



Lake Whatcom Water & Sewer District Board Meeting Access Information

Meeting 6:30 pm - 2nd Wed of each month
Schedule 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 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

March 11, 2026

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. Interagency Agreement with Washington State Department of Enterprise Services for Energy Conservation Management Services
7. OTHER BUSINESS
8. STAFF REPORTS
 - A. General Manager
9. PUBLIC COMMENT OPPORTUNITY
10. ADJOURNMENT



**AGENDA
BILL
Item 5**

Consent Agenda

DATE SUBMITTED:	March 5, 2026	MEETING DATE:	March 11, 2026
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 03.11.2026****

BACKGROUND / EXPLANATION OF IMPACT

- Minutes for the 02.25.26 Regular Board Meeting
- Payroll for Pay Period #05 (02.14.2026 through 02.27.2026) totaling \$56,052.76
- Benefits for Pay Period #05 totaling \$62,680.52
- 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

February 25, 2026

Board Secretary John Carter 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 Jeff Knakal	Operations Manager Jason Dahlstrom
	Commissioner David Holland	Recording Secretary Rachael Hope

Also in attendance were City of Bellingham staff Mike Olinger, Deputy Public Works Director, and Mike Wilson, City Engineer. One member of the public (v) was in attendance, in observation only. Attendees noted with a (v) attended the meeting virtually.

Consent Agenda

Action Taken

Knakal moved, Holland seconded, approval of:

- **Minutes for the 01.28.2026 Regular Board Meeting**
- **Payroll for Pay Period #04 (01.31.2026 through 02.13.2026) totaling \$58,630.79**
- **Benefits for Pay Period #04 totaling \$62,834.62**
- **Accounts Payable Vouchers totaling \$182,521.55**

Motion passed.

City of Bellingham Post Point Wastewater Treatment Plant Capital Improvement Program Presentation

Clary briefly explained that since the development of the District’s collection and conveyance system shortly after formation of the District in 1968, wastewater generated by District customers is discharged to the City of Bellingham’s system for conveyance to and treatment at the City’s Post Point Wastewater Treatment Plant (WWTP). The City’s acceptance and treatment of District wastewater is governed by an interlocal agreement (ILA) and the District pays a volumetric rate for wastewater discharged to the City. This rate does not include a component for financing capital improvements. To ensure the District proportionately contributes to capital improvements at the WWTP, the ILA includes a provision for the District to finance 4.8% for any major capital improvements. The City has the following capital projects planned in the near-term:

- Generators/Controls Improvement Project; \$5.9 million; complete in 2027
- Sludge Tank Replacement Project; \$20 million; complete in 2028
- Incinerators Improvement Project; \$40 million; complete in 2031

Mike Olinger, Deputy Public Works Director, and Mike Wilson, City Engineer, provided a presentation to the Board on the City’s capital improvement program for the Post Point WWTP. Discussion followed.

General Manager’s Report

Clary updated the Board on several topics, including the status of the Commissioner Position 3 vacancy and recruitment efforts, approval of an interlocal agreement to use the Scenic Intertie during the Division 22-1 & Geneva Reservoir projects, and updates on activity in the Washington State Legislature. Discussion followed.

Engineering Department Report

Nicoll highlighted progress in preparing upcoming requests for bids for several capital projects, including design and permitting progress. Discussion followed.

Operations & Maintenance Department Report

Dahlstrom reported on the District’s continued safety record, and highlighted installation of a flow monitor at the District’s Pinto Creek pressure reducing valve and how it has assisted the Operations & Maintenance Department in system assessment and evaluation of spikes in usage.

With no further business, Carter adjourned the regular session at 8:44 a.m.

