to transfer Water Right No. G1-23449C from the LWRTC well to the District's 10-inch diameter well serving its Agate Heights water system.

With nearly 15 years having passed since the application was filed, and significant District staff turnover having occurred during that time, current District staff had incorrectly understood that the water right transfer had been completed. However, in review of the Whatcom County Coordinated Water System Plan that is currently under revision, the subject water right transfer was noted as pending. District staff met with Ecology on January 22 to discuss the transfer application status and means of expediting its completion. Due to current workload and the pending WRIA No. 1 adjudication, Ecology staff could not provide a timeline for the application to be processed under the traditional review process and recommended the District consider Ecology's cost reimbursement process. Discussion followed.

General Manager's Report

Clary updated the Board on several topics, including a customer responsiveness analysis for 2024, an updated report on the 2022-2027 strategic business plan implementation status, and a recent sewage overflow violation notice issued to a homeowner on the North Shore. Discussion followed.

Engineering Department Report

Nicoll highlighted several projects, including an update on concrete pouring at the Division 7 Reservoir, expected delivery times for lift stations for the Rocky Ridge and Lakewood Lift Stations renovations, completion of work at the cure-in-place-pipe lining of the Beaver Creek sewer crossings, and upcoming projects going to bid.

Finance Department Report

Signs’ report focused on a District wide summary for 4th quarter 2024, approval of the 2025-26 budget, and receipt of approximately \$900,000 in FEMA reimbursement funds in December; highlighting that to date the water fund has been awarded almost \$4.8 million in grants for various projects, allowing for capital projects to move forward without debt service.

Operations & Maintenance Department Report

Dahlstrom reported on field crew and operations activity, including two water main breaks, which is fairly typical during periods of ground freeze/thaw cycles; the new service truck delivered to the District this week, generator repairs and maintenance, and the District’s newest Maintenance Worker, who has been on staff since Jan 6.

Executive Session Per RCW 42.30.110(1)(g)

Citron recessed the Regular Session to Executive Session at 10:02 a.m. It was estimated that the Executive Session would take 20 minutes and end at 10:22 a.m. The purpose of the Executive Session was to review the performance of a public employee (General Manager performance evaluation). Citron recessed the Executive Session and reconvened the Regular Meeting at 10:20 a.m.

Action Taken

Carter moved, Knakal seconded, to increase Justin Clary’s annual salary to \$192,478 effective January 1, 2025. Motion passed.

With no further business, Citron adjourned the regular session at 10:21 a.m.

Board President, Todd Citron

Attest: _____
Recording Secretary, Rachael Hope

Minutes approved by motion at Regular Special Board Meeting on _____



1220 Lakeway Dr • Bellingham, WA 98229

REGULAR SESSION OF THE BOARD OF COMMISSIONERS

Minutes

February 12, 2025

Board President Todd Citron called the Regular Session to order at 6:30 p.m.

Attendees: Commissioner Todd Citron
Commissioner John Carter
Commissioner Bruce Ford
Commissioner David Holland
Engineering Manager Greg Nicoll
Finance Manager Jenny Signs
Operations Manager Jason Dahlstrom
Recording Secretary Rachael Hope
District Legal Counsel Bob Carmichael

Excused Absences: Commissioner Jeff Knakal

No public were in attendance. Attendees noted with a (v) attended the meeting virtually.

Consent Agenda

Action Taken

Carter moved, Holland seconded, approval of:

- **Payroll for Pay Period #01 (12.21.2024 through 01.03.2025) totaling \$48,841.00**
- **Benefits for Pay Period #01 totaling \$56,941.34**
- **Accounts Payable Vouchers totaling \$151,108.32**

Motion passed.

Ecology Cost Reimbursement Program for Water Right No. CG1-23449C

In 2006, the District entered into an agreement with the Lake Whatcom Residential & Treatment Center (LWRTC) to extend the District's Agate Heights System to serve the LWRTC's facility located at 3400 Agate Heights Road. A condition of the agreement was LWRTC's transfer of ownership of its water distribution system, groundwater wells, and groundwater water right (Water Right Certificate No. G1-23449C) to the District. Following execution of this agreement, in 2010 Wilson Engineering filed the District's Application for Change/Transfer of Water Right to transfer Water Right No. G1-23449C from the LWRTC well to the District's 10-inch diameter well serving its Agate Heights water system.

With nearly 15 years having passed since the application was filed, and significant District staff turnover having occurred during that time, current District staff had incorrectly understood that the water right transfer had been completed. However, in review of the Whatcom County Coordinated Water System Plan that is currently under revision, the subject water right transfer was noted as pending. District staff met with Ecology on January 22 to discuss the transfer application status and means of expediting its completion. Due to current workload and the pending WRIA No. 1 adjudication, Ecology staff could not provide a timeline for the application to be processed under the traditional review process and recommended the District consider

Ecology’s cost reimbursement process. The Board discussed the topic during its January 29, 2025 regularly scheduled meeting and requested that it be added to the February 12 meeting agenda for additional discussion.

Action Taken

Carter moved, Holland seconded, to authorize the General Manager to proceed with a contract with Ecology for the transfer of the Lake Whatcom Treatment Center water right through the Cost Reimbursement Program. Motion passed.

With no further business, Citron adjourned the regular session at 7:41 p.m.

Board President, Todd Citron

Attest: _____
Recording Secretary, Rachael Hope

Minutes approved by motion at Regular Special Board Meeting on _____

CHECK REGISTER

PAYROLL

Lake Whatcom W-S District

Time: 12:25:45 Date: 02/18/2025


02/20/2025 To: 02/20/2025

Page: 1

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
503	02/20/2025	Payroll	5	EFT		439.47	02/01/2025 - 02/14/2025 PR 04
504	02/20/2025	Payroll	5	EFT		585.95	02/01/2025 - 02/14/2025 PR 04
505	02/20/2025	Payroll	5	EFT		4,041.77	02/01/2025 - 02/14/2025 PR 04
506	02/20/2025	Payroll	5	EFT		3,596.02	02/01/2025 - 02/14/2025 PR 04
507	02/20/2025	Payroll	5	EFT		4,001.74	02/01/2025 - 02/14/2025 PR 04
509	02/20/2025	Payroll	5	EFT		2,229.20	02/01/2025 - 02/14/2025 PR 04
511	02/20/2025	Payroll	5	EFT		1,756.68	02/01/2025 - 02/14/2025 PR 04
512	02/20/2025	Payroll	5	EFT		3,484.67	02/01/2025 - 02/14/2025 PR 04
513	02/20/2025	Payroll	5	EFT		294.85	02/01/2025 - 02/14/2025 PR 04
514	02/20/2025	Payroll	5	EFT		2,687.24	02/01/2025 - 02/14/2025 PR 04
515	02/20/2025	Payroll	5	EFT		2,513.66	02/01/2025 - 02/14/2025 PR 04
516	02/20/2025	Payroll	5	EFT		732.45	02/01/2025 - 02/14/2025 PR 04
517	02/20/2025	Payroll	5	EFT		3,002.44	02/01/2025 - 02/14/2025 PR 04
518	02/20/2025	Payroll	5	EFT		2,890.83	02/01/2025 - 02/14/2025 PR 04
519	02/20/2025	Payroll	5	EFT		3,439.91	02/01/2025 - 02/14/2025 PR 04
520	02/20/2025	Payroll	5	EFT		2,153.82	02/01/2025 - 02/14/2025 PR 04
521	02/20/2025	Payroll	5	EFT		3,160.50	02/01/2025 - 02/14/2025 PR 04
522	02/20/2025	Payroll	5	EFT		2,852.60	02/01/2025 - 02/14/2025 PR 04
523	02/20/2025	Payroll	5	EFT		4,243.11	02/01/2025 - 02/14/2025 PR 04
524	02/20/2025	Payroll	5	EFT		3,479.49	02/01/2025 - 02/14/2025 PR 04
525	02/20/2025	Payroll	5	EFT		3,080.34	02/01/2025 - 02/14/2025 PR 04
508	02/20/2025	Payroll	5	16126		439.47	01.09.2025 - 01.17.2025 - 01.29.2025
510	02/20/2025	Payroll	5	16127		1,844.96	02/01/2025 - 02/14/2025 PR 04
						16,887.90	
						40,063.27	

56,951.17 Payroll: 56,951.17

I do hereby certify, under penalty of perjury, that the above is an unpaid, just, and due obligation as described herein, and that I am authorized to certify this claim.

Sign  Date 2/18/2025
 General Manager, Justin Clary

Board Authorization - The duly elected board for this district has reviewed the claims listed and approved the payment by motion at the meeting listed below:

 Board President, Todd Citron

Attest : _____
 Recording Secretary, Rachael Hope

Approved by motion at _____ Regular _____ Special Board Meeting on _____
 Date Approved

CHECK REGISTER

BENEFITS

Lake Whatcom W-S District

Time: 12:39:16 Date: 02/18/2025

02/20/2025 To: 02/20/2025

Page: 1

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
526	02/20/2025	Payroll	5	EFT	DEPARTMENT OF RETIREMENT SYSTEMS	6,196.00	Pay Cycle(s) 02/20/2025 To 02/20/2025 - DCP; Pay Cycle(s) 02/20/2025 To 02/20/2025 - ROTH DCP
527	02/20/2025	Payroll	5	EFT	UNITED STATES TREASURY	20,035.40	941 Deposit for Pay Cycle(s) 02/20/2025 - 02/20/2025
528	02/20/2025	Payroll	5	EFT	WA ST PUBLIC EMP RET PLAN 2	9,418.97	Pay Cycle(s) 02/20/2025 To 02/20/2025 - PERS 2
529	02/20/2025	Payroll	5	EFT	WA ST PUBLIC EMP RET PLAN 3	3,828.16	Pay Cycle(s) 02/20/2025 To 02/20/2025 - PERS 3
530	02/20/2025	Payroll	5	EFT	WA ST SUPPORT ENFORCEMENT REGISTRY	911.85	Pay Cycle(s) 02/20/2025 To 02/20/2025 - SUP ENF
531	02/20/2025	Payroll	5	16128	AFLAC	334.44	Pay Cycle(s) 02/20/2025 To 02/20/2025 - AFLAC PRE-TAX; Pay Cycle(s) 02/20/2025 To 02/20/2025 - AFLAC POST-TAX
532	02/20/2025	Payroll	5	16129	AFSCME LOCAL	382.80	Pay Cycle(s) 02/20/2025 To 02/20/2025 - UNION DUES; Pay Cycle(s) 02/20/2025 To 02/20/2025 - UNION FUND
533	02/20/2025	Payroll	5	16130	HRA VEBA TRUST (PAYEE)	590.00	Pay Cycle(s) 02/20/2025 To 02/20/2025 - VEBA
534	02/20/2025	Payroll	5	16131	WA ST HEALTH CARE AUTHORITY	20,099.94	Pay Cycle(s) 02/20/2025 To 02/20/2025 - PEBB MEDICAL; Pay Cycle(s) 02/20/2025 To 02/20/2025 - PEBB ADD LTD; Pay Cycle(s) 02/20/2025 To 02/20/2025 - PEBB SMK Surcharge; Pay Cycle(s) 02/20/2025 To 02/20
						45,610.27	
						16,187.29	
						61,797.56	Payroll: 61,797.56

CHECK REGISTER

BENEFITS

Lake Whatcom W-S District


Time: 12:39:16 Date: 02/18/2025

02/20/2025 To: 02/20/2025

Page: 2

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
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I do hereby certify, under penalty of perjury, that the above is an unpaid, just, and due obligation as described herein, and that I am authorized to certify this claim.

Sign  Date 2/18/2025
General Manager, Justin Gary

Board Authorization - The duly elected board for this district has reviewed the claims listed and approved the payment by motion at the meeting listed below:

Board President, Todd Citron

Attest : _____
Recording Secretary, Rachael Hope

Approved by motion at _____ Regular _____ Special Board Meeting on _____
Date Approved



**AGENDA
BILL
Item 6.D**

**Strategic Asset
Management Plan
Presentation**

DATE SUBMITTED:	February 19, 2025	MEETING DATE:	February 26, 2025
TO: BOARD OF COMMISSIONERS	FROM: Greg Nicoll, P.E., District Engineer		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. DRAFT Strategic Asset Management Plan		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input type="checkbox"/>	INFORMATIONAL /OTHER <input checked="" type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

In support of the Lake Whatcom Water and Sewer District’s (District) objective of continual improvement, in 2024, District staff and the Board of Commissioners completed an Effective Utility Management (EUM) self-assessment. This assessment evaluated the District's performance and priorities with regard to the core attributes of water and sewer utilities and identified operational optimization and infrastructure strategy & performance as primary areas of focus. Development and implementation of an assessment program is key to success in these attributes.

A fully developed asset management program will provide a framework and procedures to fully assess risks and opportunities associated with each of the assets and manage the risk of assets being overlooked until replacement or substantial rehabilitation is urgently required. Due to the District’s fixed revenue, substantial capital outlays that have not been planned well in advance have the potential to put a significant strain on District funds and could necessitate interim temporary repairs to keep the asset in service until funds can be secured to complete the long-term improvements that are needed.

For the past 10 years, District staff has been developing the foundation of the asset management program by compiling an inventory of assets along with asset attributes such as manufacturer, model, year installed and size. However, to date, the District has not had a fully integrated asset management system to track and document asset condition and risk or a system to inform and guide maintenance activities. In 2025, District staff developed an Asset Management Team to guide development and implementation of the District’s Asset Management Program that will provide a framework to incorporate the existing asset data into a cohesive program. This team is comprised of members of all divisions of the District to ensure District-wide buy-in and integration of the program into daily operations.

The first step in development of the Asset Management Program is to outline and document the goals and objectives of the program through development of a Strategic Asset Management Plan (SAMP). The SAMP provides a high-level overview of the District's asset management strategies, priorities and objectives, level of service goals and risk management policies. The SAMP also provides a high-level inventory of District assets and the current state of those assets. The intent of this presentation is to present the draft SAMP, provide an opportunity for discussion and to ensure buy-in at all levels of the District.

Once the SAMP has been finalized and fully accepted throughout the District, the Asset Management Team will transition their focus to the development of Targeted Asset Management Plans (TAMPs). TAMPs will be prepared for each asset category, such as reservoirs, sewer lift stations and water treatment plants and will outline specific asset management procedures for each category. These procedures include business risk exposure calculations, condition scoring criteria, parameters that will inform probability and consequence of failure calculations, and inspection procedures. Each TAMP is intended to be the working document used regularly to guide asset management activities.

To ensure that the program meets the needs of the District, the AMT intends to develop the TAMPs over time, allowing staff to implement the program with one asset category at a time. This approach will provide an opportunity to “beta” test the program and the various revisions that will be made on a single asset category before expanding the program to other assets.

FISCAL IMPACT

The District Asset Management Program is being developed internally by District staff and no expenses beyond current staffing is anticipated. Once fully implemented, the program will better inform asset management decisions and support the development of more detailed long range capital improvement plans.

APPLICABLE EFFECTIVE UTILITY MANAGEMENT ATTRIBUTE(S)

Product Quality
Enterprise Resiliency
Infrastructure Strategy and Performance
Operational Optimization
Financial Viability
Community Sustainability
Stakeholder Understanding & Support

RECOMMENDED BOARD ACTION

No action is recommended at this time. However, staff requests concurrence from the Board with the Strategic Asset Management Plan and the overall direction of the asset management program.

PROPOSED MOTION

Not applicable.

STRATEGIC ASSET MANAGEMENT PLAN

LAKE WHATCOM WATER & SEWER DISTRICT

Updated: 2025



Adopted [DRAFT]

LAKE WHATCOM WATER & SEWER DISTRICT

1220 LAKEWAY DRIVE

BELLINGHAM, WASHINGTON 98229

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DRAFT

1 Asset Management Program Background

1.1 Purpose

In support of the Lake Whatcom Water and Sewer District's (District) objective of continual improvement, in 2024, District staff and the Board of Commissioners completed an Effective Utility Management (EUM) self-assessment. This assessment evaluated the District's performance and priorities with regard to the core attributes of water and sewer utilities and identified operational optimization and infrastructure strategy and performance as primary areas of focus. Development and implementation of an assessment program is key to success in these attributes.

The District owns and operates water treatment and distribution and sewage collection facilities serving a majority of the Lake Whatcom watershed, including the Geneva Urban Growth Area (UGA), Eagleridge and Agate Heights neighborhoods and Sudden Valley Limited Area of More Intense Rural Development (LAMIRD). Facilities include:

Sewer Collection System

- 26 sewer lift stations
- 87 miles of sewer collection and conveyance pipes
- 2,250 sewer manholes
- 38 air release valves

Water Distribution System

- 523 fire hydrants
- 105 pressure reducing valves
- 2 water treatment plants
- 6 water booster stations
- 8 water reservoirs
- 70 miles of water transmission and distribution pipes

Each asset requires on-going maintenance to ensure continuous service and periodic replacement once the asset reaches the end of its useful life. Planning for maintenance is critical to address operational issues and to perform timely preventative maintenance to maximize the useful life of the asset. Each asset will inevitably reach the end of its useful life when the asset can no longer operate reliably, or continued repair and maintenance of the assets is no longer cost effective.

Funding for capital improvements to rehabilitate or replace District assets is limited to a portion of the revenue generated by rates charged for water and sewer services and general facility charges associated with new connections to the systems. This funding is occasionally supplemented by grant funds awarded to the District and borrowed funds as needed. Because the District has limited and generally fixed revenue to fund capital projects and grant and loan funding typically takes multiple years to be awarded, capital projects must be planned well in advance.

In the absence of a fully developed asset management program, the District is unable to fully assess all risks and opportunities associated with each of the assets and there is a substantial risk that assets will be overlooked until replacement or substantial rehabilitation is urgently required. Due to the District's limited revenue, substantial capital outlays that have not been planned for have the potential to put a

significant strain on District funds and could necessitate interim temporary repairs to keep the asset in service until funds can be secured to complete the long-term improvements that are needed.

For approximately 10 years, the District has worked to implement a fully integrated asset management program. The Cartegraph software, a GIS-based asset management program, is the heart of the program, as currently implemented. The Cartegraph program includes a complete inventory of District-owned assets along with overall condition indices for some of those assets. However, the completeness of the information is inconsistent among the assets. In addition, Cartegraph is not being regularly used to inform maintenance or capital improvement plans and a system to export the data from Cartegraph into a comprehensive District-wide plan has not been determined. To date, asset management information is piecemeal, and a unified program is needed to connect the information and utilize that information to make decisions regarding capital improvements and maintenance priorities. This Asset Management Program is intended to unify the information and fill gaps in the program.

“Take the right action, with the right asset, at the right time.”

1.2 Objectives

Identification of specific objectives is critical to ensuring that the asset management program becomes a useful system that serves the needs of the District and to ensure District-wide buy in to the program. The District has identified the following objectives for this program:

- A clear asset management program that is well understood and accepted by District staff.
- A comprehensive and accurate inventory of major District assets.
- A well defined and well understood condition evaluation program to regularly monitor and document the condition of District assets.
- A clearly defined risk evaluation scoring system to align prioritization of maintenance, rehabilitation and replacement with District priorities.
- A short and long range capital improvement program that is informed by probability and consequence of failure.
- Well-timed maintenance, repair and replacement projects that maximize the useful life of assets while minimizing failure and emergency actions.

1.3 Program Document Updates

This Strategic Asset Management Plan as well as all supporting documents, including the Targeted Asset Management Plans, are living documents that are intended to be updated and revised over time to align with current District objectives, challenges and conditions. This document is also a repository of information regarding District assets and this information will change over time, necessitating periodic updates to the Strategic Asset Management Plan and all related documents. The current Asset Management Team has determined that, to balance data accuracy with workload management, these documents should be updated every five years.

1.4 The Asset Management Team

The District Asset Management Team is a multidisciplinary group that includes representatives from all four divisions of the District: Operations, Engineering, Finance and Executive. The team includes:

TABLE 1: CORE STAFF

Staff	Responsibilities
District Engineer	Lead development and implementation of asset management program
Operations & Maintenance Manager	Lead implementation of on-going condition evaluation and preventative maintenance
Finance Manager	Review and evaluate financial implications of proposed repair, rehabilitation and replacement projects.
Construction Engineer	Assist District Engineer with implementation of asset management program and evaluating replacement values
Engineering Technician	Build and maintain asset inventory and populating and updating District asset management software (Cartegraph/Cartegraph)
ADVISORY STAFF	
Staff	Responsibilities
General Manager	Participate as needed to ensure that the program implementation and execution aligns with District goals and objectives.

