



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*

New to GoToMeeting? Get the app now and be ready when the meeting starts:

<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

September 10, 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. Customer Appeal—Water Bill Adjustments Policy
- B. Generative Artificial Intelligence Use Policy

7. OTHER BUSINESS

8. STAFF REPORTS

- A. General Manager

9. PUBLIC COMMENT OPPORTUNITY

10. EXECUTIVE SESSION


Executive Session per RCW 42.30.110(1)(g): To review the performance of a public employee (General Manager performance evaluation) – 15 minutes

11. ADJOURNMENT



**AGENDA
BILL
Item 5**

Consent Agenda

DATE SUBMITTED:	September 4, 2025	MEETING DATE:	September 10, 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 09.10.2025****

BACKGROUND / EXPLANATION OF IMPACT

- Minutes for the 8.27.2025 Regular Board Meeting
- Payroll for Pay Period #18 (08.16.2025 through 8.29.2025) totaling \$53,687.45
- Benefits for Pay Period #18 totaling \$59,596.33
- 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

August 27, 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	Finance Manager Jenny Signs
	Commissioner Bruce Ford (v)	Operations Manager Jason Dahlstrom
	Commissioner Jeff Knakal	Recording Secretary Rachael Hope
	Commissioner David Holland	

Also in attendance was District customer Taryn Adams (v). Attendees noted with a (v) attended the meeting virtually.

Consent Agenda

Action Taken

Carter moved, Knakal seconded, approval of:

- **Minutes for the 8.13.2025 Regular Board Meeting**
- **Payroll for Pay Period #17 (08.02.2025 through 8.15.2025) totaling \$59,362.33**
- **Benefits for Pay Period #17 totaling \$60,971.83**
- **Accounts Payable Vouchers totaling \$74,018.83**

Motion passed.

Water Bill Adjustments Policy Appeal

Clary explained that the District received an appeal of the water bill adjustments policy from District customer Taryn Adams on August 6, 2025. On June 3, 2025, Ms. Adams contacted the District in the evening after identifying a leak in her water service line. On-call staff responded that evening and confirmed with Ms. Adams that there was a leak in her line, which she had repaired on June 5. Based upon water meter data, it was determined that the leak began on May 20. Total use over the two-month billing period including the leak was 38,184 cubic feet resulting in a \$6,080.15 water bill. District staff spoke with Ms. Adams on August 6 during which she requested credit beyond what is allowed in Administrative Code section 2.10.6.

Ms. Adams' appeal proposed a revision to Administrative Code section 2.10.6 to add a provision for "Extreme High Use Leak Forgiveness," with forgiveness of 100% based on prompt repair, leak volume, and other factors. Staff presented the board with Ms. Adams' appeal as well as information about the history of leak and unintentional water loss adjustments in the District; and recommended that the Board uphold the General Manager's interpretation of the Administrative Code and decline the appeal for revision. Ms. Adams spoke to the Board regarding the appeal and policy. Discussion followed, during which the Board requested staff provide additional information for discussion at the next regular meeting.

Action Taken

Knakal moved, Ford seconded, to table Ms. Adams appeal to the September 10 meeting for further discussion regarding the District's Administrative Code specific to the Water Bill Adjustment policy. Motion passed.

2025-26 Miscellaneous Asphalt Repair Unit-price Public Works Contract Award

As part of sewer and water utility repair and replacement and installation of new service connections by District staff, portions of existing asphalt surfaces are removed to facilitate the work. In addition, the District owns and maintains asphalt surfaces through the various District-owned properties that require periodic repair and replacement. The intent of a unit price bid is to contract with a qualified contractor over a 12-month period to provide the "on-call" professional repair, rehabilitation and replacement services for existing and removed asphalt surfaces. This allows staff to authorize individual work orders in logical groupings of work that minimize mobilization/demobilization expenses. The District estimated the work under this unit price contract to be less than \$350,000, which allows the use of the small works roster process for bidding.

Bids were opened on August 21, with J Ritter Dirt & Asphalt LLC being the apparent low bidder. Staff completed verification of supplemental bidder criteria and recommended awarding the 2025-26 Miscellaneous Asphalt Repair Unit-price contract to J Ritter Dirt & Asphalt LLC for an amount of \$128,204.48 (including Washington State sales tax).

Action Taken

Carter moved, Holland seconded, to award the 2025-2026 Asphalt Repair Unit-price contract to J Ritter Dirt & Asphalt and authorize the General Manager to execute the contract. Motion passed.

