



Lake Whatcom Water & Sewer District

Board Meeting Access Information

Meeting Schedule

6:30 pm - 2nd Wed of each month

8:00 am - Last Wed of each month

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](tel:+12245013412) **Access Code:** 596-307-141

*Press *6 to mute/unmute your microphone*

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<https://meet.goto.com/install>

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

August 13, 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. Financial Benchmarks Discussion
 - B. Code of Ethics Discussion
7. OTHER BUSINESS
8. STAFF REPORTS
 - A. General Manager
9. PUBLIC COMMENT OPPORTUNITY
10. ADJOURNMENT



**AGENDA
BILL
Item 5**

Consent Agenda

DATE SUBMITTED:	August 7, 2025	MEETING DATE:	August 13, 2025
TO: BOARD OF COMMISSIONERS	FROM: Rachael Hope		
GENERAL MANAGER APPROVAL			
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 08.13.2025****

BACKGROUND / EXPLANATION OF IMPACT

- Minutes for the 7.30.2025 Regular Board Meeting
- Payroll for Pay Period #16 (7.19.2025 through 8.01.2025) totaling \$58,555.38
- Benefits for Pay Period #16 totaling \$62,154.98
- 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

July 30, 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 Bruce Ford	Finance Manager Jenny Signs
	Commissioner Jeff Knakal	Operations Manager Jason Dahlstrom
	Commissioner David Holland (v)	Recording Secretary Rachael Hope

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

Consent Agenda

Action Taken

Knakal moved, Holland seconded, approval of:

- **Minutes for the 7.09.2025 Regular Board Meeting**
- **Benefits for Pay Period #14 totaling \$63,063.90**
- **Payroll for Pay Period #15 (7.05.2025 through 7.18.2025) totaling \$60,841.16**
- **Benefits for Pay Period #15 totaling \$62,456.50**
- **Accounts Payable Vouchers totaling 341,273.63**

Motion passed.

Customer Appeal – Suspension of Sewer Service Requirements

Clary explained that the District previously served a single-family residence at 2125 North Shore Rd which was uninhabited from approximately 2001 until 2015. In 2015, Tim and Leslie Farris, owners of a neighboring property, purchased the property and demolished the house. At that time, Mr. Farris inquired about termination of sewer service to the 2125 North Shore Road property, and was informed that per the District Administrative Code, the side sewer would require capping at the point at which it enters North Shore Road right-of-way to be eligible for service suspension. The Farris's determined that the side sewer connects to side sewers serving neighboring connections under a joint-use driveway, and chose not to pursue capping of the side sewer and continued paying the bimonthly sewer service bill for the property.

In November of 2023, Commissioner Ford received an email from Mr. Farris requesting that the District reconsider suspension of sewer service to the subject property subject to capping the side sewer at the prior location of the demolished home rather than at the road right-of-way. The General Manager provided a response, citing the District Administrative Code specification regarding capping requirements for suspension of sewer services. In July of 2025, Mr. Farris requested that the District reconsider his request, or consider

revising the Administrative Code to provide a reduced sewer service rate for properties connected to the District's sewage conveyance system that do not have structures.

Staff highlighted the three primary options for the Board related to the appeal: development of a resolution revising the Administrative Code to allow for capping of side sewers at locations other than at the right-of-way or as close to the sewer main as possible, development of a resolution revising the Master Fees and Charges Schedule to create a customer class for connections to District sewer service that do not serve a structure, or uphold the General Manager's interpretation of the Administrative Code. The Board discussed these options, recognizing potential issues related to unused side sewer/sewer laterals and capping locations.

Action Taken

Knakal moved, Holland seconded, to uphold the District Administrative Code as written and implemented by the General Manager and decline Mr. Farris's appeal to revise the Administrative Code. Motion passed.

Rocky Ridge/Lakewood Sewer Lift Stations Improvements Project Public Works Contract Close Out

Nicoll recalled that the Lakewood and Rocky Ridge sewer lift stations are located along the southerly shore of Lake Whatcom along Lake Whatcom Boulevard. Both stations had not been significantly upgraded since their original installation in the 1970s. The public works project consisted of the replacement of pumps, motors, controls and power drops at both stations. Following a public bid process, the District Board awarded the construction contract to Red Point Contracting during a regularly scheduled meeting on May 8, 2024. The contractor has now completed all work and contract requirements. Staff recommended accepting the project as complete and closing out the public works contract.