1.5 District Mission Statement

The District’s mission is *to provide the best possible water and sewer services to District customers in a safe and cost-efficient manner, and in a way that contributes to protecting Lake Whatcom’s water quality.* The mission is achieved through continual pursuit of the following principles:

1. Provide safe and reliable drinking water and sewage collection to District customers, including sufficient capacity to meet fire flow requirements.
2. Establish connection charges and utility rates necessary to maintain the District’s financial viability.
3. Protect the natural resources within the Lake Whatcom watershed through cooperative efforts with other community and governmental organizations.
4. Be recognized as an outstanding public utility that is considerate of the operational and service expectations of all customers.
5. Have an organizational environment that fosters employee recruitment and retention, promotes teamwork and a safe work environment, and allows all people to achieve their full potential.
6. Provide sewer and water service to those portions of the District as may reasonably be served.
7. Foster productive partnerships with other community and governmental organizations that enhances delivery and protects the natural resources within the Lake Whatcom Watershed.

1.6 Community Location

The District is a special purpose district authorized under [Title 57 Revised Code of Washington](#) (RCW). Originally formed in 1968 as Whatcom County Water District No. 10, the District provides water service to approximately 4,000 connections and sewer service to approximately 4,400 connections (a population base of approximately 11,000 customers) in an 18-square mile area encompassing Lake Whatcom. The District is operated by 18 full-time professionals, governed by a five-member board of commissioners elected from within the District, and has an annual budget of approximately \$10.5 million.

The entire District is located within the watershed of Lake Whatcom, which is the drinking water source for a majority of the District as well as the entire City of Bellingham, a city of approximately 96,000 residents. Due to the proximity of the District facilities to a critical drinking water source, reliable operation of District assets is uniquely critical, requiring a higher level of planning and maintenance than typical utilities.

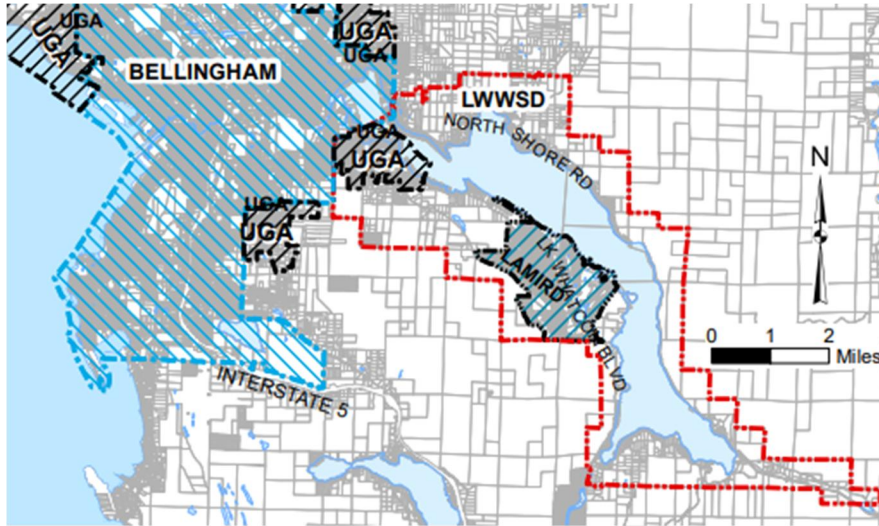
1.7 Related Documents

In an effort to plan for maintenance, rehabilitation and replacement of District assets, the District has completed numerous focused investigations, reports, memoranda, and other planning documents.

- Water System Comprehensive Plan, Wilson Engineering, June 2018.
- Comprehensive Sewer Plan Update, Wilson Engineering, June 2020.
- Sudden Valley Water Treatment Plant Alternatives Analysis, Gray & Osborne, Inc., September 2022.
- Geneva, Division 22-1 and Division 30 Reservoirs Rehabilitation Plan, LWWSD, August 2024.
- Water & Sewer Utility Rate Study, FCS Group, February 2022.
- General Facilities Charge (GFC) Update, FCS Group, December 2022.

2 Current State of the Assets

2.1 Service Area



2.2 Water System

The District water system includes approximately 70 miles of water transmission and distribution mains, eight reservoirs, six booster stations and two water treatment plants. This system is divided into two primary regions with 5 retail service areas:

NORTH SHORE REGION

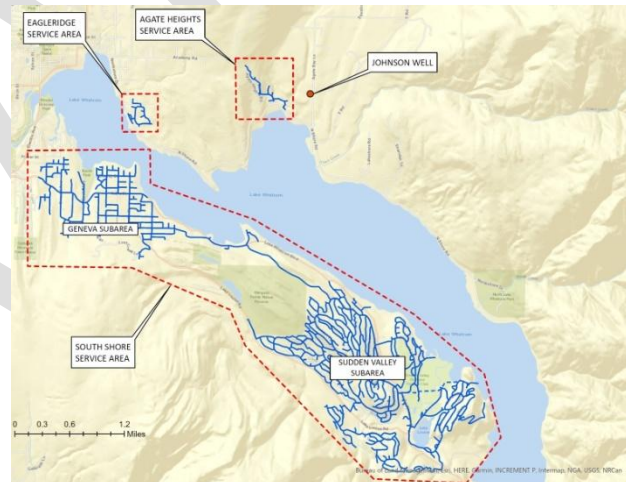
- Eagleridge
- Agate Heights
- Johnson Well

SOUTH SHORE REGION

- Sudden Valley
- Geneva

These service areas are further described herein:

North Shore Region



- Eagleridge - The Eagleridge retail service area was constructed in 1989 by developer extension and includes 70 service connections. Water for this service area is purchased from the City of Bellingham and provided via an intertie with the City's system located in Northshore Road. A booster station located near the intertie provides additional domestic water pressure to the system as well as providing additional flow and pressure during high flow events. The horizontal assets (pipes, manholes, hydrants, etc.) throughout this service area are generally around 35 years old, in generally good condition and within the expected useful lives of these assets. The booster pump station is also approximately 35 years old and nearing the end of its useful life.

- Agate Heights - The Agate Heights retail service area was constructed by a developer extension that was initiated in 1990, put into service in 2001 and expanded in 2008. The system serves 31 residential service connections as well as the Lake Whatcom Residential Treatment Center. Water is provided to this service area by one 10-inch well. A second 6-inch well is retained as a backup in the event it is needed. Water is conveyed from the well to the adjacent Agate Heights Water Treatment Plant for chlorination and treatment for manganese removal. The service area is served by two water reservoirs and one booster pump station. All of the horizontal assets in this service area are approximately 25 years old and within the expected useful life. However, some of the vertical assets (e.g. booster pump stations, etc.) will likely be nearing the end of their useful lives within the next ten years. The Agate Heights WTP was renovated in 2021.
- Johnson Well – The Johnson well, which is the District’s only Class B water system, serves two residential service connections adjacent to the Agate Heights service area. There are very few assets within this service area. The two pumps that pump water from the well to the distribution system are nearing the end of their anticipated useful life.

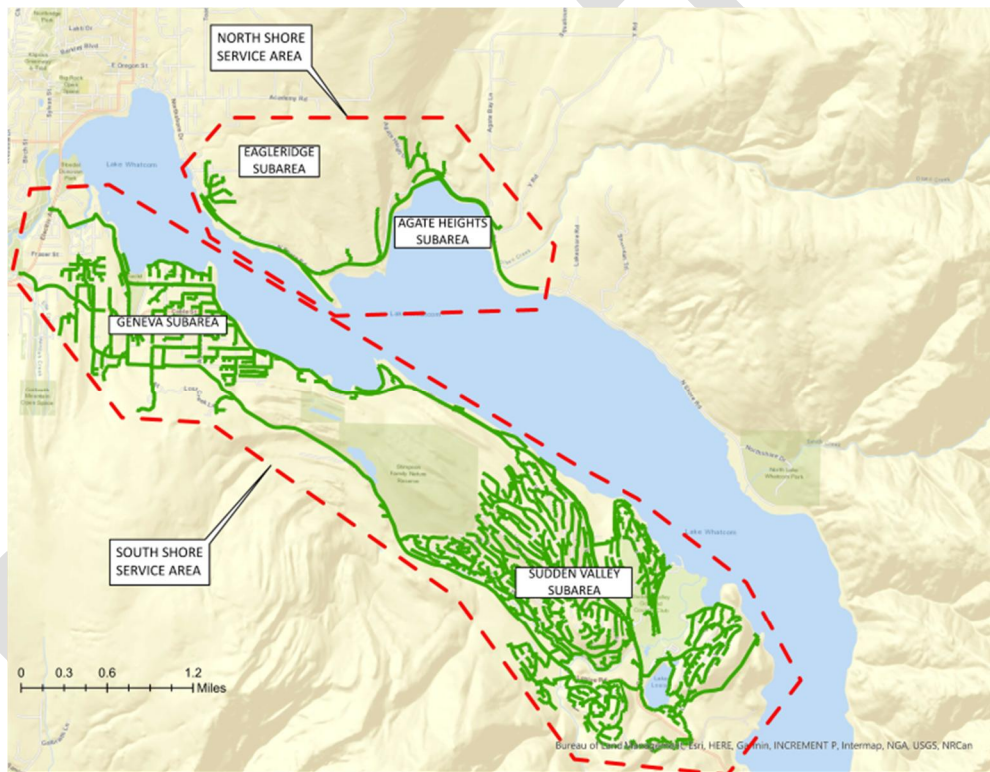
South Shore Region

- Sudden Valley – The water system in the Sudden Valley service area was constructed by the original developer of the Sudden Valley residential development in the early 1970s and serves approximately 2,500 service connections. This subarea includes one water treatment plant, water transmission and distribution mains, four reservoirs and one booster station. Raw water is pumped from Lake Whatcom to the Sudden Valley Water Treatment Plant by two raw water pumps. Treatment includes flocculation, direct filtration and disinfection by chlorination. Chlorine contact time is provided by a 225,000 gallon chlorine contact basin. Treated water is pumped from the water treatment plant by four transmission pumps to the Division 7 and Division 22 reservoirs and water is conveyed to the rest of the South Shore system from these reservoirs. Most of the assets in this service area are upwards of 50 years old. It is anticipated that most horizontal assets have significant remaining useful life but there are some horizontal assets, such as fire hydrants, that are nearing the end of useful life. Many of the vertical assets, such as reservoirs and booster stations, are at or beyond their anticipated useful life and are in need of rehabilitation or replacement in the immediate future.
- Geneva - The Geneva retail service area includes approximately 1,100 service connections located within the Geneva urban growth area adjacent to the City of Bellingham as well as some of the lakeshore properties along the south shore of Lake Whatcom. Treated water is provided to this sub-area by the Sudden Valley Water Treatment Plant via the Division 22 reservoirs. Geneva includes distribution and transmission mains, one reservoir and three booster pump stations. There is also an intertie with the City of Bellingham’s water distribution system, which includes a PRV station housed inside of a small building, to provide emergency backup water supply to the system. Because this area has developed and expanded over time unlike the other regions that are planned developments, the age of assets in this service area vary, with most

assets being constructed in the 1970s and 1980s. It is anticipated that most horizontal assets have significant remaining useful life but there are some horizontal assets, such as fire hydrants, that are nearing the end of useful life. Some of the vertical assets, such as the Geneva reservoir that serves this service area, are at or beyond their anticipated useful life and are in need of rehabilitation or replacement in the immediate future.

2.3 Sewer System

The District sewer system includes approximately 87 miles of sewer collection and transmission mains and 26 lift stations. The District does not operate a wastewater treatment facility and all sewage from the District is conveyed to the City of Bellingham's sewer collection system. The sewage is ultimately conveyed to the City's Post Point Wastewater Treatment Plant for treatment and discharge to Bellingham Bay.



The sewer system is comprised of two separate systems, the North Shore and South Shore systems:

- North Shore – The North Shore system serves both the Eagleridge and Agate Heights developments as well as a number of sewer-only customers along North Shore Drive. The system includes three lift stations and discharges to the City of Bellingham's collection system on North Shore Road near the entrance to the Eagleridge development. Most of the assets within the North Shore system are between 25 and 50 years old and have remaining useful life. Two of the three lift stations were renovated in 2022, and the third lift station is planned for renovation in 2027.
- South Shore – The South Shore system serves the Geneva and Sudden Valley areas. The system includes 23 lift stations and all sewage is conveyed to the City of Bellingham's sewer collection

system via two sewage interceptors that connect to the City's system in the Geneva neighborhood. Most of this collection system was constructed in the 1970s and many of the lift stations have been renovated in the past 20 years. Most of the pipes and manholes in the system are less than 50 years old and are expected to have substantial remaining useful life.

2.4 Human Health & Environmental Regulation

The District is a special purpose district authorized to provide sewer and water service within District boundaries under [Title 57 Revised Code of Washington](#) (RCW). The District operates under the following regulations, agreements and guidelines:

- Chapter 246-290 WAC: Group A Public Water Supplies – This chapter regulates operation and management of Group A water supplies in the State of Washington. The District operates three Group A Water Supplies: South Shore Service Area (ID# 959101), Eagleridge Service Area (ID# 081181) and Agate Heights Service Area (ID# 52957B).
- Chapter 246-291 WAC: Group B Public Water Supplies – This chapter regulates operation and management of Group B water supplies in the State of Washington. The District operates one Group B Water Supply: Johnson Well Service Area (ID# 047808)
- Revised Code of Washington (RCW) Title 57 – Title 57 regulates the management and operation of water and sewer districts in the State of Washington.
- Interlocal Agreement for Sewer Service between City of Bellingham and Lake Whatcom Water and Sewer District – This agreement outlines the conditions for the City to receive and treat sewage from the District, including:
 - Rates to be charged to the District for sewage received and treated by the City
 - Contributions by the District for necessary upgrades to the City's Post Point Wastewater Treatment Plant
 - Composition and quality of sewage discharged to the City's collection system.
- Lake Whatcom Watershed Total Phosphorus and Bacteria Total Maximum Daily Loads, Washington State Department of Ecology, November 2014 – This document provides limits for total phosphorus and bacteria entering Lake Whatcom. Although the District does not treat sewage or discharge to Lake Whatcom, this TMDL makes reliable operation of the sewer collection system to prevent any discharge to the lake very critical and increases the consequence of failure for collection system components in close proximity to the lake.
- Whatcom County Code Chapter 20.51 – Lake Whatcom Watershed Overlay District – This code limits ground disturbing work within the watershed, which includes the entirety of the District, to a four month period annually between June 1 and September 30. The purpose of this regulation is to protect water quality in the lake by minimizing potential sources of turbid and/or nutrient-laden stormwater discharge to the lake. The District must carefully schedule all ground

disturbing work and capital improvements projects to ensure that ground disturbance is limited to this window.

2.5 Geographic Information System Mapping

The District maintains a geographic information system (GIS) that includes an inventory of all District assets, excluding mobile and small-and-attractive assets such as vehicles, equipment and computers. District staff updates the information included in the GIS system following completion of capital projects and asset replacement by District Operations.

2.6 Historical Investments

2.6.1 Water System

Much of the water treatment and distribution assets were originally installed between the 1970s and 1990s. Most of the original water system assets remain in service without substantial renovation except as follows:

- Approximately 12,200 linear feet of asbestos cement water pipe in the Geneva neighborhood was replaced with new ductile iron water pipe between 2013 and 2015.
- One reservoir, Division 22-2 reservoir, was constructed in 2017
- At the time of the writing of this plan, one original reservoir, Division 7 reservoir, is currently being replaced with two new concrete reservoirs.
- District Operations has replaced approximately 75% of the pressure reducing valves in the system at least once.

2.6.2 Sewer System

Similar to the water system, the majority of the sewer collection system assets were originally installed between the 1970s and 1990s. Virtually all of the originally installed gravity sewer collection pipes, manholes and force mains remain in service. Over the past 25 years, the District has rehabilitated 21 of the 26 lift stations in the system.

2.7 System Value

The District system, which is comprised of a water system, sewer system and shared system assets, includes approximately 5,700 individually identified assets that include, but are not limited to, vehicles, equipment, buildings, manholes, pipes, lift stations, booster stations, reservoirs, pipes, valves, and hydrants. As part of the rate study completed for the District in 2022, District staff completed estimates of the replacement value of each of the components. Replacement cost was based on previous similar projects completed in the recent past, published unit prices and cost estimates completed as part of system planning efforts. Costs were then escalated to 2024 dollars. The estimated value of the District systems are included in the table below:

TABLE 2: ASSET INVENTORY

System	# of Assets	Total Asset Value
Water	1,077	\$84,000,000
Sewer	4,551	\$225,000,000
Shared	69	\$7,000,000
TOTAL	5,697	\$316,000,000

3 Level of Service

3.1 Stakeholders

Stakeholders are people and entities served by the District. This includes both customers as well as people and entities affected by District operations. Due to the District's location within the watershed of Lake Whatcom, which serves as the water source for more than 100,000 people, the District's stakeholders extend beyond the District boundaries. District stakeholders include:

- District customers – the District provides water and sewer service to approximately 11,000 residents within the District boundaries. Those customers rely on the District to provide safe and reliable water and sewer service.
- District Staff and Board of Commissioners – District staff operates at the direction of the Board of Commissioners and serves to construct, operate, maintain, and plan for rehabilitation and replacement of District infrastructure. Staff work with District leadership and commissioners to ensure a safe and healthy working environment.
- Development Community – The District regularly issues water and sewer permits that are frequently obtained and complied with by construction contractors. The District also supports development through field locating of District utilities in advance of ground disturbing work.
- City of Bellingham – Both the residents and the City staff and officials rely on the District to ensure that the City's drinking water source, Lake Whatcom, is protected from releases of sewage that may reach the lake and impact the quality of water provided to residents served by the City of Bellingham's water system. In addition, the City accepts, treats and disposes of all sewage generated by the District and maintains two interties between the City and District water systems. The District purchases all water provided to the Eagleridge development from the City.
- Sudden Valley Community Association – The Sudden Valley development, which comprises over half of the service connections in the District, is managed by the Sudden Valley Community Association (SVCA). Many of the District's utilities in the Sudden Valley service area are located within SVCA property and rights-of-way and SVCA owns and operates buildings, recreational facilities, stormwater and transportation infrastructure, and other development amenities throughout the District that impact and are impacted by District operations and infrastructure.
- Whatcom County – Many of the District's utilities are located within Whatcom County rights-of-way and the County owns and operates stormwater and transportation infrastructure throughout the District that impact and are impacted by District operations and infrastructure. Whatcom County is also the primary permitting authority for District construction projects.
- Regulatory Agencies – The Washington State Department of Health and Washington State Department of Ecology regulate construction and operation of the District water and sewer systems, respectively.

3.2 Level of Service Goals

The goal of asset management is to achieve level of service targets at an acceptable level of risk. Level of service is guided by the District’s core principles described within the mission statement above and is further defined by several Key Performance Indicators described in the table below:

TABLE 3: LEVEL OF SERVICE GOALS

Goal	Performance Targets
Protect public health and the environment	Reduce or eliminate overflows from the sewer and provide a continuous supply of potable water to District customers.
Maintain system security	Reduce or eliminate disruption of service, system contamination and damage to District assets due to security breaches.
Maintain excellent customer service	Respond to customer requests within 48 hours
Maintain utility rates that improve sustainability of the system	Manage District assets to fund repair, renovation and replacement with cash resources.
Improve preventative maintenance	Timely completion of all assessments and preventative maintenance
Improve planning for and timely completion of asset renovation to maximize the useful life of assets	Reduce or eliminate emergency repairs and reduced asset life through scheduled planning and monitoring.
Ensure the effective and reliable collection and conveyance of sewage through routine inspection and preventative maintenance of sewer infrastructure	Reduce or eliminate sewer overflows and reduce infiltration and inflow into the system.

4 Risk Management

4.1 Risk Analysis

Risk is a function of the probability of failure, how likely an asset is to fail based on age and condition; consequence of failure, the impact of a failure on District assets and stakeholders; and, redundancy, the number of redundant assets able to serve in place of the failed asset. For District assets, this risk is represented by a numerical value known as Business Risk Exposure as further described in Appendix C of this plan.

