



1220 Lakeway Dr • Bellingham, WA 98229

## REGULAR SESSION OF THE BOARD OF COMMISSIONERS

# Minutes

*July 9, 2025*

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

<b>Attendees:</b>	Commissioner Todd Citron Commissioner John Carter (v) Commissioner Bruce Ford Commissioner Jeff Knakal Commissioner David Holland	General Manager Justin Clary Engineering Manager Greg Nicoll Finance Manager Jenny Signs Operations Manager Jason Dahlstrom District Legal Counsel Bob Carmichael Recording Secretary Rachael Hope
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Attendees noted with a (v) attended the meeting virtually. Also in attendance were David Faulkner and Bryan Plog from the Glen Cove Water Association. One anonymous attendee attended virtually.

### Consent Agenda

#### Action Taken

Knakal moved, Ford seconded, approval of:

- Minutes for the 6.25.2025 Regular Board Meeting
- Payroll for Pay Period #14 (6.20.2025 through 7.04.2025) totaling \$56,269.66
- Accounts Payable Vouchers totaling \$212,971.89

Motion passed.

### Personnel Policies Manual Update Adoption

Clary explained that the District's personnel policies manual defines the District's philosophy, and employment practices, policies, and benefits provided to all District staff. As state and case law evolves and new issues arise, the manual has been revised periodically to keep abreast of current practices and laws. Though the current revision of the manual was approved by the Board during its April 9, 2025 meeting, two bills have been enacted by the Washington State Legislature requiring revision to the personnel policies manual. Both bills made changes to the Revised Code of Washington, House Bill 1875 creating a qualifying event for sick leave related to attending immigration proceedings, and Senate Bill 5101 adding hate crimes as qualifying events for sick leave associated with domestic violence. Staff presented proposed revisions to Section 7.2, Sick Leave, of the personnel policies manual.

#### Action Taken

Knakal moved, Ford seconded, to approve the personnel policies manual with revisions incorporated. Motion passed.

### **Sudden Valley WTP Chlorine Contact Basin Replacement Project Public Works Board Application Authorization**

The District provides potable water to its South Shore water system via 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. Between 2016 and early 2025, results of seismic vulnerability assessment, capacity analysis, sizing assessment, and condition assessment showed that the preferred course of action is a full replacement of the aging CCB. In 2022, the District submitted a FEMA Hazard Mitigation Grant application to replace the existing CCB, which was awarded in 2024 with partial funds also provided by the District and the Washington State Emergency Management Division (WA-EMD) of the Washington State Military Department.

Nicoll explained that since execution of the grant agreement, the total project cost has increased significantly, creating a funding deficit of approximately \$1,200,000. During the June 11 Regular Board Meeting, the Board directed staff to pursue external funding sources for the unfunded portion of the project. One viable external funding source is a low-interest loan through Public Works Assistance Account administered by the State Public Works Board, which would allow the District to finance the project costs over a 20-year period at a low interest rate (2.12%).

The Public Works Board officially opened the FY2026 loan cycle during its meeting held on May 9, with applications due on August 8, and loans awarded in October. The loan application requires formal authorization from the applicant's governing body, and staff requested that the board authorize submittal of a loan request. Discussion followed.

#### **Action Taken**

**Ford moved, Knakal seconded, to authorize staff to develop and submit an application to the Washington State Public Works Board for a loan to finance the unfunded portion of the construction of the SVWTP Chlorine Contact Basin Replacement Project. Motion passed.**

### **Division 22-1 Reservoir Replacement Project Public Works Board Application Authorization**

The District's Division 22-1 reservoir was designed and constructed in 1971 and has not been renovated or recoated since its original construction. Following a 2016 seismic vulnerability assessment, which showed that the reservoir does not meet current seismic design standards, and a subsequent 2022 coating assessment which identified failure of the original coating system, a project was planned to replace the Division 22-1 reservoir. In early 2025, the District was awarded a FEMA Hazard Mitigation Grant to fund replacement of the reservoir with a new reservoir, however, the District grant match is \$358,750, which was not accounted for in the 2025-26 budget because the grant was awarded after the budget had been approved. The impacts of this project on the District's finances were discussed with the Board of Commissioners during its regularly scheduled meeting held on June 11, 2025. During the meeting the Board directed staff to pursue external funding sources for the District grant match portion of the project.

As in the previous agenda item, staff requested that the board authorize submittal of a loan request to the Public Works Board for this project.

#### **Action Taken**

**Knakal moved, Holland seconded, to authorize staff to develop and submit an application to the Washington State Public Works Board for a loan to finance the unfunded portion of the construction of the Division 22-1 Reservoir Replacement Project. Motion passed.**

### **Geneva Reservoir Recoating Project Public Works Board Application Authorization**

In 2016, structural analysis of the District's Geneva Water Reservoir found significant deficiencies in its ability to meet existing earthquake code requirements. In 2024, the District was awarded a FEMA Hazard Mitigation Grant to seismically retrofit the Geneva Reservoir (as well as construct seismic improvements to the Sudden Valley WTP pump house). Between the time the application was submitted and the award, a 2022 coating assessment of the reservoir determined that the interior and exterior coating systems were approaching the

end of their service lives and require replacement within the next five years to minimize degradation of the tank structure.

The grant-funded seismic improvements were built into the District's 6-year capital improvement program for 2026, with recoating of the reservoir programmed for 2027. However, based upon information recently gained during the initial stages of seismic retrofit design, impacts from the seismic retrofit project will require recoating at the same time. The estimated cost of recoating the Geneva Reservoir is \$1,000,000, which was not built into the District's 2025-26 Budget.

The impacts to the District's finances were discussed with the Board of Commissioners during its regularly scheduled meeting held on June 11, 2025, during which the Board directed staff to pursue external funding sources for the recoating project. As in the previous agenda items, staff requested that the board authorize submittal of a loan request to the Public Works Board for this project.

**Action Taken**

**Knakal moved, Holland seconded, to authorize staff to develop and submit an application to the Washington State Public Works Board for a loan to finance the unfunded portion of the construction of the Geneva Reservoir Recoating Project. Motion passed.**

**General Manager's Report**

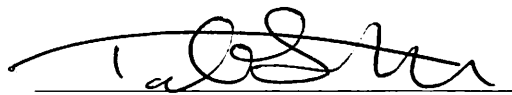
Clary updated the Board on several topics, including a sewage release at the Camp Firwood sewer lift station, an update on prior discussion regarding water right transfer through the Washington State Department of Ecology cost reimbursement program, and a visit by U.S. Representative Rick Larsen to the Division 7 Reservoir Replacement Project.

Clary recognized District staff, who were on site within 30 minutes and worked until 4 am cleaning up, putting bypass in place, and making sure no further release occurred. Dahlstrom also recognized the staff of Camp Firwood for their management of the incident with a camp full of children present.

**Other Business**

Clary introduced representatives attending from the Glen Cove Water Association, who spoke to the Board about the possibility of consolidating their water system into the District. Discussion followed.

With no further business, Citron adjourned the regular session at 7:49 p.m.



Board President, Todd Citron

Attest:



Recording Secretary, Rachael Hope

Minutes approved by motion at ☒ Regular ☐ Special Board Meeting on July 30, 2025

[illegible]