Action Taken

Ford moved, Knakal seconded, to accept the Lakewood and Rocky Ridge Sewer Lift Stations Improvements Project public works contract performed by Red Point Contracting as complete and authorize staff to close out the public works contract. Motion passed.

Financial Benchmarks Discussion

Clary summarized that as a public agency, it is crucial that the District maintain public trust through efficiently operating in a transparent manner. The development of benchmarks can effectively set the stage for the long-term demonstration to customers that the District has proactively managed and maintained its systems to mitigate unnecessary operational expenses. Recognizing that the District is unique, District staff and Commissioner Carter have initiated discussion on creation of benchmarks specific to the District, while also using existing resources (such as the American Water Works Association Utility Benchmarking and Washington State Auditor's Office guidance documents) as may be applicable to the District. Staff presented an initial set of benchmarks proposed for demonstrating the District's proactive, long-term management of its systems. Discussion followed.

General Manager's Report

Clary updated the Board on several topics, including a recent sewage release due to root infiltration in a manhole, potential de-designation of the Geneva Urban Growth Area as part of the current Whatcom County Comprehensive Plan update, and staff research on consolidation related to the Glen Cove Water Association. Discussion followed.

Engineering Department Report

Nicoll highlighted several projects, including self-healing progress and trial operations at the newly constructed Division 7 Reservoirs, planning for future updates to the Geneva Reservoir, and progress on the Flatcar Lift Station Reverse Flow project. Discussion followed.

Finance Department Report

Signs’ report focused on the Quarterly Financial Report for Second Quarter 2025, including investment income earnings, trends in revenues and expenditures, and June customer account adjustments.

Operations & Maintenance Department Report

Dahlstrom updated the Board on activity in the Department, including repair of recent line breaks and ongoing pressure reducing valve maintenance and installation of pressure monitors in Sudden Valley. He also recognized Maintenance Worker Cyrus Gates for attaining the Water Treatment Plant Operator 3 Certification.

With no further business, Citron adjourned the regular session at 10:11 a.m.

Board President, Todd Citron

Attest: _____
Recording Secretary, Rachael Hope

Minutes approved by motion at ☐ Regular ☐ Special Board Meeting on _____

CHECK REGISTER

Lake Whatcom W-S District


Time: 15:29:45 Date: 08/04/2025

08/07/2025 To: 08/07/2025

PAYROLL
Page: 1

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
2255	08/07/2025	Payroll	5	EFT		4,064.41	07/19/2025 - 08/01/2025 PR 16
2256	08/07/2025	Payroll	5	EFT		3,271.99	07/19/2025 - 08/01/2025 PR 16
2257	08/07/2025	Payroll	5	EFT		4,043.37	07/19/2025 - 08/01/2025 PR 16
2258	08/07/2025	Payroll	5	EFT		3,667.61	07/19/2025 - 08/01/2025 PR 16
2260	08/07/2025	Payroll	5	EFT		2,211.67	07/19/2025 - 08/01/2025 PR 16
2261	08/07/2025	Payroll	5	EFT		1,257.81	07/19/2025 - 08/01/2025 PR 16
2262	08/07/2025	Payroll	5	EFT		3,482.68	07/19/2025 - 08/01/2025 PR 16
2263	08/07/2025	Payroll	5	EFT		2,717.54	07/19/2025 - 08/01/2025 PR 16
2264	08/07/2025	Payroll	5	EFT		4,236.43	07/19/2025 - 08/01/2025 PR 16
2265	08/07/2025	Payroll	5	EFT		3,167.49	07/19/2025 - 08/01/2025 PR 16
2266	08/07/2025	Payroll	5	EFT		1,540.77	07/19/2025 - 08/01/2025 PR 16
2267	08/07/2025	Payroll	5	EFT		2,924.86	07/19/2025 - 08/01/2025 PR 16
2268	08/07/2025	Payroll	5	EFT		3,141.40	07/19/2025 - 08/01/2025 PR 16
2269	08/07/2025	Payroll	5	EFT		2,361.68	07/19/2025 - 08/01/2025 PR 16
2270	08/07/2025	Payroll	5	EFT		2,049.94	07/19/2025 - 08/01/2025 PR 16
2271	08/07/2025	Payroll	5	EFT		1,501.40	07/19/2025 - 08/01/2025 PR 16
2272	08/07/2025	Payroll	5	EFT		5,006.98	07/19/2025 - 08/01/2025 PR 16
2273	08/07/2025	Payroll	5	EFT		2,651.74	07/19/2025 - 08/01/2025 PR 16
2274	08/07/2025	Payroll	5	EFT		3,386.58	07/19/2025 - 08/01/2025 PR 16
2259	08/07/2025	Payroll	5	16641		1,869.03	07/19/2025 - 08/01/2025 PR 16
401 Water Fund						16,122.45	
402 Sewer Fund						42,432.93	
						58,555.38	Payroll: 58,555.38