4.2 Risk Management

The District’s Risk Management strategy is further described in Appendix C of this plan and the Whatcom County Natural Hazards Mitigation Plan (updated 2021).

4.3 Planning, Managing, Funding

The District has established a rate structure to maximize cash funding for capital improvement projects. Because of this strategy, advanced planning for capital improvement projects is critical to ensure that sufficient funding is earmarked for capital projects, the cost of which may exceed the District’s one-year capital budget.

4.4 Resilient Infrastructure

Resilience refers to the ability of water and sewer utilities to withstand and quickly recover from natural and human-made disasters. The District is susceptible to numerous potential disasters including, but not limited to:

- Earthquake – the District is located within the zone of impact from the Cascadia Subduction Zone which presents an elevated risk of damage and system disruption due to earthquakes.
- Extreme rainfall and flooding – During the fall and winter, Western Washington periodically experience heavy rain events that result in substantially higher than normal stormwater flows that impact District assets as a result of flooding and excessive sewage flows due to infiltration and inflow into the collection system.
- High Wind Events – The majority of the District is heavily forested and high wind events can bring down trees on above-grade power lines and District assets, which can disrupt power service to District assets and potentially damage above grade assets.
- Vandalism – District assets are susceptible to vandalism which could result in damage to assets and potential service interruptions.

In light of these known hazards, the District has recently completed or is in the process of completing the following evaluations and capital improvements to improve the resiliency of the District assets:

- Reservoir Seismic Vulnerability Assessment Technical Report, BHC Engineers, 2016 - BHC completed a seismic vulnerability assessment of the District's five welded steel water storage reservoirs to assess their ability to survive a design level earthquake and provided recommendations for improvements to increase the resiliency of the structures.
- Division 7 Reservoir Replacement, Wilson Engineering, 2023- Based on the results of the Seismic Vulnerability Assessment, the District applied for and was awarded a FEMA Hazard Mitigation Grant to replace the reservoir with two new concrete reservoirs designed to meet seismic standards. This project is in construction at the time of writing of this plan and the new tanks are scheduled to be in service by late 2025.
- Sudden Valley WTP Chlorine Contact Basin Replacement, Gray & Osborne, Inc., 2025 - Based on the results of the Seismic Vulnerability Assessment, the District applied for and was awarded a FEMA Hazard Mitigation Grant to replace the chlorine contact basin (CCB) with a new CCB designed to meet seismic standards. This project is in design at the time of writing of this plan and the new basin scheduled to be in service by late 2026.
- Geneva Reservoir and Sudden Valley WTP Pump House Seismic Improvements, Wilson Engineering, 2025 - Based on the results of the Seismic Vulnerability Assessment and a separate seismic evaluation of the Pump House building, the District applied for and was awarded a FEMA Hazard Mitigation Grant to complete seismic improvements to the two structures. This project is in design at the time of writing this plan and the improvements are scheduled to be complete by late 2026.

- Beaver Creek Sewer Pipe Crossing Cured-in Place Pipe Improvements, 2024 – In response to a flooding event that exposed sewer pipes that run beneath Beaver Creek, the District undertook a project to reinforce the pipes by installing cured-in-place pipe inside of the existing pipes.
- Facility Security Assessment, BHC Consultants, 2024 - BHC completed an assessment of District assets, including administrative buildings, sewer lift stations, water treatment plants, water booster stations and reservoirs to identify security vulnerabilities and provide recommendations for improvements. The District is currently preparing a plan for implementation of the recommended improvements over the next 5 to 10 years.
- Whatcom County Natural Hazards Mitigation Plan, 2021 – Whatcom County prepared this hazard mitigation plan in collaboration with the various agencies within Whatcom County, including the District. This document identifies and evaluates natural hazards

The District continually evaluates the resiliency of District assets and incorporates resiliency improvements into capital projects whenever feasible. The District also prioritizes resiliency improvements for assets particularly susceptible to natural or human caused disasters, including:

- Water treatment plants
- Water booster stations
- Water reservoirs
- Sewer lift stations
- Administrative buildings

5 Maintenance Programs

The District Operations and Maintenance Division is responsible for managing and executing the asset maintenance program, which includes operation, preventative maintenance, and repair of all District assets. All operation and maintenance tasks are scheduled, assigned and tracked using Cartegraph. However, presently, the results of preventative maintenance and inspection tasks do not, for the most part, inform the current condition or remaining useful life of the District assets. In addition, repair tasks do not inform the probability of failure or the remaining useful life of the asset.

Preventative maintenance of each asset category is further described in the respective TAMP. Activities that affect the useful life and probably of failure of the asset include rating adjustments that influence the overall Business Risk Exposure calculations. For instance, rebuilding a PRV, including replacement of all internal parts, will extend the life of the PRV. When the PRV is rebuilt and the activity is recorded in Cartegraph, the useful life will be extended and the probably of failure will be reduced accordingly.

6 Capital Improvement Plan

The District Board approves a biennial budget every two years, which authorizes the district-wide operating and capital budget. This budget includes the two-year Capital Improvement Plan (CIP) as well as the six-year CIP, which projects all capital improvements planned for the next six years. Capital improvement projects are currently identified and prioritized based on multiple criteria, including:

- Age and condition of existing assets

- Need or desire for operational improvements
- Modernization of aging assets
- Increasing maintenance costs required to keep the assets in service.
- Lack of availability of replacement components or discontinuation of service by the manufacturer of system components.

Projects are also scheduled and phased as needed based on funding availability.

The 2025-2030 Capital Improvement Plan included in the 2025-2026 District Budget is included in Appendix E of this plan.

7 Finance

7.1 Rate Analysis

It has been the practice of the District to conduct comprehensive rate studies every five years to set rates for the next six years with analysis of how the District is performing mid-way through the cycle. The main goal of a rate study is to develop a funding plan (revenue requirement) for the District's water and sewer utilities in a given period of time. The revenue requirement identifies the total revenue needed to fully fund the water and sewer utilities on a stand-alone basis, considering operating and maintenance expenditures, debt service obligations, fiscal policy achievement, and the capital project needs of each utility. The revenue requirement methodology evaluates the sufficiency of the utility's revenues against its financial obligation in the context of two tests. The first being the cash flow test. The cash flow test determines whether the utility's annual revenues are sufficient to cover the known cash requirements and the second being the coverage test. The coverage test evaluates the utility's ability to meet applicable bond coverage requirements which are discussed later in this section.

The basic framework for evaluating utility revenue needs to include sound fiscal policies. The District strives to implement and maintain sound fiscal policies to ensure adequate revenues and reserves to operate the system in the best way possible. With that, the District has set policy to maintain 90 days of total annual operating expenditures in the water utility and 60 days in the sewer utility. Further, the District funds both a Water Contingency Reserve and a Sewer Contingency Reserve to provide a source of emergency funding for unexpected asset failures or other unanticipated capital needs. Both contingencies are funded at 1% of fixed assets (non-depreciated replacement cost of construction). The District does not have complete records on the original cost of fixed assets, so this policy is based on an estimated replacement cost. Further, the most recent rate study assumptions included the following applicable factors:

- General inflation costs assumed at 2.5% per year;
- Construction cost inflation assumed at 3% per year;
- Labor and benefit inflation assumed at 2.5% and 5% respectively;
- Investment interest assumed at 0.25% per year;
- Customer growth to be steady at 0.25% per year;
- Debt financing as follows:
 - Water utility to borrow funds at a 20 year term, 3.5% interest, 1% issuance costs, and a minimum debt service coverage requirement of 1.25.

- Sewer utility share of City of Bellingham Post Point Wastewater Treatment Plant Resource Recovery project of approximately \$10 million and an estimated 2.5% true interest cost.
- Washington state excise tax assumed to be 5.029% throughout the 20-year study period;
- State B&O tax assumed to be 1.75% throughout the 20-year study period; and
- District's share of any upgrades to the City of Bellingham's Post Point WWTP to address the recent State-issued Puget Sound Nutrient Removal General Permit is not included in the study.

Revenue is largely comprised of charges received from water and sewer customers. Bi-monthly service charges are collected by the District to provide resources to plan, manage, design, construct, maintain, and upgrade the District's systems. When possible, the District will pursue outside funding sources which may include grants, earmarks, or loans. The main goal in reviewing rate models is to develop funding strategies that will support the District's needs for the 20-years and beyond.

The District largely pursues a "pay-as-you-go" model for funding capital projects and tries to issue as little debt as possible. In the past, District borrowing has included a mixture of low-cost State loans and revenue bonds. To the degree sufficient capital funds are not available from reserve balances, rate funded capital or general facilities charges, then the District will forecast for revenue bonds to meet remaining capital needs. Debt service coverage is typically a requirement associated with revenue bonds and some State loans, and it is an important benchmark to measure the riskiness of the utility's capital funding plans. The District has set a conservative debt service coverage ratio target of 2.0 on bonded debt even though current contractual obligations from the 2016 revenue bond have a minimum requirement of 1.25. At the time of this report, the District's outstanding debt is as follows:

TABLE 5: OUTSTANDING DEBT

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

7.2 Funding Strategy

At the time of the most recent rate study (2021), the water utility capital plan through 2040 totaled \$12.3 million (\$16.7 million with cost escalation), of which approximately \$11.2 million was expected to be funded with cash financing (pay-as-you-go). In addition, \$1.9 million was expected to come from general facilities charge revenue, \$3.3 million in debt financing, and approximately \$239,000 in grant matching funds. However, since then, the District was approved for three additional FEMA Hazard Mitigation Grants (Sudden Valley Chlorine Contact Basin, Geneva Reservoir and SWWTP Pump House

Improvements and Division 22-1 Replacement) as well as an \$800,000 loan from the Public Works Board and \$220,000 in a congressional earmark (grant) through the Environmental Protection Agency.

The sewer utility capital plan through 2040 totaled \$24.6 million (\$30.5 million with cost escalation), of which \$18.6 million was expected to be funded with cash financing. In addition, \$2 million was expected to come from general facilities charge revenue, and \$10 million was expected to be debt-financed. However, it should be noted that the City of Bellingham's replacement plan for Post Point has changed and at the time of this document's preparation, the District is monitoring and working closely with the City of Bellingham as they update their plans for repairs and maintenance.

With the rate study that was conducted in 2021 and finalized in 2022, the District began building a capital surplus fund from rates. This surplus is designed to ebb and flow throughout the years analyzed to mitigate the reliance on debt or shortfalls in funding for large projects within the water and sewer utility funds in specific years. A recent review of rates and cash flow forecasting revealed that the District's revenues are covering the costs of all programs as designed and will continue to monitor rates on a continual basis to ensure that as changes are made, the District will remain in compliance with District policies, and State and Federal laws as applicable.

8 Monitoring and Reporting

8.1 Asset Management Report

The District Engineer, or other staff as assigned, will meet with the AMT and prepare an annual Asset Management Progress Report (AMPR) to provide a summary of the current state of the assets, on-going development of the asset management program. The AMPR will be distributed to the District Board, AMT and District staff.

8.2 Maintaining the Asset Management Program

On-going maintenance and improvement of the asset management program is a cornerstone of the District's approach. The AMT will identify assets that have not been evaluated and prioritize condition assessment of those assets. Once initial assessments have been completed on all assets, the District will identify recurrence schedules for each asset type to ensure the condition of assets is tracked at appropriate intervals to monitor condition while managing cost and workload. In addition, the AMT will work with District staff to maintain consistency in evaluation of assets to ensure useful information is provided by the assessments that will be useful in determining the on-going condition of the asset and in the calculation of the Business Risk Exposure for each asset.

Every five years, the AMT will review this Strategic Asset Management Plan and Targeted Asset Management Plans and edit and update as appropriate to reflect the current state of the assets, revisions to priorities and improvements to asset management strategies.

9 Quality Assurance and Quality Control (QA/QC)

Without accurate and up-to-date asset data and high staff confidence in the accuracy of the data, the asset management program will be ineffective and will not be able to accurately inform maintenance and capital improvement decisions or maximize the useful life of the assets. To ensure high quality data, the District's Asset Management Program includes a quality assurance and quality control program. This program includes:

- Regular review of the asset inventory to ensure a complete inventory of all assets included in the program;
- Protocol for updating asset data following repair and replacement projects;
- Periodic and scheduled review of asset data for each asset category and documentation protocols for recording data reviews;
- Clearly defined and well targeted condition scoring protocols to ensure consistency in scoring;
- Periodic review of decision making protocols to ensure that the data supports calculation of risk scores that recommend action when individual asset risk approaches the limit of the District's risk tolerance.

Specific QA/QC procedures are specifically described in the Targeted Asset Management Plans for each asset category.

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Appendix A: Asset Management Software

The District maintains a GIS mapping system that includes the fixed assets within the system, including sewer and water infrastructure and buildings. As further described in Appendix A-1, the District GIS system informs and is informed by the OpenGov Cartegraph asset management software, which is the foundation of the District's asset management program and complete utilization and integration of the software into District operations is critical to the success of the program. Presently, Cartegraph has been fully implemented to manage and track maintenance work orders and tasks and tracking and recording permitting and customer service requests. In addition, the system has been partially populated with asset information. However, the information is not entirely complete, accurate or current. As a result, in its current state, the information has limited usefulness to the asset management program. As the District Asset Management Team develops the Targeted Asset Management Plans for each asset category, the information included in Cartegraph will be reviewed and updated to ensure that the information can be relied on and is useful. Without complete information, the District cannot complete evaluations of the overall state of the assets or accurately prioritize maintenance and capital improvement projects.

Cartegraph also provides additional functionality to manage work orders and tasks, non-fixed asset inventory and tracking, store specific asset information and maintenance history, track asset condition and risk, and develop asset renewal scenarios. The utilization of the various functions of Cartegraph to support the District's asset management program is further described below.

Asset Data

Asset data, such as make, model, year of installation, year of replacement, size, and capacity, is documented in the "Assets" module of the Cartegraph system. The accuracy and completeness of the asset data, reflecting all replacements and modifications is critical to the effectiveness of this function. When this information can be relied upon, it is useful for capital improvement planning, repair and troubleshooting, and preparation of plans and reports.

Asset Condition Tracking

The current condition of each District asset can be tracked within the "Assets" module to inform the likelihood of failure. The condition is based on the age, condition, and maintenance and rehabilitation activities. Each asset includes a linear decay curve that is based on the age and expected useful life of the asset. When maintenance or rehabilitation activities are completed and logged into Cartegraph, the Cartegraph algorithm, as defined by the District, adjusts the linear decay curve to reflect the impact of the activity on the remaining useful life of the asset. In addition, when inspections of the asset are completed and the condition of the asset, which is a standardized scoring system, is recorded, the algorithm will adjust the useful life to reflect the current condition of the asset. The condition of the asset then informs the Business Risk Exposure associated with the asset in its current condition which then is used to inform maintenance priorities and the capital improvement plan (see Appendix A-2).

Work Orders and Tasks

Cartegraph includes a "Work" module that allows District staff to schedule preventative maintenance and repair activities as well as permitting and customer service calls. Although this function serves as a

useful tool for scheduling of activities, the primary application of this function to the District asset management program is the relationship with asset condition and remaining useful life. When fully developed and implemented, the Work module will inform the asset management program in numerous ways, including:

- maintenance and rehabilitation activities will revise the asset decay curve, and thereby, the remaining useful life of the asset;
- Maintenance activities will be informed by inspection activities (e.g. television inspection of a sewer main reveals clogging or debris accumulation will trigger a task to flush the sewer main); and,
- frequency and cost of maintenance activities can be used to inform asset replacement timelines and replacement of specific components of the asset.

Non-Fixed Assets (Resources)

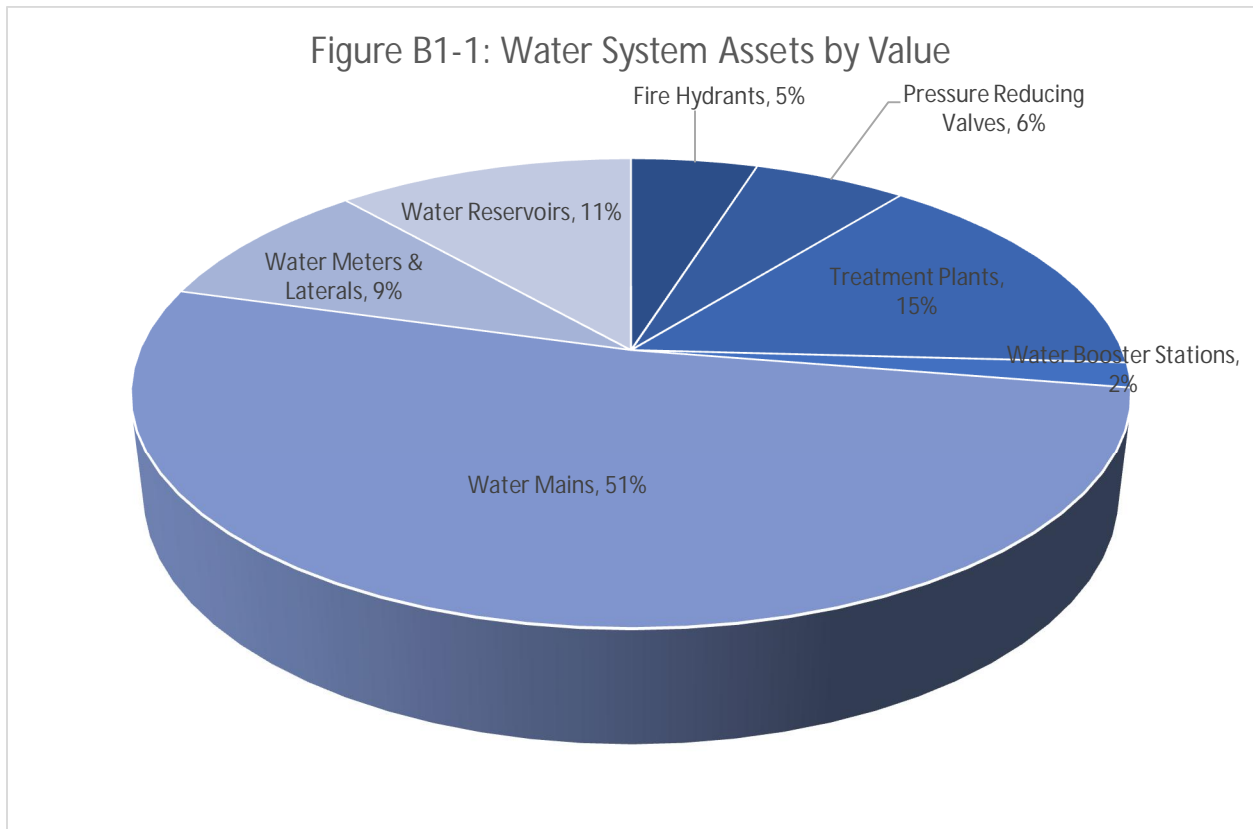
Cartegraph includes functionality to maintain an inventory of non-fixed assets such as vehicles and equipment within the "Resources" module. Similar to the "Assets" module, the "Resources" module includes an inventory of most non-fixed assets, including data such as make, model, model year, mileage/hours, capacities and other asset attributes. In addition, preventative and repair activities are scheduled and tracked and the asset decay curves are adjusted based on completion of select maintenance and repair activities. Presently, some small and attractive assets are logged in the Resources module but the module is not, as a general rule, used to track small and attractive assets (e.g. computers), small tools (e.g. saws, wrenches, drills, etc.) or consumables (e.g. bolts, drill bits, paint, etc.) and it is not currently planned to incorporate these assets into the asset management program

Appendix B: Asset Inventory

1. Water System

The District water system is comprised of both vertical assets, which includes water treatment plants, reservoirs and booster stations, and horizontal assets, which includes water mains, pressure reducing valves, hydrants, meters and laterals.

The total replacement value of the water system is estimated to be \$88 million (2024 dollars). Table B-1 provides a breakdown of the water system assets by value.