Code of Ethics Adoption

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 and defines the expectation for conduct that aligns with the agency's mission and vision statements. The District previously adopted a personnel policy manual for employees and a protocol manual for commissioners, defining allowable conduct of staff and board; however, a succinct document setting these expectations was not created. During the August 13 board meeting, the general manager facilitated a discussion with the board and management team to identify elements to be included in a code of ethics specific to the District. Based upon that discussion a draft code of ethics was provided for the Board's consideration.

Action Taken

Knakal moved, Holland seconded, to adopt the Code of Ethics, as presented. Motion passed.

General Manager's Report

Clary updated the Board on several topics, including an update on the voltage challenges at the Euclid Sewer Lift Station, progress on the Whatcom County Coordinated Water System Plan update and potential adoption at the County Council's September 23 meeting, and topics for an upcoming Lake Whatcom Management Program policy group meeting. Discussion followed.

Engineering Department Report

In Nicoll's absence, Clary highlighted the schedule for demolition of the de-commissioned Division 7 reservoir, progress on the Flatcar Reverse Flow project, and design progress on various projects.

Finance Department Report

Signs' report focused on the July financial summary, touching on receipt of federal funds, status of the District's water and sewer revenue and expenditures for the year to date, and capital project expenditures tracking to budget. Discussion followed.

Operations & Maintenance Department Report

Dahlstrom updated the Board on activity in the Department, including Maintenance Worker Greg Soto's placement at the 2025 American Public Works Association's National Conference ROADeo, an upcoming road closure in the Geneva neighborhood for water leak service line repair, and staffing in the absence of the District's water treatment plant operator due to a non-work-related injury. Discussion followed.

With no further business, Citron adjourned the regular session at 9:35 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

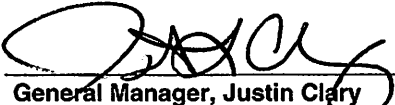
Time: 11:03:27 Date: 09/02/2025

09/04/2025 To: 09/04/2025

PAYROLL 1

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
2563	09/04/2025	Payroll	5	EFT		4,063.41	08/16/2025 - 08/29/2025 PR 18
2564	09/04/2025	Payroll	5	EFT		1,898.70	08/16/2025 - 08/29/2025 PR 18
2565	09/04/2025	Payroll	5	EFT		4,043.37	08/16/2025 - 08/29/2025 PR 18
2566	09/04/2025	Payroll	5	EFT		3,312.01	08/16/2025 - 08/29/2025 PR 18
2568	09/04/2025	Payroll	5	EFT		2,209.63	08/16/2025 - 08/29/2025 PR 18
2569	09/04/2025	Payroll	5	EFT		3,478.78	08/16/2025 - 08/29/2025 PR 18
2570	09/04/2025	Payroll	5	EFT		2,715.72	08/16/2025 - 08/29/2025 PR 18
2571	09/04/2025	Payroll	5	EFT		4,031.65	08/16/2025 - 08/29/2025 PR 18
2572	09/04/2025	Payroll	5	EFT		3,092.20	08/16/2025 - 08/29/2025 PR 18
2573	09/04/2025	Payroll	5	EFT		424.67	08/16/2025 - 08/29/2025 PR 18
2574	09/04/2025	Payroll	5	EFT		2,924.75	08/16/2025 - 08/29/2025 PR 18
2575	09/04/2025	Payroll	5	EFT		3,140.80	08/16/2025 - 08/29/2025 PR 18
2576	09/04/2025	Payroll	5	EFT		2,235.71	08/16/2025 - 08/29/2025 PR 18
2577	09/04/2025	Payroll	5	EFT		1,914.47	08/16/2025 - 08/29/2025 PR 18
2578	09/04/2025	Payroll	5	EFT		1,506.58	08/16/2025 - 08/29/2025 PR 18
2579	09/04/2025	Payroll	5	EFT		5,006.93	08/16/2025 - 08/29/2025 PR 18
2580	09/04/2025	Payroll	5	EFT		2,703.05	08/16/2025 - 08/29/2025 PR 18
2581	09/04/2025	Payroll	5	EFT		3,115.65	08/16/2025 - 08/29/2025 PR 18
2567	09/04/2025	Payroll	5	16730		1,869.37	08/16/2025 - 08/29/2025 PR 18
401 Water Fund						13,652.66	
402 Sewer Fund						40,034.79	
						53,687.45 Payroll:	53,687.45

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 9/2/2025
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 Sept 10, 2025
Date Approved

