



1220 Lakeway Dr • Bellingham, WA 98229

REGULAR SESSION OF THE BOARD OF COMMISSIONERS

Minutes

October 29, 2025

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

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

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

Consent Agenda

Action Taken

Knakal moved, Holland seconded, approval of:

- Minutes for the 10.08.2025 Regular Board Meeting
- Payroll for Pay Period #21 (09.27.2025 through 10.10.2025) totaling \$53,143.26
- Benefits for Pay Period #21 totaling \$59,385.94
- Payroll Taxes for 3rd Quarter totaling \$12,043.78
- Payroll for Pay Period #22 (10.11.2025 through 10.24.2025) totaling \$57,054.12
- Benefits for Pay Period #22 totaling \$29,612.90
- Accounts Payable Vouchers totaling \$425,094.82

Motion passed.

Resolution No. 903 Lake Whatcom Invasive Mussel Rapid Response Plan Adoption

Clary explained that the District has participated in the Lake Whatcom Management Program (LWMP) since its creation in 1998. The LWMP's primary goal is to improve lake water quality by jointly implementing programs affecting the Lake Whatcom watershed, along with the City of Bellingham (City) and Whatcom County (County). Actions implemented by the LWMP under the aquatic invasive species program area have historically been led by the City, with support provided by the County and District via an interlocal agreement. Within the 2025-29 work plan, Action 7.3.1 is to develop an AIS rapid response plan. The City has led this effort, with support by the County, District and Washington State Department of Fish and Wildlife. Consistent with the LWMP partners' adoption of each five-year work plan, staff presented a joint resolution for LWMP adoption of the Lake Whatcom Invasive Freshwater Mussel Rapid and Extended Response Plan.

Action Taken

Carter moved, Knakal seconded, to adopt Resolution No. 903 as presented. Motion passed.

Sudden Valley Water Treatment Plant Chlorine Contact Basin Replacement Drinking Water State Revolving Fund Application Authorization

The District provides potable water to its South Shore water system via its Sudden Valley Water Treatment Plant (SVWTP). In 2022, the District submitted a FEMA Hazard Mitigation Grant application to replace the aging chlorine contact basin (CCB), which was awarded in 2024 with partial funds also provided by the District and the Washington State Emergency Management Division of the Washington State Military Department.

Since the 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 the Drinking Water State Revolving Fund (DWSRF), which is administered by the Washington State Department of Health (DOH), which would allow the District to finance the project costs over a 20-year period at a low interest rate (2.25%).

Clary explained that DWSRF loan applications are accepted by DOH on an ongoing basis with applications due on November 30, 2025 for the 2026 funding cycle, with loans awarded in March 2026. A requirement of the DWSRF application is that the applicant's governing body formally authorize submittal of a loan application. Discussion followed.

Action Taken

Carter moved, Ford seconded, to authorize staff to develop and submit an application to the Washington State Department of Health for a Drinking Water State Revolving Fund loan to finance the unfunded portion of the Sudden Valley Water Treatment Plant Chlorine Contact Basin Replacement Project. Motion passed.

Geneva Reservoir Recoating Project Drinking Water State Revolving Fund Application Authorization

A structural analysis of the Lake Whatcom Water and Sewer District Geneva Water Reservoir found significant deficiencies in its ability to meet existing earthquake code requirements (BHC report, December 2016). In 2024, the District submitted an application for a FEMA Hazard Mitigation Grant to seismically retrofit the Geneva Reservoir, and the grant was awarded in 2024.

Clary explained that following a 2022 coating assessment of the reservoir, it was determined that the interior and exterior coating systems would require replacement within the next 5 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.

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 the Drinking Water State Revolving Fund (administered by the Washington State Department of Health); though this source would not be a grant, it would allow the District to finance the project costs over a 20-year period at a low interest rate (2.5%).

DWSRF loan applications are accepted by DOH on an ongoing basis with applications due on November 30, 2025 for the 2026 funding cycle, with loans awarded in March 2026. A requirement of the DWSRF application is that the applicant's governing body formally authorize submittal of a loan application. Discussion followed.

Action Taken

Carter moved, Knakal seconded, to authorize staff to develop and submit an application to the Washington State Department of Health for a Drinking Water State Revolving Fund loan to finance the unfunded portion of the Geneva Reservoir Recoating Project. Motion passed.

General Manager's Report

Clary updated the Board on several topics, including recognition of District Finance Manager Jennifer Signs following a presentation at a recent Washington Association of Sewer & Water Districts Section meeting, a recent meeting with Whatcom County Planning & Development Services regarding communication about development in the District, and recent customer tours of the Sudden Valley Water Treatment Plant. Discussion followed.

Engineering Department Report

In Nicoll's absence, Clary briefly highlighted upcoming project closeouts, recent considerations around the timing of upcoming capital projects, and progress on the District's targeted asset management plan. Discussion followed.

Finance Department Report

Signs' report focused on the District's 3rd Quarter Financial Report, September General Fees & Charges revenue, with 17 permits to date on budgeted expectation of 10, investment revenue, and a basic overview of the status of water and sewer fund activity. Discussion followed.

Operations & Maintenance Department Report

Dahlstrom reported recent technology updates for District computers and the District's SCADA system, development of new SOPs for the flatcar reverse bypass, and recent repairs of water leaks.

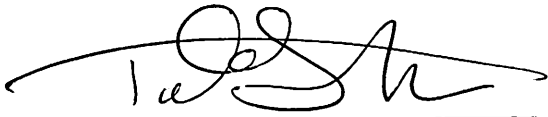
Executive Session Per RCW 42.30.110(1)(g)

Citron recessed the Regular Session to Executive Session at 9:08 a.m. It was estimated that the Executive Session would take 30 minutes and end at 9:38 a.m. The purpose of the Executive Session was to review the performance of a public employee (General Manager performance evaluation). Citron recessed the Executive Session and reconvened the Regular Meeting at 9:38 a.m.

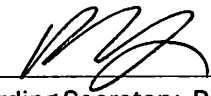
Executive Session Per RCW 42.30.110(1)(g)

Citron recessed the Regular Session to Executive Session at 9:38 a.m. It was estimated that the Executive Session would take 5 minutes and end at 9:43 a.m. The purpose of the Executive Session was to review the performance of a public employee (General Manager performance evaluation). Citron recessed the Executive Session and reconvened the Regular Meeting at 9:43 a.m.

With no further business, Citron adjourned the regular session at 9:44 a.m.



Board President, Todd Citron

Attest: 
Recording Secretary, Rachael Hope

Minutes approved by motion at ☒ Regular ☐ Special Board Meeting on 11/12/2025