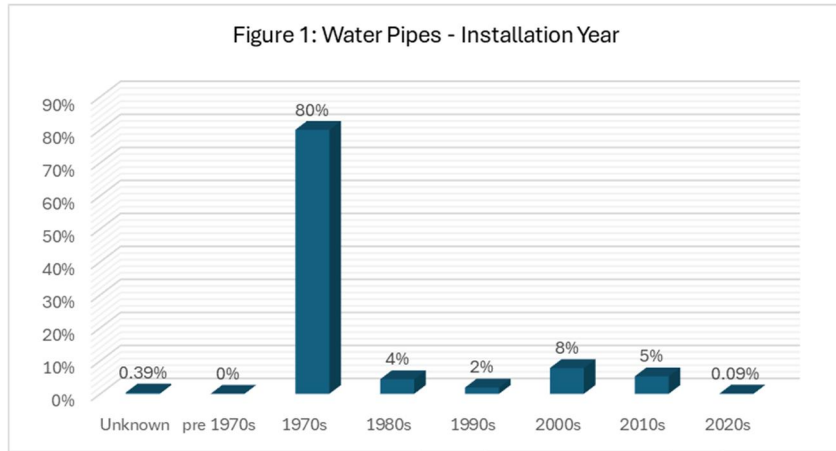
1.1. Horizontal Assets

The horizontal assets in the water system include water mains, valves, pressure reducing valves (PRVs), and fire hydrants. Nearly all the currently active horizontal assets in the water distribution system were installed after 1970.

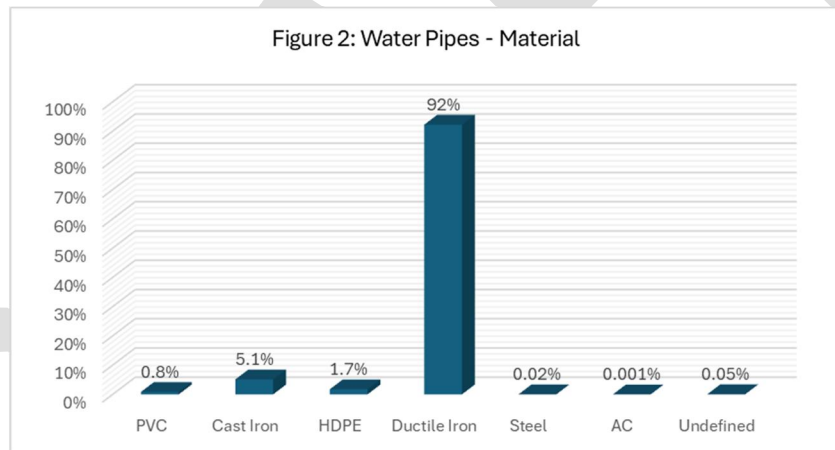
1.1.1. Pipes

As shown in Figure 1, approximately 80% of the currently active water distribution pipes were installed in the 1970s with approximately 14% of the pipes installed between 2000 and 2020. Most of the pipes

installed in the 2010s were installed as part of a 2013-15 project to replace existing asbestos cement water pipes that originally served portions of the Geneva area.



As shown in Figure 2, approximately 92% of the water mains are ductile iron with the remainder of the system being comprised of polyvinyl chloride (PVC), cast-iron, high-density polyethylene (HDPE), steel and asbestos cement (AC).



Per the 2021 update of the District's Water Use Efficiency Plan, distribution system leakage (DSL) in the system in the four service areas is summarized in Table 1 below:

TABLE B-1: DISTRIBUTION SYSTEM LEAKAGE

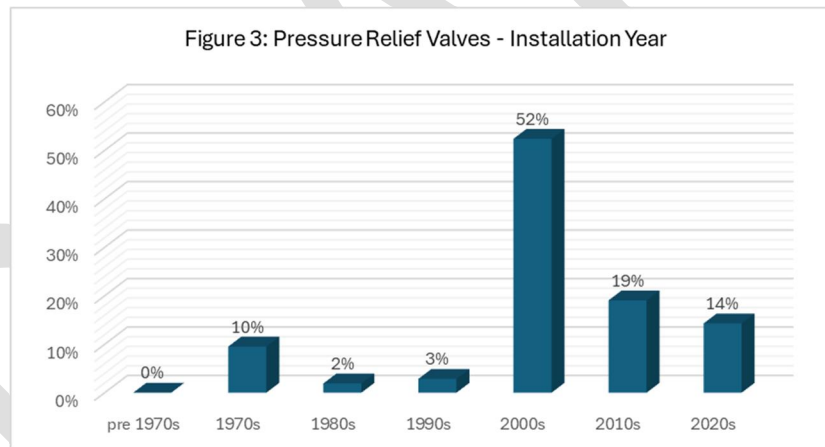
Service Area	Distribution System Leakage (2018-20 3 yr avg.)
DOH Target	10%
South Shore	7.91%
Geneva	9.1%
Eagleridge	5.5%
Agate Heights	4.42%

As shown in Table B-1, the distribution system losses are within DOH recommendations, but leakage has been trending upwards in the Eagleridge and Agate Heights service areas since 2014. Leakage within the Sudden Valley system, on the other hand, has been trending downward during that time.

The American Water Works Association has provided a recommended target break rate of 15 breaks per 100 miles of pipe per year. Table B-2 summarizes break rates between 2000 and 2016¹ in the District service areas. The District does not currently have up to date information regarding break rates within the three service areas. Available data will be collected and analyzed and a formalized program for recording and storing data going forward will be developed as part of the Targeted Asset Management Plan for the water pipe asset category. Once the data has been collected, this appendix will be updated with historical break rates.

1.1.2. Pressure Reducing Valves

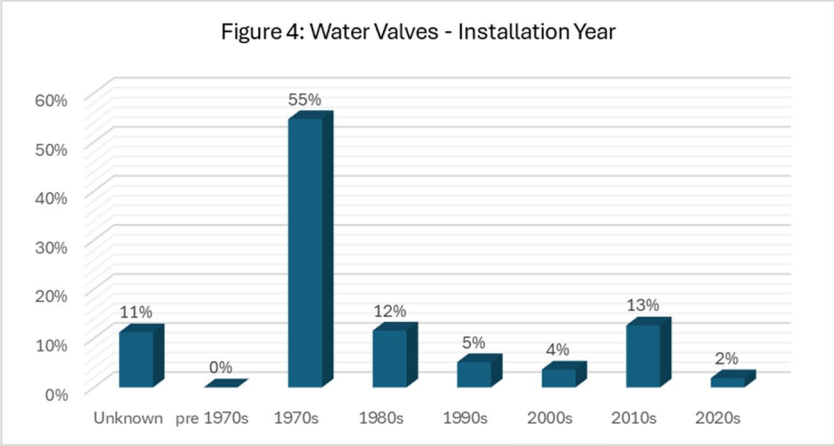
Similar to the piping system, most of the pressure reducing valves (PRVs) in the system were originally installed in the 1970s. However, PRVs have a typical useful life between 25 and 35 years and, as a result, many of the original PRVs in the system have been replaced or rebuilt since their original installation. As shown in Table 3 below, of the 105 PRVs in the system, approximately 10% of the currently active valves in the system were installed in the 1970s with a majority (approximately 86%) being installed since 2000. However, current District information is likely incomplete and does not accurately reflect the age, repair and rebuild history of all PRVs.



Based on typical useful life of PRVs, approximately 62% of the PRVs in the system have reached or will reach the end of their useful life by 2035. The District has implemented a programmatic replacement program that will begin in 2027 to replace PRVs as they deteriorate and reach the end of their useful life.

1.1.3. Water Valves

Of the 854 valves in the system, slightly over half of the valves are the original valves installed prior to 1980 with the remainder being installed or replaced over time between 1980 and present.



The expected useful life of water valves, when regularly exercised, is 35 to 40 years and upwards of 65% of the valves in the water distribution system are at or within 5 years of the end of their useful life. In addition, the installation date of approximately 11% of the valves is not documented, resulting in as much as 75% of the valves nearing the end of their useful lives based on age without consideration of condition.

1.2. Vertical Assets

1.2.1. Reservoirs

The District water system includes a total of eight storage reservoirs as summarized in the table below:

Reservoir	Capacity	Year Installed	Material
Agate Heights	108,000	2008	Concrete
Opal	81,000	2001	Concrete
Geneva	524,000	1979	Welded Steel
Division 22-1*	514,000	1971	Welded Steel
Division 22-2	626,000	2017	Welded Steel
Chlorine Contact Basin**	225,000	1994	Welded Steel
Division 7***	1,000,000	1971	Welded Steel
Division 30	148,000	1971	Welded Steel

* Funding for a project to replace the Division 22-1 reservoir is currently being finalized with construction of the new reservoir tentatively scheduled for 2027.

** A project is currently in progress to replace the Chlorine Contact Basin with a new basin in 2026.

*** Division 7 reservoir will be replaced by two concrete reservoirs in 2025.

Three of the reservoirs, Division 22-1, Division 7 and Division 30, are the original reservoirs installed as part of the Sudden Valley development. All three reservoirs are coated welded steel reservoirs that have not been recoated or significantly rehabilitated since their original construction. A construction project to construct two new 237,900-gallon concrete reservoirs to replace the existing Division 7 reservoir is currently underway with completion planned for mid-2025. The Geneva reservoir has been in service for upwards of 45 years and has not been recoated since it was originally constructed. A coatings assessment completed in 2022 recommends recoating of the Geneva, 22-1 and Division 30 reservoirs in the near future to maximize remaining useful life of the structures. The coatings on the Division 22-1 reservoir have failed in numerous places, the structure has begun to corrode, and it is

expected that structural repairs will be required prior to recoating. As noted in the table above, a project is currently in progress to replace the chlorine contact basin with a new basin, with the new basin scheduled to go into service in late 2026. The remaining structures are less than 25 years old, and both the structure and coatings (as applicable) have significant remaining useful life. Two of the existing reservoirs, Opal and Agate Heights, are concrete and do not require any coatings. The District plans for recoating the coated steel reservoirs every 25 to 30 years. The District also contracts for inspection and cleaning of all of the reservoirs every 6 years.

1.2.2. Booster Stations

The District operates eight transmission and booster stations as summarized in the table below:

Booster/Transmission Station	# of pumps	HP/Pump	Service Area	Year Installed (replaced)
SV WTP Pump House	4	Div 22: 150 (2) Div 7: 100 (2)	Sudden Valley*	1994
Beecher	2	10	Geneva	2002
Opal	2	3	Agate Heights	1999
Division 30	2		Sudden Valley	1971 (2002)
Eagleridge	5	Domestic: 7.5 (3) High Flow: 30 (2)	Eagleridge	1990
South Geneva	2	5	Geneva	2011
ULID 5	2	2	Geneva	1998
Johnson Well	2	2	Agate Heights	1991

*transfers all treated water from the Sudden Valley WTP to the Division 7 and 22 reservoirs, which distribute water to the entire South Shore system.

The booster and transmission stations are comprised of various components, which vary from station to station, including pumps, controls, buildings, generators, piping and valves. Each component has different expected useful life and the District's asset management plan will plan for repair, rehabilitation and replacement of each component individually to the extent practical.

In general, the booster stations are in good working order with remaining useful life. However, the Eagleridge booster station is within five years of the end of its useful life and the District is planning for rehabilitation of this station in the six year planning horizon. In addition, the Johnson Well pump, which serves two homes in the Agate Heights development, is planned for replacement within the 6-year planning period.

1.2.3. Water Treatment Plants

The District operates two water treatment plants as summarized below:

- Sudden Valley Water Treatment Plant (SVWTP): Originally constructed in 1971 and most recently rehabilitated between 1992-1994, the SVWTP is a rapid rate direct filtration plant that treats all water distributed to the South Shore system. Ancillary components, such as the

chlorine contact basin and transmission pump house, are described elsewhere in this report. The major components of the plant are summarized in the table below:

Component	Count	Year Installed (replaced or rehabilitated)	Useful Life (years)
Raw Water Pumps	2	1971 (1992)	30
Flocculation Tank	1	1991	80
Alum Tank	1	1993 (2024)	35
Soda Ash Tank	1	1993	80
2-bay Filter Tank (Filters 1 and 2)	1	1970	80
2-bay Filter Tank (Filters 3 and 4)	1	1990	80
Transfer Pumps	2	1990	30
Control Panel and MCCs	1	2010	25
Generator	1	2014	25

Note that the plant includes various smaller components, including dosing pumps, piping, valves, surface washers, and flow meters that are not listed above. These low-cost items will be tracked and replaced by Operations staff on an as-needed basis.

In light of the numerous aging components within the SVWTP, the District completed a condition assessment and 20-year capital improvement plan in 2020 to plan for rehabilitation and replacement. The plan includes various projects to renew the plant over the next 20 years. Improvements include replacement of pumps, rehabilitation and re-coating of filter bays and replacement of chemical dosing systems.

- **Agate Heights Water Treatment Plan (AHWTP):** Constructed in 2001 by a private developer as part of the Agate Heights development, the AHWTP provides treated water to the Agate Heights service area, including the Lake Whatcom Residential Treatment Center. The plant was rehabilitated in 2021 with replacement of the package treatment system with a new 5 filter media filter treatment system and new treatment system controls. The treatment plant provides manganese removal as well as residual chlorination prior to distribution to the service area. The pumps and other ancillary components installed in 2001 remain in service.

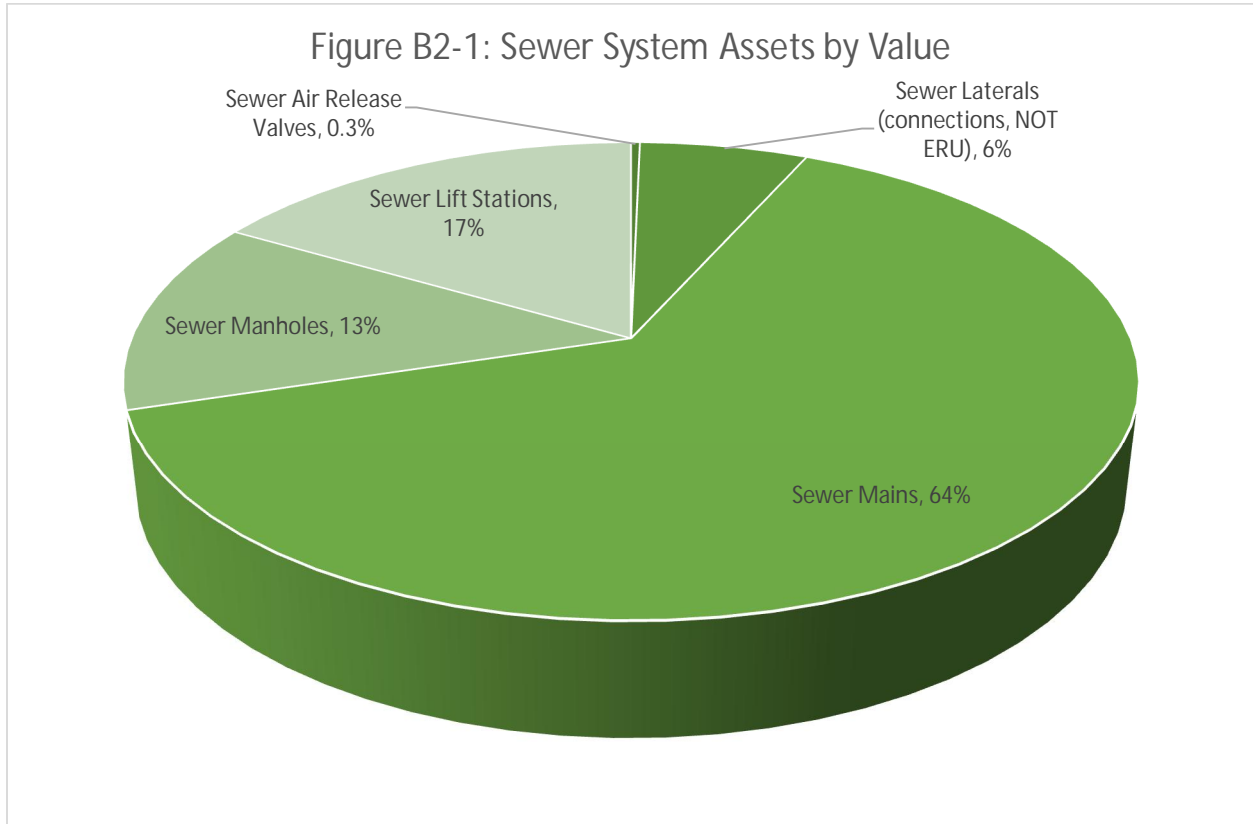
The major components of the plant are summarized in the table below:

Component	Count	Year Installed (replaced or rehabilitated)	Age (years)	Useful Life (years)
Raw Water Pumps	2	2001	23	30
Pump Controls	1	2001	23	25
Manganese Removal System	1	2001 (2021)	3	30
Treatment Control Panel	1	2001 (2021)	3	25
Generator	1	2001	23	30

2. Sewer System

The District sewer system includes vertical assets, which is primarily sewage lift stations, and horizontal assets, which is comprised of gravity and pressurized pipes, air relief valves and manholes.

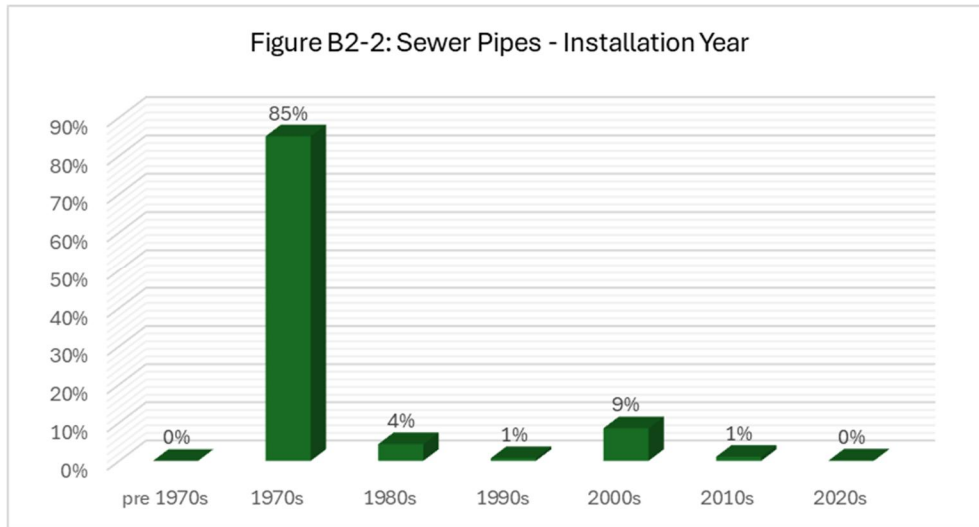
The total replacement value of the water system is estimated to be \$225 million (2024 dollars). Figure B2-1 provides a breakdown of the water system assets by value.



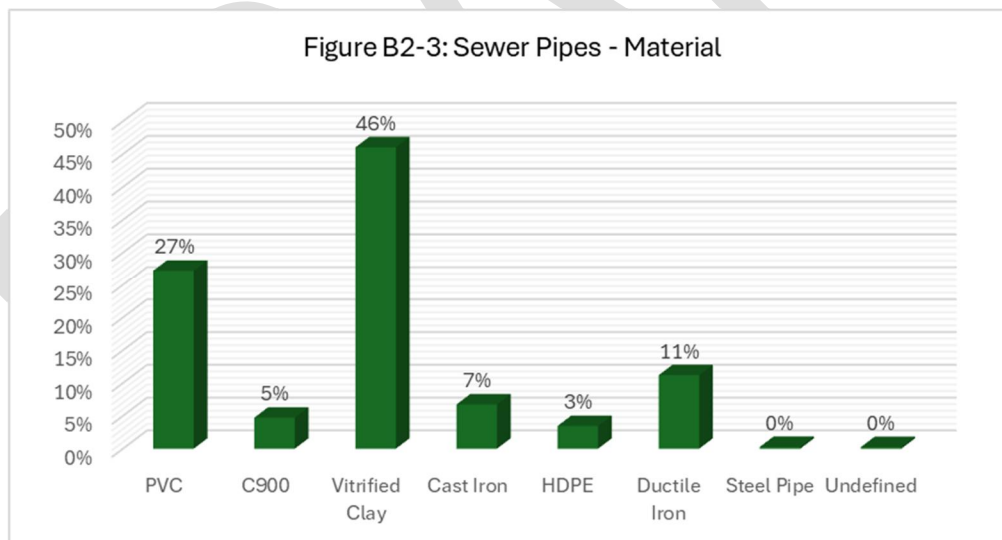
2.1. Horizontal Assets

2.1.1. Pipes

As shown in Figure B2-2, approximately 85% of the currently active water distribution pipes were installed in the 1970s.