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 8/4/2025
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

Lake Whatcom W-S District

Time: 15:57:43 Date: 08/04/2025

08/07/2025 To: 08/07/2025

BENEFITS 1

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
2275	08/07/2025	Payroll	5	EFT	DEPARTMENT OF RETIREMENT SYSTEMS	7,617.50	Pay Cycle(s) 08/07/2025 To 08/07/2025 - DCP; Pay Cycle(s) 08/07/2025 To 08/07/2025 - ROTH DCP
2276	08/07/2025	Payroll	5	EFT	UNITED STATES TREASURY	21,754.37	941 Deposit for Pay Cycle(s) 08/07/2025 - 08/07/2025
2277	08/07/2025	Payroll	5	EFT	WA ST PUBLIC EMP RET PLAN 2	7,131.01	Pay Cycle(s) 08/07/2025 To 08/07/2025 - PERS 2
2278	08/07/2025	Payroll	5	EFT	WA ST PUBLIC EMP RET PLAN 3	3,361.83	Pay Cycle(s) 08/07/2025 To 08/07/2025 - PERS 3
2279	08/07/2025	Payroll	5	EFT	WA ST SUPPORT ENFORCEMENT REGISTRY	911.85	Pay Cycle(s) 08/07/2025 To 08/07/2025 - SUP ENF
2280	08/07/2025	Payroll	5	16642	AFLAC	300.31	Pay Cycle(s) 08/07/2025 To 08/07/2025 - AFLAC PRE-TAX; Pay Cycle(s) 08/07/2025 To 08/07/2025 - AFLAC POST-TAX
2281	08/07/2025	Payroll	5	16643	AFSCME LOCAL	382.80	Pay Cycle(s) 08/07/2025 To 08/07/2025 - UNION DUES; Pay Cycle(s) 08/07/2025 To 08/07/2025 - UNION FUND
2282	08/07/2025	Payroll	5	16644	HRA VEBA TRUST (PAYEE)	590.00	Pay Cycle(s) 08/07/2025 To 08/07/2025 - VEBA
2283	08/07/2025	Payroll	5	16645	WA ST HEALTH CARE AUTHORITY	20,105.31	Pay Cycle(s) 08/07/2025 To 08/07/2025 - PEBB MEDICAL; Pay Cycle(s) 08/07/2025 To 08/07/2025 - PEBB ADD LTD; Pay Cycle(s) 08/07/2025 To 08/07/2025 - PEBB SMK Surcharge
401 Water Fund						46,916.96	
402 Sewer Fund						15,238.02	
						62,154.98	Payroll: 62,154.98

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


General Manager, Justin Clary

Date

8/4/2025

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.A**

**Financial Benchmarks
Discussion**

DATE SUBMITTED:	August 6, 2025	MEETING DATE:	August 13, 2025
TO: BOARD OF COMMISSIONERS	FROM: Justin Clary, General Manager		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. Draft Financial Benchmarks		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input type="checkbox"/>	INFORMATIONAL /OTHER <input checked="" type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

As a public agency, it is crucial that the Lake Whatcom Water and Sewer District maintain public trust through efficiently operating in a transparent manner. A method for monitoring and public reporting of utility operations is through *performance measurement*—the process of creating useful metrics to gauge current performance and to set reasonable targets for the future. Performance measurement (or “benchmarking”) is already being implemented by the District in tracking progress on and attainment of departmental goals defined in the current six-year strategic business plan, which is reported to the Board on a quarterly basis. In addition, the Board has also created benchmarks through policy adoption (examples being 60/90-day operating reserves for the sewer/water utilities and maintaining a debt-service coverage ratio of at least 1.75).