CHECK REGISTER

Lake Whatcom W-S District

Time: 11:22:05 Date: 09/02/2025

09/04/2025 To: 09/04/2025

Page: 1

BENEFITS

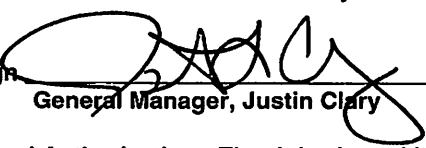
Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
2582	09/04/2025	Payroll	5	EFT	DEPARTMENT OF RETIREMENT SYSTEMS	7,617.50	Pay Cycle(s) 09/04/2025 To 09/04/2025 - DCP; Pay Cycle(s) 09/04/2025 To 09/04/2025 - ROTH DCP
2583	09/04/2025	Payroll	5	EFT	UNITED STATES TREASURY	19,917.13	941 Deposit for Pay Cycle(s) 09/04/2025 - 09/04/2025
2584	09/04/2025	Payroll	5	EFT	WA ST PUBLIC EMP RET PLAN 2	6,595.09	Pay Cycle(s) 09/04/2025 To 09/04/2025 - PERS 2
2585	09/04/2025	Payroll	5	EFT	WA ST PUBLIC EMP RET PLAN 3	3,176.34	Pay Cycle(s) 09/04/2025 To 09/04/2025 - PERS 3
2586	09/04/2025	Payroll	5	EFT	WA ST SUPPORT ENFORCEMENT REGISTRY	911.85	Pay Cycle(s) 09/04/2025 To 09/04/2025 - SUP ENF
2587	09/04/2025	Payroll	5	16731	AFLAC	300.31	Pay Cycle(s) 09/04/2025 To 09/04/2025 - AFLAC PRE-TAX; Pay Cycle(s) 09/04/2025 To 09/04/2025 - AFLAC POST-TAX
2588	09/04/2025	Payroll	5	16732	AFSCME LOCAL	382.80	Pay Cycle(s) 09/04/2025 To 09/04/2025 - UNION DUES; Pay Cycle(s) 09/04/2025 To 09/04/2025 - UNION FUND
2589	09/04/2025	Payroll	5	16733	HRA VEBA TRUST (PAYEE)	590.00	Pay Cycle(s) 09/04/2025 To 09/04/2025 - VEBA
2590	09/04/2025	Payroll	5	16734	WA ST HEALTH CARE AUTHORITY	20,105.31	Pay Cycle(s) 09/04/2025 To 09/04/2025 - PEBB MEDICAL; Pay Cycle(s) 09/04/2025 To 09/04/2025 - PEBB ADD LTD; Pay Cycle(s) 09/04/2025 To 09/04/2025 - PEBB SMK Surcharge

401 Water Fund
402 Sewer Fund

44,675.50
14,920.83

59,596.33 Payroll: 59,596.33

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 9/2/2025
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 Sept 10, 2025
Date Approved

 <div style="display: inline-block; vertical-align: middle; margin-left: 10px;"> AGENDA BILL Item 6.A </div> <div style="display: inline-block; vertical-align: middle; margin-left: 20px;"> Water Bill Adjustments Policy Appeal </div>			
DATE SUBMITTED:	September 3, 2025	MEETING DATE:	September 10, 2025
TO: BOARD OF COMMISSIONERS		FROM: Justin Clary, General Manager	
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS		1. Customer Appeal dated August 6, 2025	
		2. Water Bill Adjustment Options	
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 Water and Sewer District (District) received an appeal of the District's water bill adjustments policy from Taryn Adams on August 6, 2025 (attached). Ms. Adams's appeal was heard by the Board during its August 27, 2025 regularly scheduled meeting. Following discussion, the Board tabled further consideration of the appeal to its September 10 meeting and requested that staff explore options to the water bill adjustments policy to make it more lenient toward customers.

District Administrative Code section 2.10.6 defines current policy pertaining to water bill adjustments, including administration of a water bill credit in cases of water leaks on a customer's private system. The bill adjustment policy was most recently revised by the Board of Commissioners via adoption of Resolution No. 891 during a regularly scheduled meeting of the Board held on June 14, 2023. Following is the current revision of section 2.10.6:

2.10.6 Water Bill Adjustments

The District will adjust high customer water bills subject to the conditions defined herein. The adjustment request must be made in writing by the property owner and include a signed attestation (1) acknowledging that the adjustment is subject to this Water Bill Adjustment policy, (2) stating the reason for the high bill (if known), and (3) confirming that any repairs needed to resolve the issue have been completed (if applicable given the type of loss). To calculate the adjustment:

1. *Water consumption figures from the same billing period in the previous year are used to calculate the adjustment. If less than one year's usage history exists, the current base rate allowance will be used as the quantity basis. The District will credit qualifying bill adjustment dollar amounts to the current or next customer bill.*

The adjustment credit shall be 50 percent of the amount determined to be the excess water usage charge.