Board President, Todd Citron

Attest: _____
Recording Secretary, Rachael Hope

Minutes approved by motion at Regular Special Board Meeting on _____

CHECK REGISTER

PAYROLL

Lake Whatcom W-S District

Time: 11:09:17 Date: 03/02/2026

03/05/2026 To: 03/05/2026

Page: 1

Trans	Date	Type	Acct #	Chk #	Claimant	Amount Memo
571	03/05/2026	Payroll	5	EFT		4,137.81 02/14/2026 - 02/27/2026 PR05
572	03/05/2026	Payroll	5	EFT		5,106.32 02/14/2026 - 02/27/2026 PR05
573	03/05/2026	Payroll	5	EFT		4,317.12 02/14/2026 - 02/27/2026 PR05
574	03/05/2026	Payroll	5	EFT		2,074.03 02/14/2026 - 02/27/2026 PR05
576	03/05/2026	Payroll	5	EFT		2,211.14 02/14/2026 - 02/27/2026 PR05
577	03/05/2026	Payroll	5	EFT		3,626.35 02/14/2026 - 02/27/2026 PR05
578	03/05/2026	Payroll	5	EFT		2,695.03 02/14/2026 - 02/27/2026 PR05
579	03/05/2026	Payroll	5	EFT		3,777.62 02/14/2026 - 02/27/2026 PR05
580	03/05/2026	Payroll	5	EFT		3,123.68 02/14/2026 - 02/27/2026 PR05
581	03/05/2026	Payroll	5	EFT		3,007.17 02/14/2026 - 02/27/2026 PR05
582	03/05/2026	Payroll	5	EFT		3,097.01 02/14/2026 - 02/27/2026 PR05
583	03/05/2026	Payroll	5	EFT		2,280.44 02/14/2026 - 02/27/2026 PR05
584	03/05/2026	Payroll	5	EFT		1,962.81 02/14/2026 - 02/27/2026 PR05
585	03/05/2026	Payroll	5	EFT		1,789.14 02/14/2026 - 02/27/2026 PR05
586	03/05/2026	Payroll	5	EFT		5,139.57 02/14/2026 - 02/27/2026 PR05
587	03/05/2026	Payroll	5	EFT		2,619.87 02/14/2026 - 02/27/2026 PR05
588	03/05/2026	Payroll	5	EFT		3,175.40 02/14/2026 - 02/27/2026 PR05
575	03/05/2026	Payroll	5	17275		1,912.25 02/14/2026 - 02/27/2026 PR05
						<hr/>
						401 Water Fund 16,422.56
						402 Sewer Fund 39,630.20
						<hr/>
						56,052.76 Payroll: 56,052.76

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.

Signature:  Date: 03.04.2026
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

BENEFITS

CHECK REGISTER

Lake Whatcom W-S District

Time: 11:08:36 Date: 03/02/2026

03/05/2026 To: 03/05/2026

Page: 1

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
589	03/05/2026	Payroll	5	EFT	DEPARTMENT OF RETIREMENT SYSTEMS	7,911.50	Pay Cycle(s) 03/05/2026 To 03/05/2026 - DCP; Pay Cycle(s) 03/05/2026 To 03/05/2026 - ROTH DCP
590	03/05/2026	Payroll	5	EFT	UNITED STATES TREASURY	21,094.87	941 Deposit for Pay Cycle(s) 03/05/2026 - 03/05/2026
591	03/05/2026	Payroll	5	EFT	WA ST PUBLIC EMP RET PLAN 2	6,941.50	Pay Cycle(s) 03/05/2026 To 03/05/2026 - PERS 2
592	03/05/2026	Payroll	5	EFT	WA ST PUBLIC EMP RET PLAN 3	3,316.96	Pay Cycle(s) 03/05/2026 To 03/05/2026 - PERS 3
593	03/05/2026	Payroll	5	EFT	WA ST SUPPORT ENFORCEMENT REGISTERY	888.77	Pay Cycle(s) 03/05/2026 To 03/05/2026 - SUP ENF
594	03/05/2026	Payroll	5	17276	AFLAC	296.36	Pay Cycle(s) 03/05/2026 To 03/05/2026 - AFLAC PRE-TAX; Pay Cycle(s) 03/05/2026 To 03/05/2026 - AFLAC POST-TAX
595	03/05/2026	Payroll	5	17277	AFSCME LOCAL	360.50	Pay Cycle(s) 03/05/2026 To 03/05/2026 - UNION DUES; Pay Cycle(s) 03/05/2026 To 03/05/2026 - UNION FUND
596	03/05/2026	Payroll	5	17278	HRA VEBA TRUST (PAYEE)	590.00	Pay Cycle(s) 03/05/2026 To 03/05/2026 - VEBA
597	03/05/2026	Payroll	5	17279	WA ST HEALTH CARE AUTHORITY	21,280.06	Pay Cycle(s) 03/05/2026 To 03/05/2026 - PEBB MEDICAL; Pay Cycle(s) 03/05/2026 To 03/05/2026 - PEBB ADD LTD; Pay Cycle(s) 03/05/2026 To 03/05/2026 - PEBB SMK Surcharge