The District finds itself at a point where the Board and staff are aligned in implementation of the District’s mission while ensuring that the District is operating in a manner that enables preparation for the financing of significant capital improvement projects while doing all that it can to minimize impacts to our customers in the form of rate increases. The development of benchmarks can effectively set the stage for the long-term demonstration to customers that the District has proactively managed and maintained its systems to mitigate unnecessary operational expenses.

Recognizing that the District is unique, District staff and Commissioner Carter discussed creation of benchmarks specific to the District, while also using existing resources (such as the American Water Works Association Utility Benchmarking and Washington State Auditor’s Office guidance documents) as may be applicable to the District. The Board discussed an initial set of benchmarks proposed for demonstrating the District’s proactive, long-term management of its systems during its July 30 meeting. Based upon Board feedback, staff have refined those benchmarks (attached) for further discussion.

O&M cost-based benchmarks considerations:

- Consumer Price Index-Urban Annual Escalator. Using the CPI-U as the escalator may not be reasonable as many operational costs contractually escalate at the CPI-U (e.g., staff salary COLAs, City of Bellingham sewer rate) with other expenses historically trending higher than the rate of inflation (e.g., health insurance, fuel, various supplies). As a result, operational costs are likely to exceed annual CPI-U escalation.
- Cost per Account Benchmark. The calculation relies on an increase in accounts (system growth) as a means of benchmark improvement. System growth is contrary to Lake Whatcom Management Program policy (of which the District is a partner to) to limit new development in the Lake Whatcom Watershed.
- Cost per Volume Benchmark. The calculation relies on an increase in the volume produced/treated as a means of benchmark improvement, which is contrary to District water conservation and sewer system inflow and infiltration (I&I) reduction policies.
- Cost per System Size Benchmark. The calculation relies on system expansion as a means of benchmark improvement. The District's water and sewer systems are considered to be built out, with little to no expansion anticipated. Therefore, without expansion, annual benchmark improvement will be reliant on O&M costs being less than the annual CPI-U (challenge stated in the first bullet).

FISCAL IMPACT

No fiscal impact is anticipated with discussion of potential benchmarks.

APPLICABLE EFFECTIVE UTILITY MANAGEMENT ATTRIBUTE(S)

Financial Viability

Customer Satisfaction

RECOMMENDED BOARD ACTION

No action is recommended.

PROPOSED MOTION

Not applicable.

Financial Benchmarks Evaluation (2024)

Lake Whatcom Water and Sewer District

Debt Ratio

Quantifies a utility's level of indebtedness. It is a measure of the extent to which assets are financed through borrowing. The higher the debt ratio, the more dependent the utility is on debt financing.

$$\text{Debt Ratio (\%)} = \frac{\text{total liabilities}}{\text{total assets}}$$

2024 Liabilities = \$ 6,731,272
2024 Assets = \$ 40,485,815

2024 Debt Ratio = 17%

Benchmark is 43% or less (combined utilities-median).

The District currently meets the benchmark.

Source: AWWA

Debt-Service Coverage Ratio

The ratio of net operating income to total debt service.

$$\text{Debt-Service Coverage Ratio (\%)} = \frac{\text{total operating revenue} - \text{total O\&M costs}}{\text{total debt service}}$$

2024 Operating Revenue = \$ 9,458,855
2024 O&M Costs = \$ 5,680,222
2024 Debt Service = \$ 865,676

2025 Debt Serv. Cov. Ratio = 4.36

Benchmark is DSCR of equal to or greater than 1.75 (District Administrative Code Section 2.19.1).

The District currently meets the benchmark.