- 2. The District has adopted a tiered rate structure for water. Water usage exceeding 2,500 cubic feet in a two-month billing period is billed at a higher “water conservation” rate. For the purpose of calculating adjustment credits, water usage over 2,500 cubic feet will be billed at the lower tier rate.*
- 3. Water bill adjustments are limited to one adjustment per metered service every seven years. Customers who have experienced leaks should inspect their entire system and ensure that all issues have been remedied. Eligibility for bill adjustment shall reset when a property is acquired by a new owner. When a high use event occurs, the overage may be reflected on more than one consecutive billing cycle. In those instances, the District will utilize both contiguous cycles for the purpose of calculating adjustment credits.*
- 4. The District will set up an incremental payment schedule on the remaining balance of the bill amount at the customer’s request. Payment schedules must be arranged in a way that ensures payment of the current two-month minimum billing plus an installment on the extraordinary portion of the bill. The extraordinary portion of the bill must be paid in full within 12 months of incurring the charges. Late charges on the amount subject to adjustment will be waived if the customer adheres to the prearranged payment schedule. [Resolution Nos. 821, 861, 870, 891]*

On June 3, 2025, Ms. Adams contacted the District in the evening after identifying a leak on her water service line. On-call staff responded that evening and confirmed with Ms. Adams that there was a leak in her line, which she had repaired on June 5. Based upon water meter data, it was determined that the leak began on May 20. Following the bi-monthly water consumption read conducted in July, the District’s high use adjustment application was sent to Ms. Adams on July 23 for completion and submittal to the District (total use over the two-month billing period was 38,184 cubic feet resulting in a \$6,080.15 water bill). District staff spoke with Ms. Adams on August 6 during which she requested credit beyond what is allowed in Administrative Code section 2.10.6. Ms. Adams was apprised of the process of appealing staff implementation of the Administrative Code to the Board (Administrative Code section 2.1, General Manager’s Responsibilities and Limitations). As indicated above, the District received Ms. Adams’s appeal on August 6, 2025.

Ms. Adams’s appeal proposes a revision to Administrative Code section 2.10.6 to add a provision for “Extreme High Use Leak Forgiveness” such that:

- *For leaks in the top 5% of historical usage costs within the District, the forgiveness percentage be increased from 50% to 100% of the high-use portion of the bill, provided the property owner:*
 - 1. Acts promptly upon discovery of the leak,*
 - 2. Makes necessary repairs to prevent recurrence, and*
 - 3. Has no prior leak adjustments within the last 7 years.*

Ms. Adams has requested that the policy revision be retroactive to April 1, 2025.

Board discussion during the August 27 meeting included direction to staff to analyze:

- Credit for cost beyond the cost of providing the excess water.
- Greater credit for responsiveness to leak repair.
- Cap on customer liability.
- Creation of a District-administered leak insurance program
- Increase of the 50% credit.

There are three primary options for the Board related to the appeal:

1. Direct development of a resolution revising Administrative Code section 2.10.6 to include Ms. Adams's proposal, as written.
2. Direct development of a resolution revising Administrative Code section 2.10.6 as directed by the Board.
3. Uphold the General Manager's interpretation of the Administrative Code limiting Ms. Adams's bill adjustment to 50% of the leak volume calculated at the District's Tier 1 water rate.

General policy considerations:

- Per Administrative Code section 4.3.7, the customer owns and is responsible for maintenance of and repair to their water service line.
- The current policy of crediting 50% of the calculated leak volume has been successfully implemented for over 15 years, with exception of a period in 2020-2023 when the customer credit was capped at \$1,000.

FISCAL IMPACT

The fiscal impact of revising the current policy would be dependent upon what the policy is revised to, as well as the magnitude and frequency of future qualifying leaks. Regardless, water utility revenues related to qualifying leaks make up less than 0.5% of the utility's revenue.

APPLICABLE EFFECTIVE UTILITY MANAGEMENT ATTRIBUTE(S)

Financial Viability

Customer Satisfaction

RECOMMENDED BOARD ACTION

Staff recommends that the Board uphold the General Manager's interpretation of the Administrative Code and decline Mr. Adams's appeal to revise the Administrative Code.

