



## REGULAR SESSION OF THE BOARD OF COMMISSIONERS

# Minutes

*January 14, 2026*

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

**Attendees:**

Commissioner Todd Citron	General Manager Justin Clary
Commissioner John Carter	Finance Manager Jenny Signs
Commissioner Bruce Ford	Operations Manager Jason Dahlstrom
Commissioner Jeff Knakal	Legal Counsel Bob Carmichael
Commissioner David Holland	Recording Secretary Rachael Hope

One member of the public (v) was in attendance, in observation only. Attendees marked with a (v) attended virtually.

### Consent Agenda

#### Action Taken

Knakal moved, Holland seconded, approval of:

- Minutes for the 12.10.2025 Regular Board Meeting
- Payroll for Pay Period #26 (12.06.2025 through 12.19.2025) totaling \$57,735.98
- Benefits for Pay Period #26 totaling \$57,707.29
- Accounts Payable Vouchers totaling \$157,222.37
- Accounts Payable Vouchers totaling \$4,337.53
- Payroll for Pay Period #01 (12.20.2025 through 01.02.2026) totaling \$55,863.82
- Benefits for Pay Period #01 totaling \$61,744.27
- Accounts Payable Vouchers totaling \$196,543.10

Motion passed.

#### Election of Officers

Clary recalled that the District operates under the authority of Revised Code of Washington (RCW) Title 57, Water-Sewer Districts, which states in section 57.12.010 that “the board shall annually elect one of its members as president and another as secretary.” The District has historically fulfilled this statutory obligation during its first meeting of the calendar year.

#### Action Taken

Carter moved, Ford seconded, to appoint Commissioner Citron as District Board president for the 2026 calendar year. Motion passed.

Holland moved, Ford seconded, to appoint Commissioner Carter as District Board secretary for the 2026 calendar year. Motion passed.

### **Appointment of Board Representatives to the District's Investment Committee**

Clary further recalled that Chapter 2.14 of the District's administrative code establishes an Investment Committee, which is comprised of the finance manager/treasurer, general manager, and two commissioners. Duties of the committee include, at a minimum, quarterly review of the District's investment portfolio and rate structure and annual review of the District's investment policy.

#### **Action Taken**

**Carter moved, Ford seconded, to appoint Commissioners Knakal and Holland as the Board's representatives on the District's Investment Committee for the 2026 calendar year. Motion passed.**

### **Appointment of Board Representatives to the Whatcom County Council of Governments & Lake Whatcom Management Program Policy Group**

Clary further recalled that the District annually appoints a representative to serve on the Whatcom County Council of Governments and a representative to serve on the Lake Whatcom Management Program Policy Group. Discussion followed.

#### **Action Taken**

**Carter moved, Ford seconded, to appoint Commissioner Knakal to serve as the District's representative on both the Whatcom County Council of Governments and the Lake Whatcom Management Program Policy Group for the 2026 calendar year. Motion passed.**

### **Public Works Board Loan Agreement Supporting the Division 22-1 Reservoir Replacement Project**

Nicoll explained that structural analysis of the Lake Whatcom Water and Sewer District Division 22-1 Water Reservoir found significant deficiencies in its ability to meet existing earthquake code requirements (BHC report, December 2016). A 2022 Reservoir Coating Condition Assessment evaluated the interior and exterior coatings of the reservoir and determined that the reservoir coatings have failed and significant corrosion of the interior has compromised the structural integrity of the reservoir. In light of these findings, District staff determined that replacement of the reservoir with a new welded steel reservoir is the most cost-effective approach to addressing the seismic deficiencies and structural deterioration.

In 2024, the District submitted a FEMA Hazard Mitigation Grant application to replace the Division 22-1 Reservoir with a new reservoir constructed to meet seismic standards. The grant application was developed in conjunction with Washington State Emergency Management Division (WA-EMD) of the Washington State Military Department and the Federal Emergency Management Agency (FEMA) as a hazard mitigation project. The cost sharing is as follows: FEMA 75%, WA-EMD 12.5%, and District 12.5%.

Because this project was not previously planned, the 2025-2026 District biennial budget does not include funds to meet the District match requirements for this project. To fund the match requirements, the District applied for and has been awarded a \$365,000 low interest construction loan through the Washington State Public Works Board (2.12% interest rate over a 20-year payment period).

#### **Action Taken**

**Carter moved, Knakal seconded, to authorize the general manager to execute Loan Agreement No. PC26-96410-014 with the Washington State Public Works Board to enable receipt of \$365,000 for design and construction of the Division 22-1 Reservoir Replacement Project as presented. Motion passed.**

### **General Manager's Report**

Clary updated the Board on several topics, including collaboration with several local agencies on an update of the Whatcom County Natural Hazard Mitigation Plan, updates related to the upcoming Washington State legislative session, and the District's open Construction Engineer position.

**Executive Session Per RCW 42.30.110(1)(i)**

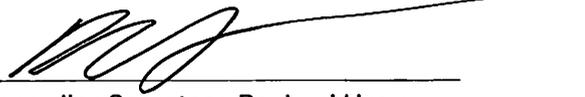
Citron recessed the Regular Session to Executive Session at 6:58 p.m. It was estimated that the Executive Session would take 30 minutes and end at 7:28 p.m. The purpose of the Executive Session was to discuss with legal counsel active litigation. Citron recessed the Executive Session and reconvened the Regular Meeting at 7:25 p.m. No action was taken.

With no further business, Citron adjourned the regular session at 7:30 p.m.



Board President, Todd Citron

Attest:



Recording Secretary, Rachael Hope

Minutes approved by motion at  Regular  Special Board Meeting on 2/11/2026