Source: AWWA

Days Cash on Hand

Quantifies the number of days of available cash on hand as a measure of financial liquidity.

$$\text{Days Cash on Hand (days)} = \frac{\text{undesignated cash \& cash equivalents}}{(\text{operating expenses})/365 \text{ days}}$$

2024 Cash/Cash Equiv. = \$ 5,818,110

2024 Operating Expenses = \$ 5,680,222

2024 Days Cash on Hand = 374 days

Benchmark is 180 days.

The District currently meets the benchmark.

Source: AWWA

Operating Reserve

Serves as a liquidity cushion providing protection from the risk of short-term variation in the timing of revenue collection relative to payment of expenses.

$$\text{Operating Reserve (days)} = \frac{\text{reserve fund balance}}{\text{operational costs/day}}$$

Water Utility Reserve Bal. = \$ 664,000

Water Utility Cost/Day = \$ 7,255

Sewer Utility Reserve Bal. = \$ 521,000

Sewer Utility Cost/Day = \$ 8,307

Water Utility Op. Reserve = 92 days

Sewer Utility Op. Reserve = 63 days

Water Utility benchmark is 90 days (District Administrative Code Section 2.18.1).

Sewer Utility benchmark is 60 days (District Administrative Code Section 2.18.1).

The District currently meets the benchmarks for both utilities.

Source: AWWA

Bond Rating

A utility's bond rating is a grade that indicates its credit worthiness. The District is rated by S&P Global.

S&P Rating	Rating Category
AAA	Prime
AA+	High Grade
AA	
AA-	
A+	Upper Med. Grade
A	
B	
BBB +/-	Lower Med. Grade

The District's current bond rating is AA-.

Benchmark is High Grade.

The District currently meets the benchmark.

Source: AWWA

Enterprise (Utility) Fund Self-Sufficiency

Demonstrates that utility fund revenue is sufficient to cover operating costs and debt service each year.

Fund Self-Sufficiency = revenue - (operating cost + debt service)

Water Utility Revenue =	\$	4,834,151
Water Utility Operating Cost =	\$	2,648,044
Water Utility Debt Service =	\$	220,751
Sewer Utility Revenue =	\$	5,909,424
Sewer Utility Operating Cost =	\$	3,032,178
Sewer Utility Debt Service =	\$	644,925

Water Utility Self-Sufficiency =	\$	1,965,356
Sewer Utility Self-Sufficiency =	\$	2,232,321

Water utility benchmark is \$270,000 (2024 annual allocation to Water Capital Fund).

Sewer utility benchmark is \$830,000 (2024 annual allocation to Sewer Capital Fund).

*each benchmark escalates \$10,000/year.

The District currently meets the benchmarks for both utilities.

Source: Washington SAO

Debt Load

Demonstrates financial flexibility by not overburdening agency in long-term debt.

$$\text{Debt Load (\%)} = \frac{\text{Debt Service}}{\text{Revenue}}$$

Water Utility Revenue =	\$	4,834,151
Water Utility Debt Service =	\$	220,751
Sewer Utility Revenue =	\$	5,909,424
Sewer Utility Debt Service =	\$	644,925

Water Utility Debt Load =	5%
Sewer Utility Debt Load =	11%

Benchmark is less than or equal to 12 percent.

The District currently meets the benchmark for both utilities.

Source: Washington SAO

O&M Cost of Utility Service per Account

Demonstrates O&M cost containment relative to the number of customers served.

$$\text{Total O\&M Cost (\$/account)} = \frac{\text{total O\&M cost}}{\text{total number of accounts}}$$

2024 Water O&M Cost =	\$	2,648,044
2024 Water Accounts =		3,811
2024 Sewer O&M Cost =	\$	3,032,178
2024 Sewer Accounts =		4,156

Total Water O&M Cost =	\$	695 per account
Total Sewer O&M Cost =	\$	730 per account

Water utility benchmark is \$695 (2024 baseline; benchmark escalates annually per Seattle Oct. CPI-U).

Sewer utility benchmark is \$730 (2024 baseline; benchmark escalates annually per Seattle Oct. CPI-U).

The District currently meets the benchmarks for both utilities.