PROPOSED MOTION

Should the Board wish to uphold current policy, as defined in the Administrative Code and implemented by staff, a recommended motion is:

"I move to uphold the District Administrative Code as written and implemented by the General Manager, and decline Mr. Adams's appeal to revise the Administrative Code."

Should the Board wish to revise District policy regarding water bill adjustments, staff recommends the Board provide verbal direction to work with District legal counsel in drafting a resolution for Board consideration that amends the District Administrative Code accordingly.

Justin Clary

From: Taryn Adams <tarynmadams@gmail.com>
Sent: Friday, August 8, 2025 9:24 AM
To: Justin Clary
Subject: Re: Customer Appeal

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Dear Justin,

Thank you for your detailed reply and the information regarding the appeal process.

I would like my appeal to be heard at the August 27, 2025 Board meeting at 8:00 AM.

Could you please provide the date and meeting minutes for the last revision to Administrative Code Section 2.10.6, Water Bill Adjustments, as well as any staff reports or memoranda supporting the change?

Proposed Revision to Administrative Code Section 2.10.6:

I propose amending Section 2.10.6 to add a provision for “**Extreme High Use Leak Forgiveness**” such that:

- For leaks in the **top 5% of historical usage costs** within the District, the forgiveness percentage be increased from 50% to **100% of the high-use portion** of the bill, provided the property owner:
 1. Acts promptly upon discovery of the leak,
 2. Makes necessary repairs to prevent recurrence, and
 3. Has no prior leak adjustments within the last 7 years.

This amendment would provide meaningful protection in catastrophic cases without creating an undue burden on the District’s finances, as the number of qualifying events would be extremely limited.

Separately, regarding smart meter technology, thank you for providing the estimated implementation costs for AMI systems. Has the District conducted, or could you provide, any research or analysis regarding potential savings or efficiencies from such a system — for example, reductions in water loss, operational labor, or long-term infrastructure costs? Understanding the potential offset to implementation costs would be helpful for future consideration by the Board.

Please confirm my placement on the August 27 agenda.

Sincerely,

Taryn M. Adams
425.508.0864
tarynadams.com

On Thu, Aug 7, 2025 at 1:00 PM Justin Clary <justin.clary@lwwsd.org> wrote:

Ms. Adams,

To begin, I am sorry to hear about your significant water leak. Adjustments to bills associated with high use, such as in your case, are administered in accordance with District Administrative Code Section 2.10.6, Water Bill Adjustments. As has been previously conveyed to you, the District has processed your high use in accordance with this policy. Per your email (below), it is the District's understanding that you wish to appeal District's staff implementation of the Administrative Code to the Board of Commissioners.

District Administrative Code Section 2.1, General Manager's Responsibilities and Limitations, provides an avenue for appeal to the Board of Commissioners of the General Manager's interpretation/implementation of the Administrative Code. A provision of this section is that requests for appeal must be received in writing no less than ten days prior to a regularly scheduled Board meeting. Per this requirement, the next available Board meeting to hear your appeal would be the meeting scheduled for 8:00 a.m. on Wednesday, August 27, 2025. The next meeting is scheduled for 6:30 p.m. on Wednesday, September 10, 2025. All Board meetings are held at the District's office located at 1220 Lakeway Drive in Bellingham. The public is welcome to attend the meeting in person or virtually via the GoTo online meeting platform. For more information on meeting attendance, please visit the District's website [here](#). If you wish to attend the meeting to present your appeal to the Board, please let me know which meeting at which you wish your appeal to be heard. If neither of those dates align with your schedule, please let me know a subsequent meeting that fits your availability. The Board meets at 6:30 p.m. on the second Wednesday, and at 8:00 a.m. on the last Wednesday of each month.

Based on your correspondence, it is my understanding that you request the Board consider revising Section 2.10.6 of the Administrative Code to either provide comprehensive forgiveness for the high use component of a water bill, or at a minimum, develop a forgiveness policy specific to extreme high use scenarios like yours.