As shown in Figure B2-3, approximately 46% of the sewer mains are vitrified clay, which is primarily within the Sudden Valley development. The pipe material in the other service areas is primarily PVC and ductile iron with a small amount of cast iron pipes. There are small amounts of steel and HDPE within the system as well.



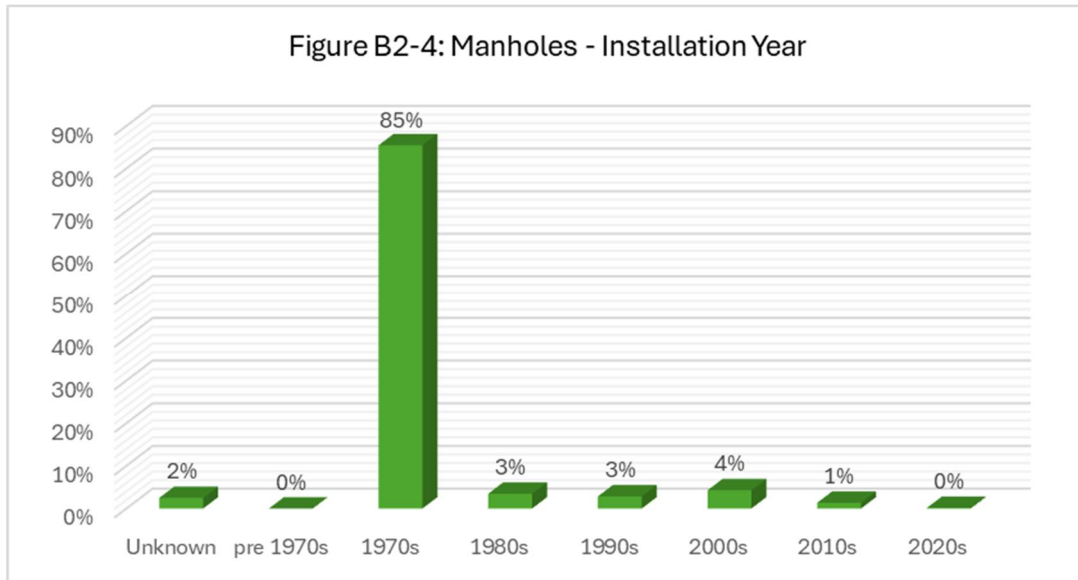
The expected useful life of sewer pipes is between 50 and 100 years depending on pipe material and operating condition. Based solely on the worst case expected useful life of 50 years, approximately 85% is at or near the end of useful life. However, based on television inspections completed in recent years, the sewers throughout the District remain in good condition with substantial remaining useful life.

In addition to physical inspection, infiltration and inflow (I&I) are indicators of deterioration of the sewer piping system. Per the District's 2020 Comprehensive Sewer Plan Update, infiltration and inflow into the

North Shore and South Shore systems were within EPA guidelines for excessive I&I, indicating that the system remains in generally good condition.

2.1.2. Manholes

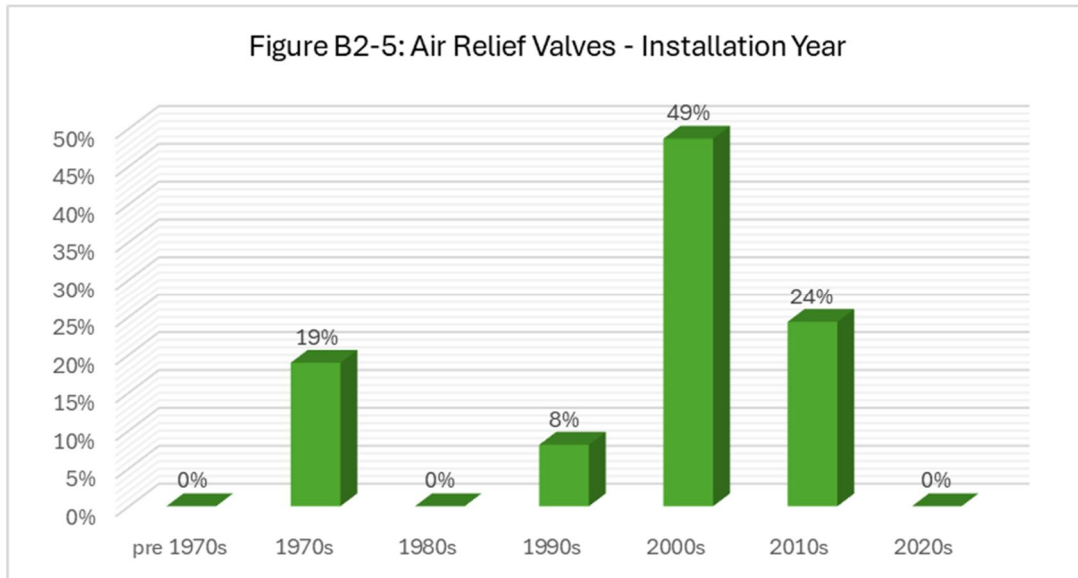
Similar to the piping system, as shown in Figure B2-4, approximately 85% of the manholes within the District system were installed in the 1970s and remain in service.



All of the manholes throughout the District are reinforced concrete and concrete manholes have an expected useful life of approximately 100 years. With the oldest manholes in the system being installed in the 1970s, based solely on expected useful life, all manholes have substantial remaining useful life.

2.1.3. Air Relief Valves

Most of the air relief valves (ARVs) in the sewer system were originally installed in the 1970s. Similar to PRVs in the water system (as described above), ARVs have a typical useful life between 25 and 35 years and, as a result, many of the original ARVs in the system have been replaced since their original installation. As shown in Table B2-5 below, of the 36 ARVs in the system, approximately 20% of the currently active valves in the system were installed in the 1970s with a majority (approximately 73%) being installed since the turn of the century.



Based on typical useful life of ARVs, approximately 30% of the ARVs in the system have reached or will reach the end of their useful life. District Operations crews replace air relief valves on an as needed basis based on periodic inspections and failures.

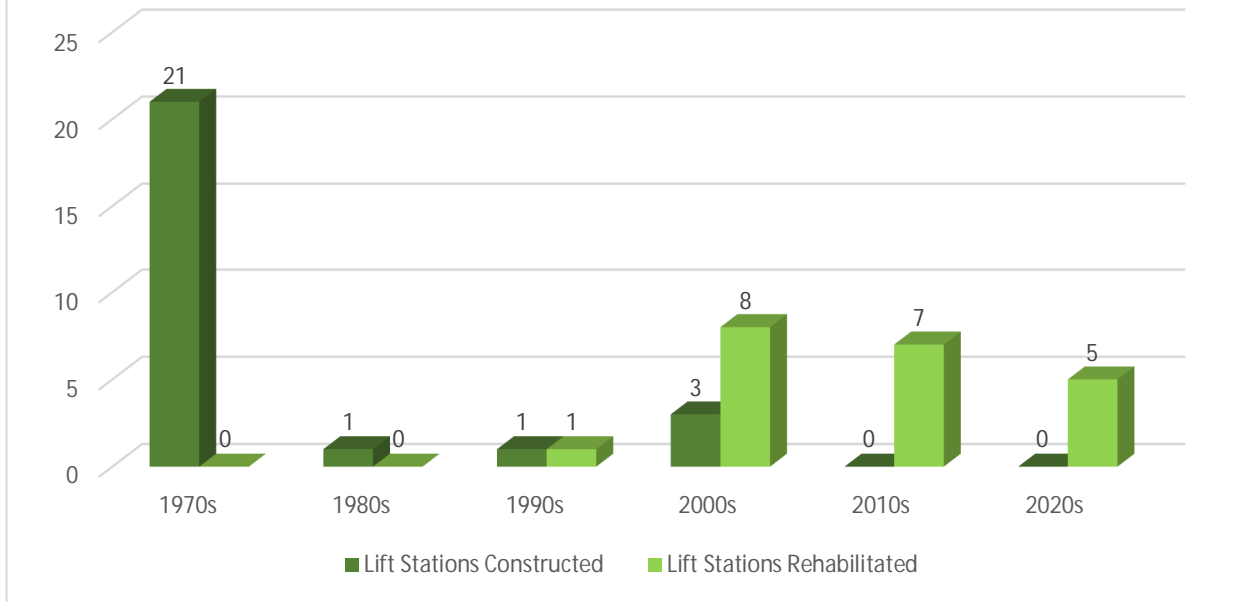
2.2. Vertical Assets

2.2.1. Lift Stations

Due to the geography and topography of the District's service area, the District operates a total of 26 sewer lift stations throughout the District. As shown in Figure B2—6, most of the lift stations serving the South Shore were originally constructed in the early 1970s when the area was first developed. Since the early 2000's, the District has executed a program to rehabilitate the lift stations as they near or reach the end of their useful lives. To date, the District has rehabilitated 21 of the 26 lift stations. Of the remaining 5 lift stations, three stations (Flat Car, the submersible side of Sudden Valley and Beaver) were constructed in 2003 and have approximately 10 years of remaining useful life before substantial renovation is required, and one lift station (Agate Bay) is scheduled for renovation in 2027. The remaining two stations (Camp Firwood and Lowe) are low flow stations with limited use and recent inspections indicated that these stations have remaining useful life with regular inspection and maintenance.

It should be noted that the lift station renovations that have been completed since the turn of the century have been targeted renovations to replace lift station components that were no longer reliable or to reconfigure the stations to improve accessibility and functionality. As a result, most of the renovated stations still retain components from their original construction. In light of this, except in cases that reconfiguration of the station is needed or desired, as the District plans for the second round of renovations to the lift stations, the age and condition of the individual lift station components will be separately tracked and scheduled for rehabilitation.

Figure B2-6 - Sewer Lift Stations



With the renovations and replacements that have been completed to date, with the exception of the Agate Bay lift station that is scheduled for renovation in 2027, all of the sewer lift stations are in generally good condition with components with upwards of five years of remaining useful life. The District is currently planning and budgeting for the next round of lift station improvements.

Appendix C: Risk Management Strategies

Risk is the probability of a disruption to the level of service and is a critical component for planning and prioritizing maintenance, rehabilitation and replacement of District assets. Some assets may require a higher degree of reliability to consistently meet the service goals and, as a result, will have a higher risk score. Other assets may be able to function in a deteriorated condition without significantly impacting service goals and may have a lower risk score as a result. For example, if the chlorine contact basin at the Sudden Valley Water Treatment Plant were to fail, the District would be unable to provide treated water to the entire South Shore system with the exception of the portion that could be served by the Scenic Avenue Intertie. As a result, the risk to the District's ability to maintain service to District customers is high. Conversely, if one sewage pump in the Lowe Lift Station were to fail, the second redundant pump could pump the sewage until the pump could be repaired. This lift station is also located a reasonable distance from a water body, so an overflow would be unlikely to reach any surface water or Lake Whatcom. Finally the lift station serves relatively few connections so the number of impacted customers, in the event that the station failed to convey sewage, would be low. As a result, the risk associated with a pump in the Lowe Lift Station is low.

To evaluate the relative risk associated with each District asset, the District utilizes a Business Risk Exposure (BRE) scoring system. This system assigns a numerical score to each District asset based on the probability of failure (PoF), consequence of failure (CoF) and redundancy (R). These three criteria are defined as follows:

- Probability of Failure (PoF): Likelihood that an asset will fail. This is a function of the age of the asset as well as it's inspected condition.
- Consequence of Failure (CoF): The potential impact to the level of service goals if an asset is unable to meet performance expectations or is unexpectedly taken out of service (e.g., critical failure).
- Redundancy (R): The extent of backup systems that can relieve the primary systems in the event of a failure. For example, sewer lift stations contain one redundant pump that can take the place of a failed pump.

Equation 1 provides the general calculation of BRE for all District assets.

Equation 1: Business Risk Exposure

$$PoF \times CoF \times R = BRE$$

Calculation of CoF and PoF for each asset category will be described in further detail in the Targeted Asset Management Plans (TAMP) for each asset category.

Appendix D: Capital Improvement Plan

The Capital Improvement Plan included in the approved 2025-2026 District Budget is attached.

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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



**AGENDA
BILL
Item 6.B**

**Flat Car Lift Station Reverse
Flow Retrofit Project Public
Works Contract Award**

DATE SUBMITTED:	February 19, 2025	MEETING DATE:	February 26, 2025
TO: BOARD OF COMMISSIONERS	FROM: Greg Nicoll, District Engineer		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. Bid tabulation		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input checked="" type="checkbox"/>	INFORMATIONAL /OTHER <input type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

Under normal operation, wastewater enters the Flat Car Lift Station from the surrounding sewer service basins, as well as from the Sudden Valley Lift Station, with discharge directed to Beaver Lift Station for conveyance out of Sudden Valley via the Lake Louise Road sewer interceptor. The District occasionally needs to reverse flow and send wastewater from Flat Car LS back to the Detention Basin on Lake Whatcom Blvd via the existing 8-in. discharge force main that serves the Sudden Valley Lift Station while also redirecting flow of Sudden Valley Lift Station to the Lake Whatcom Blvd sewer interceptor. Historically this has been accomplished with a portable pump connected between the Flat Car LS wet well and the existing 8-in. force main via temporary above-grade piping. This temporary piping is routed across the existing Flat Car Bridge and connected to an existing snorkel connection on the 8-in. force main.

To improve operations and reduce effort, the District contracted with Wilson Engineering to design a permanent piping system to allow the District to redirect flow from the Flat Car Lift Station back to the Detention Basin without any temporary pumps or piping. Due to the deteriorated condition of the Flat Car Bridge, routing the new piping across this existing bridge is not recommended and this project will construct a new pipe bridge across Beaver Creek. Permanent piping will be installed from a connection to the existing Flat Car Lift Station force main, across the new pipe bridge and will connect to the existing 8-in. force main located on the opposite side of the creek. To minimize project costs, District crews will install all of the buried piping and valves and this construction contract is limited to fabrication and installation of the pipe bridge, associated foundations and piping that will be mounted to the bridge.

The District published an advertisement for bids in the Bellingham Herald on January 15, 2025. A non-mandatory pre-bid meeting was held on February 11, 2025. Bids were due on February 18, 2025 and three (3) bids were received.

Staff have completed review of the mandatory and supplemental bidder responsibility criteria and determined that Henifin Construction is the lowest responsive, responsible bidder.

FISCAL IMPACT

The adopted 2025-26 Budget includes \$155,000 for bidding and construction of the Flat Car Lift Station Reverse Flow Retrofit project. The low bid amount is \$109,792.26 (including 8.8% sales tax) and is within the budget for this project.

APPLICABLE EFFECTIVE UTILITY MANAGEMENT ATTRIBUTE(S)

Product Quality
Operational Optimization
Infrastructure Strategy and Performance

RECOMMENDED BOARD ACTION

Staff recommend that the Board award the Flat Car Lift Station Reverse Flow Project contract to the lowest responsible bidder, Henifin Construction.

PROPOSED MOTION

Recommended motion is:

“I move to award the Flat Car Lift Station Reverse Flow Retrofit public works contract to Henifin Construction for a total contract price of \$109,792.26, including 8.8% sales tax, and authorize the general manager to execute the contract.”



BID TABULATION

PROJECT NAME	PROJECT #	BID REVIEW DATE & TIME	PAGE # OF #	LOCATION
LWWS D FLAT CAR SEWER PUMP STATION REVERSE FLOW RETROFIT PROJECT	C2113	2/18/2025 2:05PM	1 OF 1	Lake Whatcom Water & Sewer District - Board Room
NAME OF FIRM	ENGINEER'S ESTIMATE	ACTION DIRECT LLC DBA REDPOINT CONTRACTING	HENEFIN CONSTRUCTION	STREMLER GRAVEL, INC.

Item	Description	Quantity	Unit	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount
BASE BID											
1	Mobilization / Demobilization	1	LS	NA	\$ 7,767.10	NA	\$ 9,780.00	NA	\$ 8,125.00	NA	\$ 14,900.00
2	Trench Safety Excavation Provisions	1	LS	NA	\$ 1,100.00	NA	\$ 854.00	NA	\$ 920.00	NA	\$ 100.00
If the project contains any work which required trenching exceeding a depth of four feet, all costs for trench safety shall be included in the Trench Safety Provisions lump sum unit price above for adequate trench safety systems in compliance with Chapter 39.04 RCW, 49.17 RCW and WAC 296-155-650. Bidder must include a lump sum dollar amount in blank above (even if value is \$0.00) to be responsive.											
3	Temporary Erosion and Sediment Control and Demolition	1	LS	NA	\$ 17,600.00	NA	\$ 9,956.00	NA	\$ 9,225.00	NA	\$ 10,400.00
4	8-inch HDPE Piping (including excavation, bedding and backfill)	70	LF	\$ 122.00	\$ 9,394.00	\$ 245.00	\$ 17,150.00	\$ 145.00	\$ 10,150.00	\$ 255.00	\$ 17,850.00
5	Suction Quick Connect Assembly	1	LS	NA	\$ 3,927.00	NA	\$ 9,075.00	NA	\$ 8,283.00	NA	\$ 19,000.00
6	Connection to Existing 8-inch HDPE	2	EA	\$ 2,000.00	\$ 4,400.00	\$ 945.00	\$ 1,890.00	\$ 593.00	\$ 1,186.00	\$ 1,100.00	\$ 2,200.00
7	Pin Piles and Pile Caps	1	LS	NA	\$ 11,000.00	NA	\$ 26,420.00	NA	\$ 20,967.00	NA	\$ 27,600.00
8	Pipe Bridge - Fabrication and Installation	1	LS	NA	\$ 20,350.00	NA	\$ 29,936.00	NA	\$ 22,552.00	NA	\$ 27,200.00
9	8-in Ductile Iron Piping	80	LF	\$ 112.00	\$ 9,856.00	\$ 166.00	\$ 13,280.00	\$ 110.00	\$ 8,800.00	\$ 192.00	\$ 15,360.00
10	Site and Surface Restoration	1	LS	NA	\$ 1,650.00	NA	\$ 12,205.00	NA	\$ 5,204.00	NA	\$ 5,600.00
11	Construction Records	1	LS	NA	\$ 1,100.00	NA	\$ 1,000.00	NA	\$ 1,000.00	NA	\$ 1,000.00
12	Unscheduled Addiitional Pin Pile Length	60	LF	\$ 60.00	\$ 3,960.00	\$ 42.00	\$ 2,520.00	\$ 35.00	\$ 2,100.00	\$ 30.75	\$ 1,845.00
13	Unscheduled Unsuitable Foundation Over-Excavation and Backfill	10	CY	\$ 120.00	\$ 1,320.00	\$ 48.00	\$ 480.00	\$ 10.00	\$ 100.00	\$ 340.00	\$ 3,400.00
14	Unscheduled Bank Run Gravel for Trench Backfill	20	TON	\$ 50.00	\$ 1,100.00	\$ 42.00	\$ 840.00	\$ 70.00	\$ 1,400.00	\$ 166.00	\$ 3,320.00
Sub Total Base Bid (does not include Washington State Sales Tax)					\$ 94,524.10		\$ 135,386.00		\$ 100,012.00		\$ 149,775.00

BID GURANTEE FOR PROJECTS OVER \$35,000? (YES OR NO)

ADDENDUM ACKNOWLEDGED? (YES OR NO)

DENOTES DIFFERENCE FROM BID PROPOSAL FORM

_____ YES _____ YES _____ YES
 _____ YES _____ YES _____ YES



**AGENDA
BILL
Item 6.C**

**LWBI CIPP Renewal
Project Public Works
Contract Award**

DATE SUBMITTED:	February 19, 2025	MEETING DATE:	February 26, 2025
TO: BOARD OF COMMISSIONERS	FROM: Greg Nicoll, District Engineer		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. Bid tabulation		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input checked="" type="checkbox"/>	INFORMATIONAL /OTHER <input type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

The Lake Whatcom Boulevard Interceptor (LWBI), which is one of two means of conveying wastewater generated in Sudden Valley out of the Lake Whatcom Watershed, has been in operation for nearly 50 years. In 2020, a small sewer overflow occurred at manhole GT-29 along the LWBI that prompted a condition assessment and hydraulic analysis of the interceptor. Television inspection completed as part of that assessment identified pipe wall corrosion and significant struvite buildup on the interior of the pipe. The hydraulic modelling confirmed that existing pipe wall conditions were reducing the system capacity. The model also determined that, upon relining approximately 6,300 linear feet of pipe with cured in place pipe (CIPP), the LWBI interceptor will have sufficient system capacity to convey the buildout peak hour flow without dependence on the existing Sudden Valley Detention Basin that is used periodically to mitigate peak flows (e.g., during extreme precipitation events).