Source: AWWA

O&M Cost of Utility Service by Volume Produced/Treated

Demonstrates O&M cost containment relative to the volume of water produced or sewage treated.

$$\text{Total O\&M Cost (\$/gallon)} = \frac{\text{total O\&M cost}}{\text{average daily production} \times 365 \text{ days}}$$

2024 Water O&M Cost =	\$	2,648,044	
2024 Avg Water Daily Production =		569,218	SS = 547,438 gpd; AH = 8,312 gpd; ER = 13,468 gpd
2024 Sewer O&M Cost =	\$	3,032,178	
2024 Avg Sewer Daily Production =		748,748	

Total Water O&M Cost = \$ 0.0127 per gallon water

Total Sewer O&M Cost = \$ 0.0111 per wastewater

Water utility benchmark is \$0.0127 (2024 baseline; benchmark escalates annually per Seattle Oct. CPI-U).

Sewer utility benchmark is \$0.0111 (2024 baseline; benchmark escalates annually per Seattle Oct. CPI-U).

The District currently meets the benchmarks for both utilities.

Source: AWWA

O&M Cost of Utility Service by Distribution/Collection System Size

Demonstrates O&M cost containment relative to the system size.

$$\text{Total O\&M Cost (\$/100 miles of pipe)} = \frac{\text{total O\&M cost} \times 100}{\text{length of utility pipe}}$$

2024 Water O&M Cost =	\$	2,648,044	
Length of Water System Pipe =		70	
2024 Sewer O&M Cost =	\$	3,032,178	
Length of Sewer System Pipe =		87	

Total Water O&M Cost = \$ 3,782,920 per 100 miles of pipe

Total Sewer O&M Cost = \$ 3,485,262 per 100 miles of pipe

Water utility benchmark is \$3,782,920 (2024 baseline; benchmark escalates annually per Seattle Oct. CPI-U).

Sewer utility benchmark is \$3,485,262 (2024 baseline; benchmark escalates annually per Seattle Oct. CPI-U).

The District currently meets the benchmarks for both utilities.

Source: AWWA

O&M Cost Considerations


There are several factors that drive District operations and maintenance costs to be higher than like-sized utilities. Examples include:

- - The topography of the Lake Whatcom Watershed requires a complex system of pump stations to both distribute water throughout the service area (6 pump stations and 8 reservoirs) and to convey sewage out of the watershed (26 lift stations). This translates into not just higher costs for O&M of the infrastructure, but also in staffing costs relative to maintaining a higher level of expertise necessary to operate system controls/SCADA.
- While most utilities operate just one water system, the District operates three Group A and one Group B water systems (including two water treatment plants), each of which requiring separate testing and reporting to meet state and federal requirements.
- To protect the environmentally sensitive Lake Whatcom, all sewage is collected and conveyed out of watershed for treatment at the City of Bellingham's Post Point wastewater treatment plant. Payment to the City for sewage treatment accounts for approximately a quarter of sewer utility O&M costs.
- Partnering with the City of Bellingham and Whatcom County, the District is a committed partner to the Lake Whatcom Management Program, spending significantly in the protection of Lake Whatcom.
- The District spends at a higher rate than like-sized utilities in the professional development and safety training of staff to ensure that it is a high functioning organization.



**AGENDA
BILL
Item 6.B**

**Code of Ethics
Discussion**

DATE SUBMITTED:	August 6, 2025	MEETING DATE:	August 13, 2025
TO: BOARD OF COMMISSIONERS	FROM: Justin Clary, General Manager		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. Mission, Vision, Values and Goals 2. Staff Operating Norms		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input type="checkbox"/>	INFORMATIONAL /OTHER <input checked="" type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

A code of ethics for officials and employees establishes standards and guidelines for ethical conduct and principles of public service that strengthen public confidence of the agency. A code of ethics defines the expectation for conduct that aligns with the agency's mission and vision statements. While the District has adopted a personnel policy manual for employees and a protocol manual for commissioners, both of which define allowable conduct of staff and board, respectively, a succinct document setting these expectations does not exist. On a related note, District staff have created (2019) a set of operating norms that provide a more informal set of internal expectations in how each employee treats and supports their coworkers and the public. The general manager will facilitate a discussion with the board and management team to outline expectations to be included in a code of ethics specific to the District. Ultimately, board adoption of a code of ethics will support the District's pursuit of formal accreditation through the American Public Works Association (APWA).