Regarding your request for investment in smart meter technology, there is nothing in the Administrative Code setting policy on what water meter technology the District uses, so it is not appealable. That said, you are certainly welcome to recommend to the Board that the District consider conversion to a new smart meter technology. For a bit of background on this topic, the District was an early adopter of automated meter reading (AMR) smart meter technology in the early 2000s (the water meter technology currently used by the District). AMR-based water meters allow for collecting water meter readings via radio frequency by driving in proximity to the water meter with a data receiver (one-way communication). A newer technology is advanced metering infrastructure (AMI), which allows each water meter to directly communicate with a data management system (two-way communication). Approximately six years ago, the District explored conversion from the current AMR technology to an AMI technology-based system. However, cost was identified as a limiting factor. At the time, the conversion was estimated at \$800,000, not including the cost of purchasing perpetual easements to install three cell towers necessary to overcome communication challenges created by the topography of the District's service area. In addition to this capital cost, there was also an additional monthly charge that would be applied to each of the District's approximate 4,000 water meters that would increase annual operating costs. Based on the additional cost, which would be borne by the rate payers, the Board elected to continue to use the current AMR technology.

Please provide at your earliest convenience:

1. The Board meeting at which you wish your appeal to be heard.
2. Confirmation of your proposed revision to Administrative Code Section 2.10.6 based upon my above summary.

Should you have any questions, please do not hesitate to contact me.

Thank you,

Justin L. Clary, PE | General Manager



LAKE WHATCOM WATER & SEWER DISTRICT

1220 Lakeway Drive

Bellingham, WA 98229

8am – 5pm, Monday – Thursday

(360) 734-9224

www.lwwsd.org

NOTICE: The information contained in this electronic message is confidential and only for the use of the intended recipient(s); and contains confidential and/or privileged information belonging to Lake Whatcom Water and Sewer District or its customers or consultants or vendors. Any unauthorized review, use, copying, disclosure or distribution of this message is strictly prohibited. If you are not an intended recipient of this message, please contact the sender and destroy all copies of the message and any attachments immediately.

Email from this address is subject to public disclosure pursuant to RCW 42.56.

From: Taryn Adams <tarynmadams@gmail.com>

Sent: Wednesday, August 6, 2025 4:21 PM

To: General Info <general.inbox@lwwsd.org>

Subject: Board Meeting Agenda

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Hi,

These are the items I would like to add to the agenda for the next Whatcom Water and Sewer Board Meeting.

1. Leak Forgiveness Policy for the Top Percentile of Extreme Leaks

Between May 20 and June 3, 2025, a major water leak occurred on my property due to a tree root breaking a buried pipe. Because my home is on a steep slope, the leak was not immediately visible, and I only discovered it on June 3 when a small stream of water began emerging from the hill.

The leak resulted in a **\$6,279.05** bill. I was initially told by a field agent that this would be covered under a one-time leak forgiveness policy, and I also found a form on the District's website supporting that understanding (linked here: [Water Leak Adjustment Form](#)). However, I was later informed that under a revised policy, I am responsible for 50% of the total.

This leak may have gone unnoticed for as few as 7 days, or at most 14. That translates to a cost between \$448.50 and \$897.01 per day. Even with a 12-month payment plan, the out-of-pocket cost is unmanageable.

I am asking the Board to consider either:

- Honoring the prior policy in cases like mine where the homeowner acted quickly and in good faith, or
- Creating a higher-tier forgiveness policy for leaks in the top 1% by cost, where the burden is most severe.

Additionally, had I not found the leak when I did, the bill by the next meter reading (7/21/25) could have reached **\$27,000–\$55,000 or more**. That level of risk is unsustainable for residents.

2. Investment in Smart Meter Technology for Leak Detection

Counties like Snohomish have implemented smart water meters that connect to the internet and provide real-time alerts for anomalies like leaks—without requiring physical meter checks.

Had this technology been in place, my leak could have been identified and stopped before resulting in financial hardship. Beyond benefits to residents, this kind of system could save the District significant money by detecting infrastructure leaks early and reducing water loss across the system.

I hope the Board will consider this as a future investment to improve service and financial outcomes for both homeowners and the District.

Thanks,

Taryn M. Adams
425.508.0864

tarynadams.com

Water Bill Adjustment Policy Revision Options Lake Whatcom Water and Sewer District

Cost of Water (J Knakal)

Revise policy to require payment for the cost of providing the lost water with credit for additional costs (e.g., debt service, capital improvements, financial reserves maintenance).

2025 Water Utility Operations Cost = \$2,954,830

2024 Total Volume Water Produced = 207,912,717 gallons
= \$0.01421/gallon

2025 Base Water Rate = \$90.69 per 600 cubic feet
= \$0.02027/gallon

Percentage of Base Water Rate attributed to Operations = 70.3%

Considerations:

- Cost of Water-based approach would provide a 30% credit to customers seeking relief (i.e., policy revision would create a greater burden for the customer).