Over the past four years, the District has been completing a phased project to re-line the identified section of the Lake Whatcom Boulevard Interceptor located between the Strawberry Point and Cable Street Lift Stations that has contributed to the above-described capacity limitations and sewer overflows. 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. The current fourth phase of work will perform cure-in-place-pipe (CIPP) pipe rehabilitation on approximately 840 linear feet of 14-inch diameter gravity pipe that has not already been addressed by the previous phases of this project. Following completion of this phase of work, District staff will re-evaluate the condition and hydraulics of the interceptor to determine if the fifth phase of work, which would re-line the remaining unlined portion of the interceptor (approximately 2,400 linear feet) that is currently planned for construction in 2026, is necessary to convey the projected peak flows..

The District published an advertisement for bids in the Bellingham Herald on January 15, 2025. A non-mandatory pre-bid meeting was held on February 11, 2025. Bids were due on February 18, 2025 and three (3) bids were received.

Staff have completed a review of the mandatory and supplemental bidder responsibility criteria and determined that Iron Horse, LLC is the lowest responsive, responsible bidder.

FISCAL IMPACT

The adopted 2025-26 Budget includes \$195,000 for construction of this project. The low bid amount is \$192,271.36 (including 8.8% sales tax) and is within the District’s 2025-26 Budget.

APPLICABLE EFFECTIVE UTILITY MANAGEMENT ATTRIBUTE(S)

Product Quality
Operational Optimization
Infrastructure Strategy and Performance

RECOMMENDED BOARD ACTION

Staff recommend that the Board award the Lake Whatcom Boulevard Interceptor Cured in Place Pipe Project contract to the lowest responsible bidder, Iron Horse, LLC.

PROPOSED MOTION

Recommended motion is:

“I move to award Lake Whatcom Boulevard Interceptor Cured in Place Pipe public works contract to Iron Horse, LLC for a total contract price of \$192,271.36, including 8.8% sales tax, and authorize the general manager to execute the contract.”

LAKE WHATCOM WATER & SEWER DISTRICT
 1220 LAKEWAY DRIVE
 BELLINGHAM, WA 982298
 (360) 734-9224



BID TABULATION

PROJECT NAME	PROJECT #	BID REVIEW DATE & TIME	PAGE # OF #	LOCATION
2025 Lake Whatcom Blvd. CIPP Project	C2511	2/18/2025 3:05PM	1 OF 1	Lake Whatcom Water & Sewer District - Board Room
NAME OF FIRM	ENGINEER'S ESTIMATE	ALLIED TRENCHLESS	INSITUFORM TECHNOLOGIES LLC	IRON HORSE LLC

Item	Description	Quantity	Unit	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	
BASE BID												
1	Mobilization / Demobilization	1	LS	\$ 21,500.00	\$ 21,500.00	\$ 25,000.00	\$ 25,000.00	\$ 27,073.00	\$ 27,073.00	\$ 16,000.00	\$ 16,000.00	
2	Traffic Control	1	LS	\$ 14,000.00	\$ 14,000.00	\$ 30,000.00	\$ 30,000.00	\$ 26,975.00	\$ 26,975.00	\$ 30,000.00	\$ 30,000.00	
3	Sewage Bypass	1	LS	\$ 20,000.00	\$ 20,000.00	\$ 50,000.00	\$ 50,000.00	\$ 78,765.00	\$ 78,765.00	\$ 40,000.00	\$ 40,000.00	
4	Heavy Cleaning of 14-inch Diameter Sewer Main	840	LF	\$ 22.00	\$ 18,480.00	\$ 45.00	\$ 37,800.00	\$ 59.00	\$ 49,560.00	\$ 18.00	\$ 15,120.00	
5	14-inch Diameter CIPP Sewer Main Repair	840	LF	\$ 108.00	\$ 90,720.00	\$ 127.00	\$ 106,680.00	\$ 151.00	\$ 126,840.00	\$ 90.00	\$ 75,600.00	
Sub Total Base Bid (does not include Washington State Sales Tax)					\$ 164,700.00		\$ 249,480.00		\$ 309,213.00		\$ 176,720.00	

BID GUARANTEE FOR PROJECTS OVER \$35,000? (YES OR NO)

_____ YES _____ YES _____ YES

ADDENDUM ACKNOWLEDGED? (YES OR NO)

_____ NA _____ NA _____ NA



**AGENDA
BILL
Item 6.D**

**Chlorine Contact Basin
Replacement
PSA Amendment No. 1**

DATE SUBMITTED:	February 19, 2025	MEETING DATE:	February 26, 2025
TO: BOARD OF COMMISSIONERS	FROM: Greg Nicoll, P.E., District Engineer		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. Gray & Osborne, Inc. Professional Services Agreement Amendment No. 1		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input checked="" type="checkbox"/>	INFORMATIONAL /OTHER <input type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

The District provides potable water to its South Shore water system wholly by water treated at its Sudden Valley Water Treatment Plant (SVWTP). An essential component of the SVWTP system is the chlorine contact basin (CCB) that was constructed in 1994. Based on results of a seismic vulnerability assessment completed in 2016, capacity analysis completed in 2017 and a condition assessment completed in 2020, the existing CCB is seismically deficient, undersized for the SVWTP design flow and in need of a complete replacement of the coating system. As a result of these assessments, the District determined that replacement of the existing CCB with a new CCB that meets current seismic standards and is sized to accommodate full design flow of the SVWTP is the most cost effective alternative for addressing the identified deficiencies. To assist with funding this project, the District applied for and was awarded a FEMA Hazard Mitigation Grant (HMG), which will fund 87.5% of the estimated project budget that was included in the application (\$1,963,000).

Following award of the FEMA HMG, the District selected Gray & Osborne, Inc. (G&O) to design the new CCB and executed a contract with G&O to complete an alternative analysis of various alternatives for configuration and materials of construction for the new CCB. This alternative analysis, which was presented to the Board during its regularly scheduled meeting on January 29, 2025, identified a total of eight material and configuration alternatives and identified a single train concrete rectangular tank as the preferred alternative (Alternative 1B). However, District staff is pursuing additional grant funding through the FEMA Hazard Mitigation Grant funding program and, if additional funds are awarded, the District will move forward with a two train concrete rectangular tank (Alternative 1D) that will provide added redundancy to the system but is estimated to cost approximately \$500,000 more than the single train alternative.

The attached Contract Amendment No. 1 will amend G&O’s contract to add design, permitting and bidding support services to the contract. Work will commence immediately upon execution of the contract, design is scheduled to be completed by the end of 2025, and bidding is scheduled for early 2026 with construction completion in late 2027.

FISCAL IMPACT

This amendment to the Professional Services Agreement will exceed the currently authorized budget included in the 2025-2026 District Budget for design and permitting of the Chlorine Contact Basin Replacement. To fully fund this contract amendment, District staff proposes to reallocate a portion of the budget approved for construction to fund the design and permitting budget shortfall as shown in the table below.

A	2025-2026 Budget – Chlorine Contact Basin Design and Permitting	\$242,000.00
B	Original Contract Balance on 1/1/25	\$7,616.66
C	Contract Amendment No. 1 – Design and Permitting	\$297,400.00
D	Total Remaining Contract Amount (B+C)	\$305,016.66
E	Budget Shortfall (D-A)	\$63,016.66
F	2025-2026 Budget - Chlorine Contact Basin Construction	\$1,669,000.00
G	Proposed Budget Reallocation from 2026 to 2025 (E+10% contingency and rounded up)	\$70,000.00
H	Revised Design and Permitting Budget (G + A)	\$312,000.00
I	Revised Construction Budget (F – A)	\$1,599,000.00

As discussed during the presentation of the recommended alternatives for CCB replacement at the January 29, 2025 Board meeting, based on preliminary cost estimates, District staff anticipate the total project cost will exceed the total project budget included in the 2025-2026 District Budget. District staff are continuing to evaluate alternatives for loans and additional grants to fully fund construction of the project and will prepare an amendment to the 2025-2026 Budget for Board consideration at a future meeting.

APPLICABLE EFFECTIVE UTILITY MANAGEMENT ATTRIBUTE(S)

- Product Quality
- Enterprise Resiliency
- Infrastructure Strategy and Performance
- Operational Optimization
- Financial Viability

RECOMMENDED BOARD ACTION

Staff recommends that the Board authorize the General Manager to execute the amendment to the professional services agreement with Gray & Osborne, Inc.

PROPOSED MOTION

Recommended motion is:

“I move to authorize the General Manager to execute Amendment No. 1 to the Professional Services Agreement with Gray & Osborne, Inc. for design and permitting of the Chlorine Contact Basin Replacement Project as presented.”

**AMENDMENT NO. 1
TO
PROFESSIONAL SERVICES AGREEMENT
FOR
SUDDEN VALLEY WTP CHLORINE CONTACT
BASIN REPLACEMENT**

A PROFESSIONAL SERVICES AGREEMENT was made and entered into by and between Lake Whatcom Water and Sewer District, Whatcom County, Washington, hereinafter referred to as "District", and Gray & Osborne, Inc. ("Consultant"), a corporation with a place of business at 1130 Rainier Avenue South, Suite #300, Seattle, WA 98144, collectively referred to as "Parties", effective May 9, 2024.

WHEREAS, the District solicited for professional services as required by RCW 39.80 to assist in the alternative analysis, design, permitting, and construction oversight of the Sudden Valley WTP Chlorine Contact Basin Replacement ("Project"); and

WHEREAS, the District selected and entered into a professional services agreement with the Consultant to provide the above stated professional services associated with the Project; and

WHEREAS, the District executed a Hazard Mitigation Grant Agreement with the Washington State Military Department on May 9, 2024, with an initial Total Award Amount of \$294,607 for Phase 1 of the project that included alternative analysis, design, and permitting activities; and

WHEREAS, the Consultant completed a portion of the tasks defined in the scope of work under the original Agreement; and

WHEREAS, the scope is amended to include the Consultant's services related to design, permitting and bidding support, as defined in Exhibit A – Contract Amendment No. 1.

The Parties amend the original Agreement as follows:

SECTION 1: PERIOD OF PERFORMANCE

All work defined in the original agreement and this Amendment No. 1 shall be completed by **April 30, 2026**, unless extended or terminated earlier by the District pursuant to the terms and conditions of the agreement.

SECTION 8: COMPENSATION

The Total Price is amended to **Three-hundred fifty thousand one-hundred dollars and 00/100 dollars (\$350,100.00)**.

Phase 1 – Tank Replacement Alternative Evaluation	\$ 52,700.00
<u>Amendment No. 1 – Design, Permitting and Bidding Support</u>	<u>\$ 297,400.00</u>
Total Price	\$ 350,100.00

EXHIBITS

Exhibit A – Scope of Work – Phase 2, Design, Gray & Osborne Engineers.

Exhibit B – Engineering Services Scope and Estimated Cost – Phase 2, Design, Gray & Osborne Engineers

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to the Agreement to be executed by their respective authorized officers or representatives as of the day and year written below.

Lake Whatcom Water and Sewer District

Gray & Osborne, Inc.

By: _____
Justin Clary, General Manager

By: _____

Printed Name: _____

Title: _____

Dated: _____

Dated: _____

EXHIBIT A

SCOPE OF WORK

LAKE WHATCOM WATER AND SEWER DISTRICT SUDDEN VALLEY WATER TREATMENT PLANT CONTACT BASIN IMPROVEMENTS – PHASE II – DESIGN

PROJECT UNDERSTANDING

The Lake Whatcom Water and Sewer District (District) owns and maintains a public water and sewer system that serves residential and commercial customers in Whatcom County, Washington. Their Washington State Department of Health (DOH) Water System ID is 95910.

On May 15, 2024, the District contracted with Gray & Osborne to provide engineering services for a new chlorine contact basin (CCB) at the existing Sudden Valley Water Treatment Plant (SVWTP). At that time, the Contract was separated into three unique phases: predesign, design, and construction management. For the predesign phase, Gray & Osborne completed a Project Report that described the existing system, identified seven alternatives for a new CCB, and provided recommendations and design criteria for design and construction of the new basin. On January 9, 2025, the District and Gray & Osborne submitted the Project Report to the DOH for approval, essentially completing the predesign phase.

The District has elected to proceed with design of a new, replacement CCB and wishes to amend the current Contract to complete Phase II – Design of the project. Gray & Osborne is pleased to provide the Scope of Work below for the Phase II of this project. A separate Scope of Work will be developed for construction administration (Phase III) services at the completion of the design phase.

SCOPE OF WORK

Task 1 – Project Management

Services shall include overall project management and oversight of the project by the Project Manager.

Work will include the following.

- A. Provide overall project management and oversight of the work.
- B. Procure sufficient staff resources to dedicate to the project.
- C. Manage and control project budget and schedule.

- D. Manage and provide monthly Progress Reports and invoices.
- E. Coordinate the project with the District.

Deliverables

1. Monthly Progress Reports and invoices (pdf).

Task 2 – Geotechnical Investigation

This Task will include the completion of a geotechnical investigation by our geotechnical Subconsultant, PanGEO, Inc. (PanGEO) of Seattle, Washington. The investigation will provide analysis and recommendations for the foundation design necessary to design the CCB structure.

Work will include the following.

- A. Site reconnaissance.
- B. Review of existing geotechnical documentation.
- C. Test borings and soil sample collection/analysis.
- D. Engineering analysis and Summary Report.
- E. Post report analysis and consultation, as needed.

Deliverables

1. Final Geotechnical Report (pdf).

Assumptions

1. Site reconnaissance will include up to 2 days onsite by a licensed Geotechnical Engineer. Gray & Osborne will not be present during site reconnaissance or drilling.
2. The District will provide access to the site and field support during investigation, drilling, and sampling efforts.

3. Up to six borings will be drilled and up to six soil samples will be collected/analyzed.
 - The final number of borings will be determined in the field and will be based on results of previously executed borings, site conditions, and the recommendations of the Geotechnical Engineer.
4. The District will provide any previous geotechnical information to G&O for review/distribution.
5. Gray & Osborne will provide review and comment on the Draft Geotechnical Report within 21 calendar days of receipt from PanGEO.
6. Draft Geotechnical Report review comments will be incorporated into the Final Geotechnical Report. The Final Report shall be made available 7 calendar days after submission of Draft review comments.

Task 3 – Project Design

Services shall include the preparation of Plans, Technical Specifications, Contract Documents, and Cost Estimates for the construction of a new CCB. The Contract Documents will be prepared in a format suitable for public bidding, including Plans, Specifications in CSI format, and Cost Estimates with District review at the 60 percent and 90 percent design levels.

The CCB design will be based on Alternative 1-B, as described in the Project Report. However, the District is also interested in pursuing Alternative 1-D, depending on the DOH approval and/or project funding sources. Design for either of these alternatives includes the following assumptions.

- A. The CCB will be a rectangular, cast-in-place concrete, above grade or partially-buried structure, with a combination of concrete and HDPE interior baffles.
- B. The footprint for the CCB will be approximately 40 feet by 48 feet or 50 feet by 58 feet, depending on which Alternative is selected for execution.
- C. Gates, valves, and interior piping will be provided and the structure will include an adjacent equalization basin.
- D. The CCB will be located on the SVWTP site, and generally will be located west of the existing welded steel CCB.

- E. The structure lid may be designed to accommodate future treatment equipment loads.
- F. Piping will be designed to connect the new CCB to existing inlet and outlet site piping. New inlet and outlet piping will include sampling accommodations.
- G. System control and monitoring will use District or industry standard instrumentation (ultrasonic level sensor, submersible pressure sensor, floats, etc.) and these devices will be designed to be integrated into the District's existing Supervisory Control and Data Acquisition (SCADA) system.
- H. Design will include all associated sitework, site piping, grading, and electrical modifications as required to construct, operate, access, and maintain the new basin.

Gray & Osborne will assist the District with the acquisition of permits necessary to complete the project. This will include completion of forms required for permit application, correspondence with the permitting agency, attendance at meetings with the permitting authority, and providing Plans and Specifications for permitting agency review, comment, and approval. Revised documents will be provided as required, to address agency comments.

Deliverables

1. 60 Percent design submittal including Plans, Technical Specifications, and Cost Estimate (pdf).
2. 90 Percent design submittal including Plans, Technical Specifications, and Cost Estimate (pdf).
3. 100 Percent design submittal including Plans, Technical Specifications, and Cost Estimate (pdf).
4. Plans and Technical Specifications as required for review and acquisition of the required permits.
 - For this Scope of Work, we have assumed up to two project submittals will be required (one initial submittal and one resubmittal) for project approval.
5. A structural calculation package as required for building permit completion.

Assumptions

1. Gray & Osborne will meet with District staff at project onset to discuss District goals and objectives and to perform a site visit with District staff to identify site issues.
2. Gray & Osborne will attend up to two additional site visits during the course of design. These meetings will include a Gray & Osborne Project Manager and Project Engineer, and will be held to review design parameters, verify field conditions, and coordinate with District staff.
3. Gray & Osborne will attend up to four project meetings during the course of design. These meetings are assumed to take place virtually and do not include a site visit.
4. Up to one additional site visit for a field survey crew may be provided.
5. Gray & Osborne will combine our 16-Chapter CSI Technical Specifications with the District's current General Conditions, Contract, and Legal and Proposal Documents.
6. Gray & Osborne will use our standard title block and CAD standards for all drawing files.
7. Gray & Osborne will provide review and comment for the full and complete bid package prior to project advertisement.
8. Whatcom County Building and Grading Permits are the only permits that will be required.
 - Gray & Osborne will attend up to three meetings (1-hour each) with County officials to discuss the project and any comments/revisions necessary. These meetings are assumed to take place virtually.
9. The DOH project approval will be required.
 - Gray & Osborne will provide Plans, Specifications, and the Cost Estimate to the DOH at the 90 percent design level for their review and comment.
 - Gray & Osborne will then submit Final and signed Construction Documents to the DOH prior to project award.
10. All permit and regulatory agency review fees will be paid by the District.

Task 4 – Bid and Award Assistance/Support

This Task will include bid assistance/support as required and will include the following.

- A. Coordinate bid sequencing with District staff.
- B. Provide Bidding Documents to District staff.
- C. Attend a pre-bid walkthrough.
- D. Answer bidder questions, as necessary.
- E. Prepare Contract Addenda, as necessary.
- F. Prepare the Mandatory Bidder Responsibility Checklist.
- G. Prepare the Recommendation to Award Letter.

Deliverables

- 1. Addenda, if required (pdf).
- 2. Mandatory Bidder Responsibility Checklist (pdf).
- 3. Recommendation to Award Letter (pdf).

Assumptions

- 1. District staff will submit all documents and pay all fees required for advertisement of the project.
- 2. District staff will prepare final bid tabulation and provide to Gray & Osborne.
- 3. District staff will check and confirm bidder references, as required.
- 4. Bidding documents will consist of District standard front-end, proposal, and contract documents, which will be combined with G&O Technical Specifications to create the contract and proposal.

Task 5 – Quality Assurance/Quality Control

This Task will include two, in-house, quality assurance/quality control meetings at Gray & Osborne’s office in Seattle during the course of the project. The meetings will include senior project staff, selected design team members, and District staff (as desired). After quality assurance/quality control meetings are held, we will ensure the incorporation of relevant recommendations into the Project Documents prior to submittal to the District.

Quality assurance/quality control meetings will take place at the following levels.

- A. Completion of 60 percent design.
 - 1. Plans, Specifications, and Cost Estimate.
- B. Completion of 90 percent design.
 - 1. Plans, Specifications, and Cost Estimate.
- C. Ensure the incorporation of relevant recommendations and suggestions into Bid/Construction Documents resulting from quality assurance/quality control reviews.

Gray & Osborne will also provide review and comment on the final, combined, Contract bid package prior to advertisement, to ensure consistency and accuracy.

Deliverables

None.

Assumptions

None.