FISCAL IMPACT

No fiscal impact is anticipated with discussion of potential benchmarks.

APPLICABLE EFFECTIVE UTILITY MANAGEMENT ATTRIBUTE(S)

Financial Viability

Customer Satisfaction

RECOMMENDED BOARD ACTION

No action is recommended.

PROPOSED MOTION

Not applicable.



Mission Statement

Our mission is to provide the best possible water and sewer services in a safe and cost-efficient manner, and in a way that contributes to protecting Lake Whatcom's water quality.

Vision Statement

Trusted provider and steward of a life sustaining resource.

Values

Service

We believe the District has been entrusted with the opportunity to provide a vital public service. The District is dedicated to earning that trust each day by meeting the expectations of the customers it serves.

Financial Responsibility

We believe that the District's customers have placed a special trust in us to manage the District's financial resources wisely. We will allocate and manage these resources prudently to achieve the District's long- and short-term goals.

Environmental Stewardship

We believe the District has an obligation to work with others to protect the environment and to use our natural resources wisely and safely.

Leadership

We believe that the Board of Commissioners should be open and responsive to customer and community needs and that the District's General Manager should be responsible for effective planning, management, and day-to-day office, administration, maintenance, and operations.

Teamwork

We believe the District's effectiveness increases when we work together to foster productive partnerships, both internally and externally, knowing that through collective effort we produce excellence.

Goals

We strive to:

- Provide safe and reliable drinking water and sewage collection to District customers.
- Establish connection charges and utility rates necessary to maintain the District's financial viability.
- Build and maintain the District's facilities through effective planning, prevention, and corrective maintenance practices.
- Be recognized as an outstanding public utility that is considerate of the operational and service expectations of all customers.
- Have a work environment that fosters employee recruitment and retention, promotes teamwork and safety, and facilitates employees to achieve their full potential.
- Enhance service delivery and protect the natural resources within the Lake Whatcom watershed through cooperative partnerships with other community and governmental organizations.



Lake Whatcom Water & Sewer District Operating Norms


The Lake Whatcom Water & Sewer District staff commit to the following operating norms. We will:

1. Establish and sustain a challenging, diversified, and “fun” working environment. Work in an environment that promotes fun and good humor.
2. Adhere to the highest code of conduct and ethical standards.
3. Safety of staff and the public takes priority; no task will be undertaken without first conducting an appropriate risk analysis and implementation of applicable safety measures.
4. Set a positive example for the District. Act professionally and in a helpful and respectful manner with citizens/customers and District staff (inappropriate/foul language is simply not acceptable).
5. Provide the highest level of customer service to citizens/customers.
6. Focus on maintaining a strong, positive attitude and perspective – Attitude is Everything!
7. Build trust by treating District staff, commissioners, and citizens/customers in a dignified and respectful manner.
8. Support your coworkers and their responsibilities/duties. Focus on issues, not personalities.
9. Build understanding through active listening and thoughtful dialogue – Seek First to Understand, Then to Be Understood.
10. Collectively share responsibility and always look for a “win-win” solution.
11. Understand that it is okay to disagree, but that you must explain your reasons for disagreement (everyone has the right to express one’s point of view).
12. Display strong communication skills, be a good listener, and respect the opinions of others. Allow everyone to share his/her point of view by sharing time and taking turns.
13. Support creative thinking. Be innovative, challenge yourself. Ask more often “why” we do things in certain ways; and do not be afraid to experiment with different approaches. Approach all ideas with a positive “can do” attitude.
14. Maintain a confidential work environment.
15. Resolve personnel conflicts “in house,” not outside the office.
16. Come prepared for work each day and strive to do your very best. Make the most efficient use of time by staying on task/topic.
17. Come to work on time, unless you have made other arrangements for alternative work hours (punctuality is important). When leaving the work for any significant time, communicate with staff that you are leaving and when you will be back.
18. Maintain a positive, professional image/appearance.



**AGENDA
BILL
Item 8.A**

**General Manager's
Report**

DATE SUBMITTED:	August 6, 2025	MEETING DATE:	August 13, 2025
TO: BOARD OF COMMISSIONERS	FROM: Justin Clary, General Manager		
GENERAL MANAGER APPROVAL			
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, August 13, 2025 – 6:30 p.m.