Repair Responsiveness (J Carter)

Maintain existing policy crediting 50% for lost water, but add additional credit based upon repair responsiveness.

Example: For customers completing leak repairs within 5 days of discovery, the credit will be increased to 75 percent.

Considerations:

- Incentivizes responsiveness to leak repair (if the customer is aware of the policy).
- Creates the opportunity for exceptions (e.g., what if leak is repaired in 6 days, what if the customer cannot find a contractor to perform the repairs within the set time, etc.).
- The District has no means of confirming when the leak was “discovered,” creating the opportunity for policy abuse.

Customer Cap (T Adams)

Revise policy to include a cap on expense to the customer.

Example: The adjustment credit shall be 50 percent of the amount determined to be the excess water usage charge, except in cases where cost to the customer exceeds \$1,000, in which case the customer’s cost shall not exceed \$1,000.

Considerations:

- Removes incentive for quick repair of large leaks (i.e., once the credit cap is exceeded there is no cost to the customer for additional water loss).

- Increases subsidy of leaks on private systems by all District customers.

District-administered Leak Insurance (J Carter)

Create an optional utility bill surcharge that would relieve customers of any costs of excess water usage associated with a leak.

Considerations:

- Creates additional administrative workload.
- Unsure if current enterprise resource planning system can accommodate.
- Unsure of legality of such a program.
- For participating customers, eliminates the incentive for quick repair.
- Creation of a District-administered program may be redundant with currently available services through the private insurance market.
- Unsure if customers would find value in participating in such a program if they are only eligible for relief once every 7 years.

Increase Adjustment Credit (T Citron)

Revise the existing policy to increase the adjustment credit amount to a value greater than 50%.

Example: The adjustment credit shall be 75 percent of the amount determined to be the excess water usage charge.

Considerations:

- No additional administrative workload to administer.
- Provides uniformity of administration (same percentage of relief, regardless of excess usage volume).
- Increases subsidy of leaks on private systems by all District customers.


Hypothetical Questions

- If the gas tank on your car ruptures, do you expect a credit from the gas station on the fuel lost?
- If your refrigerator breaks down while you are away on vacation, do you expect the grocery store to reimburse you for the food that spoils?



**AGENDA
BILL
Item 6.B**

**Generative Artificial
Intelligence Use Policy**

DATE SUBMITTED:	September 3, 2025	MEETING DATE:	September 10, 2025
TO: BOARD OF COMMISSIONERS	FROM: Justin Clary, General Manager		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. Draft Generative Artificial Intelligence Use Policy		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input checked="" type="checkbox"/>	INFORMATIONAL /OTHER <input type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

Generative artificial intelligence (AI) is a type of AI that uses algorithms and large data sets, including information available on the internet, to produce text, images, computer code, or other content in response to queries. It is commonly used to draft communications, conduct research, summarize content, generate software code, and many other applications. Local government employees are among those beginning to embrace generative AI tools, including ChatGPT, Microsoft Copilot, and Google Gemini, for their efficiency, power, and potential to improve public services. For additional information, there was a recent two part article by KNKX/NPR on Washington local government use of generative AI that can be accessed [here](#).

While AI may be used as an effective tool to make government more efficient, its use also raises several concerns (e.g., protection of confidential information, accuracy of generated content, transparency of source) that may be mitigated through implementation of a use policy. Attached is a draft policy, which largely follows that of the City of Kirkland, Washington's policy, for Board consideration.

FISCAL IMPACT

No fiscal impact is anticipated with adoption of a generative AI use policy.

APPLICABLE EFFECTIVE UTILITY MANAGEMENT ATTRIBUTE(S)

Customer Satisfaction
Operational Optimization
Infrastructure Strategy & Performance

RECOMMENDED BOARD ACTION

Staff recommends the Board adopt a generative AI use policy.

PROPOSED MOTION

Recommended motion is:

"I move to adopt the generative artificial intelligence use policy, as presented."

GENERATIVE ARTIFICIAL INTELLIGENCE USE POLICY

LAKE WHATCOM WATER AND SEWER DISTRICT

Purpose

This policy is designed to establish acceptable use and responsible stewardship of generative artificial intelligence (AI) technology while used to conduct Lake Whatcom Water and Sewer District (District) -authorized business. The District authorizes the use of generative AI while users are conducting duties related to their jobs with the understanding that the output from these tools may contain inaccuracies and always requires human verification. All users of District computing and network resources must do so in an ethical, legal, and responsible manner. All use of technology resources must be consistent with District policies and work rules.