401 Water Fund
402 Sewer Fund

47,036.57
15,643.95

62,680.52 Payroll: 62,680.52

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 03.04.2026
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



**AGENDA
BILL
Item 6.A**

**Washington State Department
of Enterprise Services
Interagency Agreement for
Energy Management Services**

DATE SUBMITTED:	February 27, 2026	MEETING DATE:	March 11, 2026
TO: BOARD OF COMMISSIONERS	FROM: Justin Clary, General Manager		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. Washington State Department of Enterprise Services Interagency Agreement No. K10380		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input checked="" type="checkbox"/>	INFORMATIONAL /OTHER <input type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

Components of the District’s mission statement, values, and goals include operation in a *cost-efficient manner*, in a way that *protects the environment*, and in a manner that *uses our natural resources wisely*. As a public agency, the District is eligible for a variety of grants that finance the implementation of improvements that increase facility operational energy savings (e.g., a few years ago, the District received rebates for conversion of lighting at the administrative building, operations facility, and Sudden Valley water treatment plant to LED bulbs).

During the January 28, 2026, regularly scheduled board meeting, Apollo Solutions Group (Apollo) provided a presentation on energy savings performance contracts (ESPCs). Washington local governments may use the services of an approved energy services company (ESCO) by executing an interagency agreement with the Washington State Department of Enterprise Services (DES). Apollo is a DES-approved ESCO that provides energy audit and energy savings implementation services. Once an interagency agreement with DES is executed, the ESCO then conducts an energy audit of the local government’s facilities that identifies opportunities to improve energy efficiency. Based upon the energy audit findings, the ESCO assists the local government in securing grants to implement recommended improvements, and completes the improvements. Based upon board direction following the January 28 presentation, District staff have worked with DES to proceed to the next step in the process—execution of an interagency agreement with DES for these services. Attached is the DES interagency agreement for board consideration.

FISCAL IMPACT

Capital cost and operational cost savings will be dependent upon grants secured and energy saving measures implemented.

APPLICABLE EFFECTIVE UTILITY MANAGEMENT ATTRIBUTE(S)

Operational Optimization
Community Sustainability

RECOMMENDED BOARD ACTION

Staff recommends the board approve the interagency agreement with the Washington State Department of Enterprise Services.

PROPOSED MOTION

A recommended motion is:

“I move to authorize the general manager to executed Interagency Agreement No. K10380 with the Washington State Department of Enterprise Services, as presented.”



STATE OF WASHINGTON
DEPARTMENT OF ENTERPRISE SERVICES

*1500 Jefferson St. SE, Olympia, WA 98501
 PO Box 41476, Olympia, WA 98504-1476*

State of Washington ENERGY PROGRAM Department of Enterprise Services P.O. Box 41476 Olympia, WA 98504-1476	INTERAGENCY AGREEMENT	
	IAA No.:	K10380
Lake Whatcom Water & Sewer District 1220 Lakeway Dr. Bellingham, WA 98229	Date:	February 26, 2026

INTERAGENCY AGREEMENT
BETWEEN
LAKE WHATCOM WATER & SEWER DISTRICT
AND
WASHINGTON STATE DEPARTMENT OF ENTERPRISE SERVICES

Pursuant to RCW chapter 39.34 and RCW chapter 39.35C, this *Interagency Agreement (Agreement)* is made and entered into by and between the State of Washington acting by and through the Energy Program of the Department of Enterprise Services, a Washington State governmental agency (“Enterprise Services”) and Lake Whatcom Water & Sewer District, a Washington State governmental agency (“Client Agency”) and is dated and effective as of the date of the last signature.