Important Upcoming Dates

Lake Whatcom Water & Sewer District			
Regular Board Meeting	Wed Aug 13, 2025	6:30 p.m.	Board Room/Hybrid
Employee Staff Meeting	Thu Aug 14, 2025	8:00 a.m.	Board Room/Hybrid Commissioner Knakal to attend
Investment Comm. Meeting	Wed Oct 29, 2025	10:00 a.m.	Board Room/Hybrid
Safety Committee Meeting	Thu Aug 28, 2025	8:00 a.m.	Board Room
Lake Whatcom Management Program			
Policy Group Meeting	Wed Sep 3, 2025	3:00 p.m.	City of Bellingham Pacific St Ops Center, 2221 Pacific Street
Joint Councils Meeting	March/April 2026	TBD	TBD
Other Meetings			
WASWD Section III Meeting	Wed Aug 12, 2025	6:00 p.m.	Bob's Burgers 8822 Quil Ceda Pkwy, Tulalip, WA
Whatcom Water Districts Caucus Meeting	Wed Aug 20, 2025	2:00 p.m.	Remote Attendance
Whatcom County Council of Governments Board Meeting	Wed Oct 8, 2025	3:00 p.m.	Council of Governments Offices 314 E Champion Street/Hybrid

Committee Meeting Reports

Safety Committee:

- The committee met on July 24; discussion included the recently completed safety consultation by the Washington Department of Labor & Industries, the status of safety programs under review, and the findings of management safety inspections.

Investment Committee:

- The committee met on July 30; discussion included the performance of investments; pending investment maturities, and tentative plans for future investments relative to anticipated interest rates.

Upcoming Board Meeting Topics

- Lake Whatcom Management Program invasive mussel rapid response interlocal agreement
- Professional services agreement for Agate Bay Sewer Lift Improvement Project electrical and controls design services
- Glen Cove Water Association consolidation consideration
- Annual general manager performance evaluation

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 District received the adjudication documents from Ecology via certified mail on March 19, 2025 and met with District legal counsel on July 16. District staff are now finalizing claim forms specific to each water right for submittal to Whatcom County Superior Court.

Safety Program Update

- Continue systematic review and revision of District's safety programs by updating nine programs in 2025.

Staff finalized updates to three (3) programs (asbestos-cement pipe handling, trenching/shoring, and lock-out/tag-out) and is reviewing the confined space, lifting/rigging, fall protection, and hearing protection programs. In addition, the District underwent a facility safety consultation with the Washington State Department of Labor & Industries on July 23 to identify any safety concerns.

APWA Accreditation

- Initiate work towards multi-year effort to gain American Public Works Association accreditation.

The accreditation team is reviewing/completing the 273 accreditation practices applicable to the District (71 practices have been completed to-date).

Financial Management

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

Potential financial benchmarks were presented to the board for discussion during its July 30 meeting. The benchmarks have been refined based upon board direction and will be presented during the August 13 meeting.

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 and Whatcom County Emergency Management Division staff are planning a District-specific emergency response exercise to be held on November 6.

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
Press releases were issued on March 6 (Division 22-1 reservoir project FEMA hazard mitigation grant award), May 22 (clean 2024 audit), June 30 (Division 7 reservoirs commissioning), and July 8 (Camp Firwood lift station release).

Intergovernmental Relations

- *J Clary and J Dahlstrom observed South Whatcom Fire Authority training exercises on August 5 in follow up to concerns regarding impacts to the District's water system.*
- *J Clary attended the virtual WASWD general managers' meeting on August 6.*
- *J Clary attended the Whatcom County Council public hearing on the Coordinated Water System Plan on August 6.*
- *J Clary is scheduled to meet with Whatcom Conservation District staff on August 11 regarding analysis of water use data supporting countywide promotion of water conservation.*
- *J Clary is scheduled to attend the WASWD membership committee meeting on August 12.*

Lake Whatcom Water Quality

Lake Whatcom Management Program

- Participate in meetings of Lake Whatcom Management Program partners.
J Clary is scheduled to attend the data group meeting on August 14.