Scope

This policy applies to all District commissioners, employees, contractors, and volunteers who use generative AI technology to draft content or make decisions related to District business.

Definitions

Generative AI is a class of computer software and systems, or functionality within systems, that use large language models, algorithms, deep-learning, and machine learning models, and are capable of generating new content, including but not limited to text, images, video, and audio, based on patterns and structures of input data. These also include systems capable of ingesting input and translating that input into another form, such as text-to-code systems.

Supportive Generative AI Tools can generate text, images, or other data from sources not limited to District-generated content in response to employee provided prompts.

Responsive Generative AI Tools interact directly with District employees and customers to provide information from the District's website or similar discrete set of District-generated or District-curated content.

Policy

1. District employees may, but will not be required to, use generative AI software and services. AI software that is purchased and/or installed on District equipment must undergo a security review by the District's IT consultant. The use of new AI software that does not involve purchase or installation of software must receive approval from the General Manager or designee. District employees must not use for District business any generative AI software and services that have not been approved.
2. If an application or software that is already in official use by District personnel incorporates AI capabilities (e.g., Microsoft Word), no additional approval is required. However, all aspects of this policy apply to the use of such capabilities.
3. There is no right to privacy in the use of District technology resources. By using the District's technology resources (computer, email, etc.) to interact with generative AI technology, an employee understands the District may monitor, record, and review the use of that technology at any time.

4. Supportive generative AI work product must be verified by the user for accuracy, appropriateness, non-bias, and compliance with intellectual property, privacy laws, and District policies.
5. Responsive generative AI work product must be audited by a designated employee to ensure accuracy and appropriateness of the communication(s) on a regular schedule as determined by the General Manager or designee.
6. All images, videos, text, or other data created by generative AI that is used substantively in a final work product must be attributed to the relevant AI system.


Example: Some material in this brochure was generated using ChatGPT 4.0 and was reviewed for accuracy by a member of the District Engineering Department before publication.

7. All records generated, used, or stored in generative AI technology for District business are public records and may be disclosed upon request. In alignment with public records requirements, draft materials do not need to be retained and can be deleted. Each user of generative AI technology is responsible for maintaining and retrieving such records, not the District public records officer or IT consultant.
8. Users of generative AI shall not upload confidential, sensitive, or personally identifiable information to generative AI software or service.
9. The District General Manager or designee may revoke authorization for a technology that adds AI capabilities, or may restrict the use of those AI capabilities, if, in their judgment, those AI capabilities present risks that cannot be effectively mitigated to comply with this policy or other District policies.



**AGENDA
BILL
Item 8.A**

**General Manager's
Report**

DATE SUBMITTED:	September 4, 2025	MEETING DATE:	September 10, 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, September 10, 2025 – 6:30 p.m.

Important Upcoming Dates

Lake Whatcom Water & Sewer District			
Regular Board Meeting	Wed Sep 24, 2025	8:00 a.m.	Board Room/Hybrid
Employee Staff Meeting	Thu Sep 11, 2025	8:00 a.m.	Board Room/Hybrid Commissioner Carter to attend
Investment Comm. Meeting	Wed Oct 29, 2025	10:00 a.m.	Board Room/Hybrid
Safety Committee Meeting	Thu Sep 25, 2025	8:00 a.m.	Board Room
Lake Whatcom Management Program			
Policy Group Meeting	Wed Dec 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 Sep 17, 2025	7:00 a.m.	WASWD Fall Conference Spokane Convention Center
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 August 21; discussion included the status of review of several District safety programs; the schedule for installation of fall protection equipment at the North Point sewer lift station wet well; and replacement of Sonetics communications headsets.

Investment Committee:

- A committee meeting has not been held since the last board meeting.

Upcoming Board Meeting Topics

- Operations benchmarks development
- Lake Whatcom Management Program invasive mussel rapid response interlocal agreement
- 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.

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 (76 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.

Financial benchmarks were adopted by the board during the August 13 meeting. Benchmark attainment will be assessed annually.

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 chaired the Whatcom County Water Utility Coordinating Committee meeting on September 3.*

Lake Whatcom Water Quality

Lake Whatcom Management Program

- Participate in meetings of Lake Whatcom Management Program partners.
J Clary attended the interjurisdictional coordinating team meeting on August 27 and the policy group meeting on September 3.