RECITALS

- A. Enterprise Services, through its Energy Program (“Energy Program”), helps owners of public facilities reduce energy and operational costs. The Energy Program is a national leader in developing and managing energy savings performance contracts that help reduce energy and operational costs in publicly-owned facilities.
- B. Upgrading to energy efficient infrastructure helps reduce long-term operations and maintenance costs. This allows owners to be better financial stewards while achieving their mission, so that Washington is a better place to live, learn, and work.
- C. Acting as the owner’s advocate, the Energy Program delivers professional expertise and contract management services. By leveraging capital investments, owners can achieve efficiencies, improve facilities, and reduce carbon emissions in their publicly-owned facilities. Energy Program also creates value to owners by managing risk through guaranteed total project costs, equipment performance, and energy savings.
- D. Client Agency, an owner of a public facility, desires to contract with Energy Program to access and obtain certain Energy Program Services.
- E. The purpose of this *Agreement* is to establish a vehicle for Energy Program to provide future energy/utility conservation project management services to Client Agency and to authorize the development of the energy services proposal in a cost-effective, efficient manner.



AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein, the parties agree as follows:

1. **TERM.** The term of this *Agreement* commences on the date of the last signature and ends **December 31, 2030**.
2. **STATEMENT OF WORK.**
 - A. **ENERGY PROGRAM.** Energy Program agrees to provide the following Services:
 - i. Upon request by Client Agency for energy services for a specific Energy/Utility Conservation Project(s), the Parties shall execute an amendment to this *Agreement* to specify the project and associated project management fees as set forth by Attachment B. Enterprise Services shall furnish necessary personnel and services as specified and set forth in Attachment A, *Project Management Services Scope of Work*.
 - ii. Assist in Dispute Resolution. Dispute resolution is an ongoing process throughout the project. However, this assistance does not include formal dispute resolution, arbitration or legal advice or representation in any legal action, and does not include legal fees and costs related to any dispute. Formal dispute resolution begins when a written claim is received demanding arbitration or other legal process is received. All formal dispute fees and costs will be borne separately by Client Agency. The Attorney General cannot and will not represent or advise a non-state agency.
 - B. **CLIENT AGENCY.** Client Agency agrees to the following:
 - i. Will conform to the protocols of this *Agreement*, including Enterprise Services' *General Conditions for Washington State Energy Savings Performance Contracting ("General Conditions")*, and as supplemented.
 - ii. Will conform to the requirements of the *General Conditions* for timely processing and approval of agreed upon changes to construction contracts involving cost, and for payment.
 - iii. Will conform to the following guidelines for communications between Client Agency, Enterprise Services and ESCOs (Energy Services Company) through the design, construction and post-construction phases as outlined below:
 - a) Communications between Client Agency, Energy Program Project Manager ("PM") and ESCO shall go through the PM. The PM may authorize exceptions for specific projects or situations. The PM may authorize the ESCO to communicate directly with Client Agency personnel to expedite the design and to avoid communication delays. This action does not authorize additional work, change in scope, or exclude copying all communications between ESCO and Client Agency to the PM.
 - b) All drawings, specifications, reports, and project correspondence must contain the State Project Number and suffix.
 - The State Project Number consists of the fiscal year and a numerical sequence number, for example 2018-024, followed by an alphabetical suffix.



- Professional services agreements have suffixes A through F, for example 2018-024 A.
 - Construction contracts have suffixes G through Z, for example 2018-024 G.
- iv. All identification and monitoring of documentation required by the funding source shall remain the responsibility of Client Agency.