PROJECT SCHEDULE

Gray & Osborne proposes to complete the aforementioned listed work listed according to the following schedule.

Notice to Proceed (NTP).....	February 2025
Complete Geotechnical Investigation.....	May 2025
Complete 60 Percent Project Design	July 2025
District Comments Returned.....	July 2025
Complete 90 Percent Project Design	September 2025
District Comments Returned.....	September 2025
DOH Comments Returned.....	October 2025
Complete 100 Percent Project Design	October 2025
Project Advertisement.....	November 2025
Project Award	December 2025
Project Construction.....	April – November 2026

Adjustments to the schedule may be required based on document review times and/or availability of District staff. The District will be notified immediately if any deviations from the schedule are required.

PROJECT BUDGET

Based on the Scope of Work described, the proposed fee for design services is \$297,400, as shown in the attached Exhibit B.

EXHIBIT B

**ENGINEERING SERVICES
SCOPE AND ESTIMATED COST**

Late Whatcom Water and Sewer District - Sudden Valley Water Treatment Plant Contact Basin Improvements - Phase II - Design

Tasks	Principal Hours	Project Manager Hours	Structural Engineer Hours	Electrical Engineer Hours	Engineer-In-Training Hours	AutoCAD Technician Hours	Professional Land Surveyor Hours	Field Survey (Two Person) Hours
1 Project Management		16						
2 Geotechnical Investigation		4	2		2			
3 Project Design								
A. 60 Percent Design	8	60	30	40	120	180		
B. 90 Percent Design	12	60	40	80	140	240	4	10
C. 100 Percent Design	2	40	20	60	80	160		
4 Bid Assistance/Support		8	2	2	4	8		
5 Quality Assurance/Quality Control	18	18	8	4	16		1	
Hour Estimate:	40	206	102	186	362	588	5	10
Fully Burdened Billing Rate Range:*	\$150 to \$245	\$140 to \$245	\$120 to \$220	\$125 to \$225	\$100 to \$180	\$65 to \$175	\$125 to \$200	\$180 to \$310
Estimated Fully Burdened Billing Rate:*	\$240	\$210	\$195	\$220	\$140	\$160	\$200	\$290
Fully Burdened Labor Cost:	\$9,600	\$43,260	\$19,890	\$40,920	\$50,680	\$94,080	\$1,000	\$2,900

Total Fully Burdened Labor Cost:	\$ 262,330
Direct Non-Salary Cost:	
Mileage & Expenses (Mileage @ current IRS rate)	\$ 699
Subconsultant:	
PanGEO, Inc.	\$ 31,246
Subconsultant Overhead (10%)	\$ 3,125
TOTAL ESTIMATED COST:	\$ 297,400

* Actual labor cost will be based on each employee's actual rate. Estimated rates are for determining total estimated cost only. Fully burdened billing rates include direct salary cost, overhead, and profit.



**AGENDA
BILL
Item 8.A**

**General Manager's
Report**

DATE SUBMITTED:	February 20, 2025	MEETING DATE:	February 26, 2025
TO: BOARD OF COMMISSIONERS	FROM: Justin Clary, General Manager		
GENERAL MANAGER APPROVAL	<i>Justin Clary</i>		
ATTACHED DOCUMENTS	1. General Manager's Report		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input type="checkbox"/>	INFORMATIONAL /OTHER <input checked="" type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

Updated information from the General Manager in advance of the Board meeting.

FISCAL IMPACT

None.

RECOMMENDED BOARD ACTION

None required.

PROPOSED MOTION

None.



LAKE WHATCOM WATER AND SEWER DISTRICT

General Manager’s Report

Upcoming Dates & Announcements

Regular Meeting – Wednesday, February 26, 2025 – 8:00 a.m.

Important Upcoming Dates

Lake Whatcom Water & Sewer District			
Regular Board Meeting	Wed Mar 12, 2025	6:30 p.m.	Board Room/Hybrid
Employee Staff Meeting	Thu Mar 13, 2025	8:00 a.m.	Board Room/Hybrid Commissioner Knakal to attend
Investment Comm. Meeting	Wed Apr 30, 2025	10:00 a.m.	Board Room/Hybrid
Safety Committee Meeting	Thur Mar 20, 2025	8:00 a.m.	Board Room
Lake Whatcom Management Program			
Policy Group Meeting	Wed Jun 4, 2025	3:00 p.m.	City of Bellingham Pacific St Ops Center, Rm 111
Joint Councils Meeting	Wed Apr 2, 2025	6:30 p.m.	Bellingham City Council Chambers, 210 Lottie Street
Other Meetings			
WASWD Section III Meeting	Tues Mar 11, 2025	6:00 p.m.	Bob’s Burgers 8822 Quil Ceda Pkwy, Tulalip, WA
Whatcom Water Districts Caucus Meeting	Wed Mar 19, 2025	2:00 p.m.	Remote Attendance
Whatcom County Council of Governments Board Meeting	Wed May 14, 2025	3:00 p.m.	Council of Governments Offices 314 E Champion Street/Hybrid

Committee Meeting Reports

Safety Committee:

- The Safety Committee met on February 20; discussion included receipt of County approval to construct fall protection anchor at the North Point lift station wet well, finalization of the asbestos-cement pipe handling program, on-line and in person safety training status, and nearing completion of the update to the return-to-work program.

Investment Committee:

- The Investment Committee met on January 29; discussion included review of current available cash and investments, notice of the maturity of a \$500,000 investment in January, and discussion regarding future investing plans.

Upcoming Board Meeting Topics

- On-call electrical services contract award
- Whatcom County on-site sewage system regulation/investigation update
- Division 22-1 Reservoir FEMA hazard mitigation grant agreement approval

2025 Initiatives Status

Administration and Operations

Water Right Adjudication

- Represent the District in the water right adjudication process to ensure that its certificated and permitted rights are protected.
The Whatcom County Superior Court approved the adjudication summons and court claim form on December 3, 2024; the District is awaiting receipt of adjudication documents from Ecology, which are anticipated Spring 2025.

Safety Program Update

- Continue systematic review and revision of District's safety programs by updating nine programs in 2025.
Staff finalized updates to one (1) program (asbestos-cement pipe handling) and is reviewing the confined space and lock-out/tag-out programs. Staff is also nearing completion of an overhaul of the return-to-work program.

APWA Accreditation

- Initiate work towards multi-year effort to gain American Public Works Association accreditation.
The accreditation team met on December 17 and January 28, and have initiated review and completion of accreditation practices.

Financial Management

- Improve financial sustainability and forecasting over 6- and 20-year planning horizons through the Waterworth financial modeling platform.
To be initiated.

Management Team Development

- Continue professional development of the management team.
The general manager has approved management team member attendance of several trainings and conferences in 2025 pertinent to each's role with the District. The general manager also periodically meets with each manager to assess progress of their annual performance map.

Emergency Response/System Security

Emergency Readiness

- Continue use of Whatcom County Department of Emergency Management services to hold tabletop and/or field emergency response exercises.
District staff are scheduled to attend the annual Whatcom County Emergency Preparedness workshop on April 10.

Community/Public Relations

General

- Website
The District's web content is reviewed and updated on a regular basis.
- Social Media
Posts are made to District Facebook, LinkedIn, and Nextdoor pages regularly; Nextdoor is also regularly monitored for District-related posts.
- Press Releases
To be initiated.

Intergovernmental Relations

- *J Clary attended the Whatcom Water Districts Caucus meeting on February 19.*

Lake Whatcom Water Quality

Lake Whatcom Management Program

- Participate in meetings of Lake Whatcom Management Program partners.
J Clary met with city/county management on February 18 to prepare for the upcoming executive team meeting and on February 20 to discuss policy topics for the policy group's consideration, and attended the interjurisdictional coordinating team meeting on February 20.



**AGENDA
BILL
Item 8.B**

**Engineering Department
Report**

DATE SUBMITTED:	February 20, 2025	MEETING DATE:	February 26, 2025	
TO: BOARD OF COMMISSIONERS		FROM: Greg Nicoll, Engineering Manager/District Engineer		
GENERAL MANAGER APPROVAL				
ATTACHED DOCUMENTS		1. Engineering Department Report		
		2. Summary of Capital Improvement Projects		
TYPE OF ACTION REQUESTED		RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input type="checkbox"/>	INFORMATIONAL /OTHER <input checked="" type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

Updated information regarding District projects and current priorities in advance of the Board meeting.

FISCAL IMPACT

None.

RECOMMENDED BOARD ACTION

None required.

PROPOSED MOTION

None.



Lake Whatcom Water & Sewer District Engineering Department Report

Prepared for the February 26, 2025 Board Meeting
Data Compiled 2/20/25

Status of Water and System Capacities				
	South Shore ID# 95910	Eagleridge ID# 08118	Agate Heights ID# 52957	Johnson Well ID# 04782
DOH Approved ERUs	**	85	81	2
Connected ERUs	3988	68	46	2
Remaining Capacity (ERUs)	**	17	35	0
Permitted ERUs Under Construction	35	0	0	0
Pre-paid Connection Certificates & Expired Permits	12	0	3	0
Water Availabilities (trailing 12 months)	62	0	0	0
Subtotal - Commitments not yet connected	109	0	3	0
Available ERUs	**	17	32	0

** Per DOH, water system capacity is sufficient for buildout. Oct 2018

Agate Heights approved ERUs increased from 57 to 81 with DOH approval on August 10, 2021

Annual Reports		
Name Of Report	Deadline	Completed
Report Number of Sewer ERUs to City of Bellingham Prepared by: Greg Nicoll	January 15	
Other Reports		
Name Of Report	Deadline	Last Completed
Water Right Permit No. G1-22681 Development Extension	Next Due February 15, 2033	Time Extension Granted July 15, 2024
Water Right Permit No. S1-25121 Development Extension	Due Every 10 Years Next Due March 30, 2033	Time Extension granted May 3, 2024

SUMMARY OF CAPITAL IMPROVEMENT PROJECTS

Updated: 2/20/2025

Prepared by: G. Nicoll



LEGEND:

WATER	SEWER	SHARED
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MAJOR PROJECTS IN CONSTRUCTION:

C2111 - DIVISION 7 RESERVOIR REPLACEMENT



Project Summary:	Replace existing steel reservoir with two concrete reservoirs and provide seismic improvements.
Project Status:	Construction of the east tank has been paused for the past two weeks due to cold temperatures and challenges meeting cold weather concrete pouring requirements. Work resumed this week and the east tank is scheduled to be complete in early March. The foundation for the west tank has been poured.

PROJECT SCHEDULE

	6/14/2017	10/27/2018	3/10/2020	7/23/2021	12/5/2022	4/18/2024	8/31/2025
TOTAL PROJECT	[Blue bar spanning from 6/14/2017 to 8/31/2025]						
PROGRESS	[Light blue bar spanning from 6/14/2017 to approximately 7/23/2021]						

Budget Summary	
Budget:	\$ 3,301,000.00
Spent to Date:	\$ 1,646,426.73
Balance:	\$ 1,654,573.27

Budget Year:

C2112 - ROCKY RIDGE AND LAKEWOOD PUMP STATIONS REHABILITATION



Project Summary:	Replace existing pumps, enclosures, controls and power service.
Project Status:	All ground disturbing work was completed prior to the close of the watershed work window and the contractor has demobilized. Delivery of the lift stations has been delayed. Staff has worked hard to minimize delays and delivery is now scheduled for late February. Contract time has been paused. Completion now anticipated in mid March. District is not financially impacted by this delay.

PROJECT SCHEDULE

	10/31/2021	3/30/2022	8/27/2022	1/24/2023	6/23/2023	11/20/2023	4/18/2024	9/15/2024	2/12/2025
TOTAL PROJECT	[Green bar spanning from 10/31/2021 to 2/12/2025]								
PROGRESS	[Light green bar spanning from 10/31/2021 to approximately 11/20/2023]								

Budget Summary	
Budget:	\$ 2,116,353.00
Spent to Date:	\$ 1,146,881.95
Balance:	\$ 969,471.05

Budget Year:

MAJOR PROJECTS IN DESIGN:

C2113 - FLAT CAR PUMP STATION REVERSE FLOW TO SUDDEN VALLEY PUMP STATION

Project Summary:	Construct a utility bridge across Beaver Creek and install new piping from Flat Car, across the new bridge to an existing bypass connection that will allow Flat Car PS to pump to the detention basin in the event of an emergency.
Project Status:	The District advertised a public works solicitation for the bridge construction component of the project on January 15 and bids were opened February 18. Henfin Construction is the low bidder. Construction will begin in June when the watershed work window opens.

PROJECT SCHEDULE

Budget Summary	
Budget:	\$ 153,000.00
Spent to Date:	\$ 101,471.09
Balance:	\$ 51,528.91
Budget Year:	2021

C2316 - SUDDEN VALLEY WTP CHLORINE CONTACT BASIN REPLACEMENT

Project Summary:	Replace existing chlorine contact basin with a new basin that will include seismic restraints and will be sized for sufficient contact time at buildout flows. (FEMA Hazard Mitigation Grant 5395-10R).
Project Status:	The draft pre-design report has been completed and District staff and the design team have agreed upon a recommended design. A contract amendment with Gray & Osborne to proceed with design of the preferred alternative is being presented to the Board at the February 26 meeting. Staff is continuing to pursue additional grant funding.

PROJECT SCHEDULE

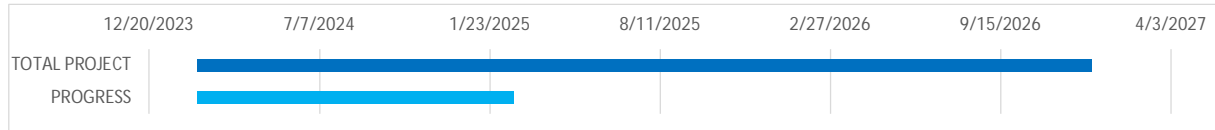
Budget Summary		
Budget:	\$ 1,963,000.00	<i>87.5% grant funded</i>
Spent to Date:	\$ 55,542.62	
Balance:	\$ 1,907,457.38	
Budget Year:	2024-2026	

C2402 - SVWTP PUMPHOUSE AND GENEVA RESERVOIR SEISMIC UPGRADES

Project Summary: Construct improvements at the SV WTP Finished Water Pump Building and the Geneva Reservoir to improve seismic resiliency of critical infrastructure (FEMA Hazard Mitigation Grant 5395-10R).

Project Status: The design team is proceeding with preliminary design of the seismic improvements to the SV WTP Finished Water Pump Building and the Geneva Reservoir. First tasks were a site inspection by the structural design team to confirm and document existing conditions and geotechnical investigations to determine underlying soil conditions. These tasks were completed in December and the team is now working on structural evaluation and preliminary design.

PROJECT SCHEDULE



Budget Summary	
Budget:	\$ 1,399,640.00
Spent to Date:	\$ 22,673.68
Balance:	\$ 1,376,966.32

95% grant funded



Geneva Reservoir



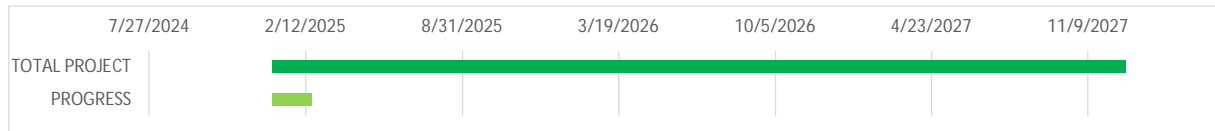
Budget Year: 2024-2026

C2510 - AGATE BAY SEWER LIFT STATION REHABILITATION

Project Summary: Agate Bay Lift Station is one of the last remaining original sewer lift stations that has not been rehabilitated and this project will renovate this station, which could include reconfiguration to a submersible station.

Project Status: District Engineering staff intends to complete preliminary design as well as all civil and mechanical design in house. Staff is currently preparing the pre-design report, including evaluation of current infrastructure, current and projected future flows, sizing calculations and evaluation of alternatives for reconfiguration.

PROJECT SCHEDULE



Budget Summary	
Budget:	\$ 146,000.00
Spent to Date:	\$ -
Balance:	\$ 146,000.00

Pre-design only



Budget Year: 2025-2027

OTHER ACTIVE PROJECTS:

C2511: Lake Whatcom Boulevard Interceptor Cured In Place Pipe

Status: This is the fourth phase of a project to reline a portion of the Lake Whatcom Boulevard Interceptor to remove fouling and improve capacity of the pipe. This project will reline approximately 840 linear feet of existing 14" diameter ductile iron force main. The project was advertised for bid in January with bids opened on February 18. The low bidder was Iron Horse Construction.

Budget Year: Projected Completion:

Budget Summary		
Budget:	<input type="text" value="\$ 195,000.00"/>	Spent to Date: <input type="text" value="\$ -"/>
	Balance:	<input type="text" value="\$ 195,000.00"/>

PROJECTS COMPLETED IN PAST 12 MONTHS

Project #	Project Name	Budget	Spent	Balance
C 2303	SVWTP Alum System Replacement	\$ 88,000.00	\$ 74,405.95	\$ 13,594.05
C 2304	Eagleridge Diesel Fuel Tank Replacement	\$ 25,000.00	\$ 12,222.48	\$ 12,777.52
M 2410	Midnight Court Sewer Repair	O&M	\$ 41,001.00	N/A
A 2210	Reservoir and WTP Site Security Assessment	\$ 50,000.00	\$ 50,000.00	-
C 2203/2231	Div 30 Booster, SV Lift Station PLC/UPS Improvements	\$ 344,643.00	\$ 314,670.54	\$ 29,972.46
M 2120	November 2021 Flood Event Response	-	\$ 271,928.83	\$ (271,928.83)
C 1802	Delesta, Edgewater and Euclid Lift Stations	\$1,816,583.06	\$ 1,762,153.54	\$ 54,429.52
C 2308	Div 30 Reservoir Cathodic Protection	\$ 36,000.00	\$ 27,795.14	\$ 8,204.86
M 2309	Reservoir Inspection and interior cleaning	\$ 41,000.00	\$ 27,308.80	\$ 13,691.20



**AGENDA
BILL
Item 8.C**

**Finance Department
Report**

DATE SUBMITTED:	February 18, 2025	MEETING DATE:	February 26, 2025
TO: BOARD OF COMMISSIONERS	FROM: Jennifer Signs, Finance Manager		
GENERAL MANAGER APPROVAL	<i>Jennifer Signs</i>		
ATTACHED DOCUMENTS	1. January Financial Report		
	2. January Cash & Investment Report 3. January Utility Account Adjustments		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input type="checkbox"/>	INFORMATIONAL /OTHER <input checked="" type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

Updated information regarding District finances in advance of the Board meeting.

FISCAL IMPACT

None

APPLICABLE EFFECTIVE UTILITY MANAGEMENT ATTRIBUTE(S)

Financial Viability

RECOMMENDED BOARD ACTION

None required.

PROPOSED MOTION

None

2025 BUDGET POSITION

Lake Whatcom W-S District

Time: 12:27:23 Date: 02/18/2025

Page: 1

401 Water Fund

Revenues	Amt Budgeted	January	YTD	Remaining		
330 State Generated Revenues						
331 66 00 01	Federal Direct Grant - EPA	220,000.00	0.00	0.00	220,000.00	100.0%
333 97 00 02	Federal Indirect Grant Homeland Security	1,567,983.00	0.00	0.00	1,567,983.00	100.0%
334 01 80 01	State Grant From Military Department	647,926.00	0.00	0.00	647,926.00	100.0%
330 State Generated Revenues		2,435,909.00	0.00	0.00	2,435,909.00	100.0%
340 Charges For Services						
343 40 10 00	Water Sales Metered	3,239,670.00	201,247.46	201,247.46	3,038,422.54	93.8%
343 41 10 01	General Facilities Charges - Water	105,485.00	0.00	0.00	105,485.00	100.0%
340 Charges For Services		3,345,155.00	201,247.46	201,247.46	3,143,907.54	94.0%
350 Fines & Forfeitures						
359 81 10 00	Combined Fees	12,500.00	(144.27)	(144.27)	12,644.27	101.2%
359 90 00 00	Late Fees	65,000.00	5,758.14	5,758.14	59,241.86	91.1%
350 Fines & Forfeitures		77,500.00	5,613.87	5,613.87	71,886.13	92.8%
360 Misc Revenues						
361 11 00 00	Investment Interest	118,000.00	10,368.26	10,368.26	107,631.74	91.2%
369 91 01 00	Miscellaneous	1,000.00	0.00	0.00	1,000.00	100.0%
360 Misc Revenues		119,000.00	10,368.26	10,368.26	108,631.74	91.3%
390 Other Revenues						
391 80 00 01	Intergovernmental Loans	800,000.00	0.00	0.00	800,000.00	100.0%
390 Other Revenues		800,000.00	0.00	0.00	800,000.00	100.0%
Fund Revenues:		6,777,564.00	217,229.59	217,229.59	6,560,334.41	96.8%

Expenditures	Amt Budgeted	January	YTD	Remaining		
534 Water Utilities						
534 10 10 00	Water - Gen Admin Payroll	398,451.00	32,140.73	32,140.73	366,310.27	91.9%
534 10 20 00	Water - Gen Admin Personnel Benefits	163,307.00	17,247.71	17,247.71	146,059.29	89.4%
534 10 31 00	Water - Gen Admin Supplies	12,500.00	402.51	402.51	12,097.49	96.8%
534 10 31 01	Water - Meetings/Team building	3,200.00	1,875.99	1,875.99	1,324.01	41.4%
534 10 40 00	Water - Merchant Services Fees	19,700.00	1,778.70	1,778.70	17,921.30	91.0%
534 10 40 01	Water - Bank Fees	750.00	53.85	53.85	696.15	92.8%
534 10 41 00	Water - Quality Assurance Programs	87,800.00	0.00	0.00	87,800.00	100.0%
534 10 41 01	Water - Gen Admin Prof Srvc	116,315.00	5,943.99	5,943.99	110,371.01	94.9%
534 10 41 02	Water- Engineering Srvc	9,000.00	2,392.50	2,392.50	6,607.50	73.4%
534 10 41 03	Water - Legal Srvc	31,000.00	697.50	697.50	30,302.50	97.8%
534 10 42 00	Water - Admin Communication	34,000.00	3,298.16	3,298.16	30,701.84	90.3%
534 10 43 00	Water - Software/IT Subscriptions	90,310.00	15,249.87	15,249.87	75,060.13	83.1%
534 10 46 00	Water - Gen Admin Insurance	89,000.00	166.50	166.50	88,833.50	99.8%
534 10 49 00	Water - Gen Admin Misc	200.00	0.00	0.00	200.00	100.0%

2025 BUDGET POSITION

Lake Whatcom W-S District

Time: 12:27:23 Date: 02/18/2025

Page: 2

401 Water Fund

Expenditures	Amt Budgeted	January	YTD	Remaining		
534 Water Utilities						
534 10 49 01	Water-Memberships/Dues/Permits	21,100.00	8,835.94	8,835.94	12,264.06	58.1%
534 10 49 02	Water - Taxes	177,800.00	14,662.03	14,662.03	163,137.97	91.8%
534 40 43 00	Water - Admin Training &Travel	13,000.00	262.50	262.50	12,737.50	98.0%
534 40 43 01	Water- Tuition Reimbursement	500.00	0.00	0.00	500.00	100.0%
534 50 31 00	Water - Maintenance Supplies	120,500.00	10,920.67	10,920.67	109,579.33	90.9%
534 50 31 01	Water- Small Assets	48,000.00	1,367.38	1,367.38	46,632.62	97.2%
534 50 48 00	Water - Repair & Maint	145,000.00	30,285.95	30,285.95	114,714.05	79.1%
534 50 49 00	Water - Insurance Claims	5,000.00	0.00	0.00	5,000.00	100.0%
534 60 41 00	Water - Operations Contracted (Edge Analytical)	12,500.00	376.09	376.09	12,123.91	97.0%
534 60 47 00	Water - City of Bellingham	62,920.00	3,377.41	3,377.41	59,542.59	94.6%
534 80 10 00	Water - Operations Payroll	734,736.00	51,303.92	51,303.92	683,432.08	93.0%
534 80 20 00	Water - Operations Personnel Benefits	340,742.00	26,628.27	26,628.27	314,113.73	92.2%
534 80 32 00	Water - Operations Fuel	31,900.00	2,515.51	2,515.51	29,384.49	92.1%
534 80 35 00	Water - Safety Supplies	10,000.00	1,025.32	1,025.32	8,974.68	89.7%
534 80 35 01	Water - Safety Boots	1,400.00	187.56	187.56	1,212.44	86.6%
534 80 35 02	Water - Emergency Preparedness	3,000.00	621.30	621.30	2,378.70	79.3%
534 80 43 00	Water - Operation Training/Travel/Certifications	13,000.00	1,631.59	1,631.59	11,368.41	87.4%
534 80 47 00	Water - Ops Utilities	156,200.00	13,337.07	13,337.07	142,862.93	91.5%
534 80 49 00	Water - Operations Laundry	2,000.00	142.15	142.15	1,857.85	92.9%
534 Water Utilities		2,954,831.00	248,728.67	248,728.67	2,706,102.33	91.6%
580 Non Expenditures						
589 99 99 99	Payroll Benefit Liabilities	0.00	821.70	821.70	(821.70)	0.0%
580 Non Expenditures		0.00	821.70	821.70	(821.70)	0.0%
591 Debt Service						
591 34 77 01	Geneva AC Mains Principal	119,938.00	0.00	0.00	119,938.00	100.0%
591 34 77 02	Div 22 Reservoir Principal	65,475.00	0.00	0.00	65,475.00	100.0%
592 34 83 01	Geneva AC Mains Interest	19,790.00	0.00	0.00	19,790.00	100.0%
592 34 83 02	Div 22 Reservoir Interest	12,768.00	0.00	0.00	12,768.00	100.0%
591 Debt Service		217,971.00	0.00	0.00	217,971.00	100.0%
594 Capital Expenditures						
594 34 60 01	Capital Outlay - Budget Only	2,518,000.00	0.00	0.00	2,518,000.00	100.0%
594 34 62 01	Capital Projects - Water Structures	0.00	12,532.27	12,532.27	(12,532.27)	0.0%
594 Capital Expenditures		2,518,000.00	12,532.27	12,532.27	2,505,467.73	99.5%
Fund Expenditures:		5,690,802.00	262,082.64	262,082.64	5,428,719.36	95.4%
Fund Excess/(Deficit):		1,086,762.00	(44,853.05)	(44,853.05)		

2025 BUDGET POSITION

Lake Whatcom W-S District

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402 Sewer Fund

Revenues	Amt Budgeted	January	YTD	Remaining	
340 Charges For Services					
343 50 11 00 Sewer Service Residential	5,047,572.00	313,597.66	313,597.66	4,733,974.34	93.8%
343 50 19 00 Sewer Service Other	5,750.00	505.37	505.37	5,244.63	91.2%
343 51 10 02 General Facilities Charges - Sewer	125,380.00	0.00	0.00	125,380.00	100.0%
340 Charges For Services	5,178,702.00	314,103.03	314,103.03	4,864,598.97	93.9%
360 Misc Revenues					
361 11 00 02 Investment Interest	118,000.00	10,368.27	10,368.27	107,631.73	91.2%
369 40 00 02 Project Reimbursement	4,142.00	0.00	0.00	4,142.00	100.0%
369 91 01 02 Miscellaneous	1,000.00	0.00	0.00	1,000.00	100.0%
360 Misc Revenues	123,142.00	10,368.27	10,368.27	112,773.73	91.6%
Fund Revenues:	5,301,844.00	324,471.30	324,471.30	4,977,372.70	93.9%

Expenditures	Amt Budgeted	January	YTD	Remaining	
535 Sewer					
535 10 10 00 Sewer - Admin Payroll	398,451.00	32,140.65	32,140.65	366,310.35	91.9%
535 10 20 00 Sewer - Gen Admin Personnel Benefits	163,307.00	17,247.40	17,247.40	146,059.60	89.4%
535 10 31 00 Sewer - Gen Admin Supplies	12,500.00	387.21	387.21	12,112.79	96.9%
535 10 31 01 Sewer - Meetings/Team Building	3,200.00	1,876.03	1,876.03	1,323.97	41.4%
535 10 40 00 Sewer -Merchant Services Fees	18,000.00	1,778.71	1,778.71	16,221.29	90.1%
535 10 40 01 Sewer - Bank Fees	750.00	53.85	53.85	696.15	92.8%
535 10 41 01 Sewer - Gen Admin Prof Srvc	116,315.00	5,943.96	5,943.96	110,371.04	94.9%
535 10 41 02 Sewer - Engineering Srvc	9,000.00	0.00	0.00	9,000.00	100.0%
535 10 41 03 Sewer - Legal Srvc	31,000.00	382.50	382.50	30,617.50	98.8%
535 10 42 00 Sewer - Admin Communication	34,000.00	3,298.08	3,298.08	30,701.92	90.3%
535 10 43 00 Sewer - Software/IT Subscriptions	99,960.00	18,803.56	18,803.56	81,156.44	81.2%
535 10 46 00 Sewer - Gen Admin Insurance	89,000.00	166.50	166.50	88,833.50	99.8%
535 10 49 00 Sewer - Gen Admin Misc	200.00	0.00	0.00	200.00	100.0%
535 10 49 01 Sewer - Memberships/Dues/Permits	16,220.00	8,404.94	8,404.94	7,815.06	48.2%
535 10 49 02 Sewer - Taxes	129,650.00	11,157.40	11,157.40	118,492.60	91.4%
535 40 43 00 Sewer - Gen Admin TrainIng &Travel	13,000.00	262.50	262.50	12,737.50	98.0%
535 40 43 01 Sewer - Tuition Reimbursement	500.00	0.00	0.00	500.00	100.0%
535 50 31 00 Sewer - Maintenance Supplies	45,000.00	3,239.02	3,239.02	41,760.98	92.8%
535 50 31 01 Sewer - Small Assets	42,000.00	1,367.38	1,367.38	40,632.62	96.7%
535 50 48 00 Sewer - Repair & Maint	145,000.00	64,494.68	64,494.68	80,505.32	55.5%
535 50 49 00 Sewer - Insurance Claims	2,500.00	0.00	0.00	2,500.00	100.0%
535 60 47 00 Sewer - City of Bellingham	865,350.00	101,846.33	101,846.33	763,503.67	88.2%
535 80 10 00 Sewer - Operations Payroll	625,864.00	42,411.36	42,411.36	583,452.64	93.2%
535 80 20 00 Sewer - Operations Personnel Benefits	284,947.00	22,032.34	22,032.34	262,914.66	92.3%
535 80 32 00 Sewer - Operations Fuel	31,900.00	2,515.50	2,515.50	29,384.50	92.1%
535 80 35 00 Sewer - Safety Supplies	10,000.00	1,025.32	1,025.32	8,974.68	89.7%
535 80 35 01 Sewer - Safety Boots	1,400.00	187.55	187.55	1,212.45	86.6%
535 80 35 02 Sewer - Emergency Preparedness	5,000.00	621.30	621.30	4,378.70	87.6%
535 80 43 00 Sewer - Operations Training/Travel/Certification	13,000.00	3,836.58	3,836.58	9,163.42	70.5%
535 80 47 00 Sewer - Ops Utilities	160,000.00	14,139.87	14,139.87	145,860.13	91.2%

2025 BUDGET POSITION

Lake Whatcom W-S District

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402 Sewer Fund

Expenditures	Amt Budgeted	January	YTD	Remaining	
535 Sewer					
535 80 49 00 Sewer - Operations Laundry	2,500.00	142.05	142.05	2,357.95	94.3%
535 Sewer	3,369,514.00	359,762.57	359,762.57	3,009,751.43	89.3%
591 Debt Service					
591 35 77 02 Bond 2016 Principal	490,000.00	0.00	0.00	490,000.00	100.0%
591 35 83 02 Bond 2016 Interest	126,125.00	0.00	0.00	126,125.00	100.0%
591 Debt Service	616,125.00	0.00	0.00	616,125.00	100.0%
594 Capital Expenditures					
594 35 60 02 Capital Outlay - Budget Only	1,857,000.00	0.00	0.00	1,857,000.00	100.0%
594 35 62 02 Capital Projects - Sewer Structures	0.00	20,802.15	20,802.15	(20,802.15)	0.0%
594 Capital Expenditures	1,857,000.00	20,802.15	20,802.15	1,836,197.85	98.9%
Fund Expenditures:	5,842,639.00	380,564.72	380,564.72	5,462,074.28	93.5%
Fund Excess/(Deficit):	(540,795.00)	(56,093.42)	(56,093.42)		

2025 BUDGET POSITION TOTALS

Lake Whatcom W-S District

Months: 01 To: 01

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Fund	Revenue	January	Received		Expenditures	January	Spent	
401 Water Fund	6,777,564.00	217,229.59	217,229.59	96.8%	5,690,802.00	262,082.64	262,082.64	95.4%
402 Sewer Fund	5,301,844.00	324,471.30	324,471.30	93.9%	5,842,639.00	380,564.72	380,564.72	93.5%
	<u>12,079,408.00</u>	<u>541,700.89</u>	<u>541,700.89</u>	<u>95.5%</u>	<u>11,533,441.00</u>	<u>642,647.36</u>	<u>642,647.36</u>	<u>94.4%</u>



LAKE WHATCOM WATER AND SEWER
INVESTMENTS/CASH AS OF 1/31/2025

Petty Cash	\$	1,600	
Cash	\$	1,001,511	
Debt Service Account	\$	646,125	
Public Funds Account	\$	<u>31,030</u>	2.940%
WA Federal	\$	1,680,266	
Local Gov't Investment Pool	\$	4,131,872	4.450%

		PRINCIPAL COST	MARKET VALUE	MATURITY DATE	YIELD
US Treasury Note	Non-callable	\$ 499,082	\$ 536,000	Apr-25	4.921%
US Treasury Note	Non-callable	\$ 499,512	\$ 543,000	Jul-25	4.783%
US Treasury Note	Non-callable	\$ 747,615	\$ 810,000	Dec-25	4.440%
US Treasury Note	Non-callable	\$ 797,274	\$ 855,000	Jan-26	3.950%
US Treasury Note	Non-callable	\$ 467,667	\$ 500,000	Jun-26	4.500%
US Bank Safekeeping		\$ 3,011,150	\$ 3,244,000		
TOTAL		<u>\$ 8,823,288</u>			

USE OF FUNDS:

Bond Reserve - Restricted	\$	646,125
Contingency - Assigned	\$	1,275,000
Operating Reserves	\$	1,185,000
Operating Assigned	\$	5,717,163
	<u>\$</u>	<u>8,823,288</u>

Fund Balance Summary

Water Utility Fund (401)	\$	2,122,963
Sewer Utility Fund (402)	\$	4,779,200
Sewer Contingency Fund (425)	\$	815,000
Water Contingency Fund (426)	\$	460,000
Bond Reserve Fund (460)	\$	<u>646,125</u>
	<u>\$</u>	<u>8,823,288</u>



LAKE WHATCOM WATER AND SEWER DISTRICT
January 2025 Utility Account Adjustments

Sudden Valley Adjustments

Late Fee Credits	\$ 513.97
High Use/Leak Credits	\$ 254.52

North Shore/Geneva

Late Fee Credits	\$ 267.78
High Use/Leak Credits	<u>\$ 1,332.35</u>

Total Account Adjustments	\$ 2,368.62
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**AGENDA
BILL
Item 8.D**

**Operations Department
Report**

DATE SUBMITTED:	February 20, 2025	MEETING DATE:	February 26, 2025
TO: BOARD OF COMMISSIONERS	FROM: Jason Dahlstrom, Operations & Maintenance Manager		
GENERAL MANAGER APPROVAL	<i>Jason Dahlstrom</i>		
ATTACHED DOCUMENTS	1. Operations Department Report		
	2. Status of District Water & Sewer Systems		
TYPE OF ACTION REQUESTED	RESOLUTION	FORMAL ACTION/ MOTION	INFORMATIONAL /OTHER
	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

Updated information regarding District operations in advance of the Board meeting.

FISCAL IMPACT

None.

RECOMMENDED BOARD ACTION

None required.

PROPOSED MOTION

None.



Lake Whatcom Water & Sewer District Operations & Maintenance Department Report

Prepared for the February 26, 2025 Board Meeting
Data Compiled 2/20/25

State Required Report Status													
Monthly Reports													
Name Of Report		Completed											
Chlorination Report Agate Heights Prepared by: K Cook	Postmarked by the 10th of month	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
		x	x										
Surface Water Treatment Rule Report (SVWTP) Prepared by: K Cook	Postmarked by the 10th of month	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
		x	x										
Annual Reports													
Name Of Report	Deadline	Completed											
WA State Cross Connection Report Prepared by: R Munson	May												
OSHA 300 Log Prepared by: R Munson	February 1	January 30, 2025											
Water Use Efficiency Performance Report Prepared by: K Cook	July 1												
Community Right to Know (Hazardous Materials) Prepared by: R Munson	March 31	January 9, 2025											
Northwest Clean Air Emissions Report	February 1												
Consumer Confidence Reports Prepared by: K Cook	June 30	Geneva			SV			EagleR			Agate Ht		
Other Reports													
Name Of Report	Deadline	Last Completed											
CPR/First Aid Training Coordinated by: R Munson	Due Biennially Next Due 2025	<i>Scheduled for Feb 27, 2025</i>											
Flagging Card Training Coordinated by: R Munson	Due Triennially Next Due 2025	May 19, 2022											

Safety Program Summary	
Completed by Rich Munson	
Summary of Annual Safety Training	
2024/25 Testing Period - Dec 2024 to April 4, 2025	
	% Complete
Engineering - Managers	100%
Engineering - Staff	95%
Field Crew - Managers	100%
Field Crew - Staff	93%
Office - Managers	100%
Office - Staff	100%
Overall	98%

Safety meetings for the field crew take place every Thursday at 8 a.m.

Dates of Completed Safety Committee Meetings		
1.23.25		
2.20.25		

Summary of Work-Related Injuries & Illnesses						
	Current Month	2025	2024	2023	2022	2021
Total Number of Work Related Injuries						
Defined as a work related injury or illness that results in:						
Death						
Medical treatment beyond first aid						
Loss of consciousness	0	0	0	0	0	0
Significant injury or illness diagnosed by a licensed health care professional						
Days away from work (off work)						
Restricted work or job transfer						
Total Number of Days of Job Transfer or Restriction (light duty or other medical restriction)	0	0	0	0	0	0
Total Number of Days Away from Work (at home, in hospital, not at work)	0	0	0	0	0	0
Near Misses	0	0	0	0	0	0

Safety Coordinator Update	

Status of District Water and Sewer Systems
Prepared by Jason Dahlstrom - Operations and Maintenance Manager
2/26/2025 Board Meeting

Safety Activities	
<ol style="list-style-type: none"> 1. No time-loss injuries or near misses. 2. Daily safety reminders directly relevant to the day's tasks. Weekly safety trainings based on District specific safety programs. 3. Jobsite tailgate meetings by project lead. 	
Water Utility Activities	
<p><i>Water Treatment Plants</i></p> <ol style="list-style-type: none"> 1. Sudden Valley <ol style="list-style-type: none"> a. Plant is operating well, averaging 0.5 million gallons per day (MGD) at 700 GPM. b. Water use is consistent with typical seasonal usage. c. Annual maintenance tasks underway 2. Agate Heights <ol style="list-style-type: none"> a. Plant is operating well. b. Water use is consistent with typical seasonal usage. <p><i>Distribution System</i></p> <ol style="list-style-type: none"> 1. 2 water main leaks repaired this month 	
Sewer Utility Activities	
<p><i>Lift Stations</i></p> <ol style="list-style-type: none"> 1. Nothing new to report <p><i>Collection System</i></p> <ol style="list-style-type: none"> 1. Sewer camera inspections ongoing 	
Fleet	
<p><i>Vehicles</i></p> <ol style="list-style-type: none"> 1. New service truck being outfitted currently 2. New service truck pricing and availability underway – V2502 <p><i>Equipment</i></p> <ol style="list-style-type: none"> 1. All equipment is functional 	
Facilities	
<ol style="list-style-type: none"> 1. Nothing new to report 	
Training	
<ol style="list-style-type: none"> 1. All staff First Aid/CPR/AED training 2/27/25 2. O&M Staff flagger recertifications this spring 	
Development	
<ol style="list-style-type: none"> 1. There are 6 permits currently in stages of development 	