3. COMPENSATION AND REQUIREMENTS.

- A. COMPENSATION. Compensation under this *Agreement* shall be by amendment to this *Agreement* for each authorized project. Each amendment shall include a payment schedule for the specific project.
- i. Project Management Services Scope of Work (Attachment A): For project management services provided by Energy Program, Client Agency shall pay Enterprise Services a Project Management Fee for services based on the total project value (including Washington state sales tax) per the Project Management Fee Schedule set forth in Attachment B.
 - ii. Termination Fee: If Client Agency, after authorizing an investment grade audit and energy services proposal, decides not to proceed with an energy/utility conservation project that meets Client Agency's cost effective criteria, then the Client Agency will be charged a termination fee as set forth in Project Management Fee Schedule. The termination fee shall be based on the estimated total project value outlined in the energy services proposal prepared by the ESCO as set forth in Attachment B.
 - iii. Measurement & Verification Services ("M&V") Scope of Work (Attachment C): If M&V are requested by Client Agency beyond the first three years following the notice of commencement of energy cost savings, Client Agency shall pay Enterprise Services \$2,000.00 annually for each year that such M&V are provided.
- B. PAYMENT FOR ESCO SERVICES. In the event that Client Agency enters into a contract with an Energy Program pre-qualified ESCO, pursuant to an *Enterprise Services Main Energy Services Agreement for ESCO Services*, Client Agency shall make payment for such contracted services directly to the ESCO, after Energy Program has reviewed and sent such invoices to Client Agency for payment.
- C. FURTHER ASSURANCES. Client Agency shall provide the ESCO with any additional necessary or desired contract language to comply with Client Agency's obligations pertaining to its use of federal, state, or other grants, funding restrictions, or unique contract/entity requirements. The ESCO and their subcontractors are required to comply with all applicable federal regulations and reporting procedures.
- D. MANAGING COMPLIANCE WITH STATE AND FEDERAL LAW. In all ESCO project agreements and contracts pertaining to this *Agreement*, Energy Program will require ESCO's compliance with applicable federal and state laws and state policies including, but not limited to, the following:
- 1. RCW Title 39 and 43
 - 2. ADA Requirements
 - 3. Buy America
 - 4. Davis-Bacon
 - 5. Prevailing Wage
 - 6. DBE Participation
 - 7. Apprentice Participation

Upon request by Client Agency, Energy Program will collect and provide the weekly-certified payroll to Client Agency. Client Agency, however, shall remain responsible for any documentation required by Client Agency's funding source. All federal verification, investigation, survey, reporting and enforcement requirements when there is a possible violation shall remain the responsibility of the federal grant recipient (Client Agency) unless negotiated by Energy Program and added by amendment to this *Agreement*. In the event that Energy Program becomes aware of a possible violation, it will notify Client Agency.

4. INVOICES AND BILLING.

- A. **BILLING PROCEDURE.** Enterprise Services shall submit invoices to Client Agency upon substantial completion and notice of commencement of energy cost savings of each authorized project, unless an amendment specifies special billing conditions and timeline. Substantial completion of the project will include the delivery and acceptance of the notice of commencement of energy cost savings issued by the ESCO. Each invoice will clearly indicate that it is for the services rendered in performance under this *Agreement* and shall reflect this *Agreement* and Amendment number. Energy Program will invoice for any provided services within sixty (60) days of the expiration or termination of this *Agreement*.
- B. **PAYMENT PROCEDURE.** Client Agency shall pay all invoices received from Enterprise Services within thirty (30) days of receipt of properly executed invoice vouchers.
- C. **BILLING DETAIL.** Each invoice submitted to Client Agency by Enterprise Services shall include information as is necessary for Client Agency to determine the exact nature of all expenditures. At a minimum, the invoice shall reference this *Agreement* and include the following:
- Amendment number and project
 - The date(s) such services were provided
 - Brief description of the services provided
 - Total invoice amount
- D. **BILLING ADDRESS.** Invoices shall be delivered to Client Agency electronically to:

Email: justin.clary@lwwsd.org

5. **AGREEMENT MANAGEMENT.** The parties hereby designate the following *Agreement* administrators as the respective single points of contact for purposes of this *Agreement*, each of whom shall be the principal contact for business activities under this *Agreement*. The parties may change administrators by written notice as set forth below. Any notices required or desired shall be in writing and sent by U.S. mail, postage prepaid, or sent via email, and shall be sent to the respective addressee at the respective address or email address set forth below or to such other address or email address as the parties may specify in writing:

Enterprise Services
Attn: Novella Randall
Energy Project Manager
Energy Program
Washington Dept. of Enterprise Services
PO Box 41476
Olympia, WA 98504-1476
Tel: (360) 790-3667
Email: novella.randall@des.wa.gov

Client Agency
Attn: Justin Clary
General Manager
Lake Whatcom Water & Sewer District
1220 Lakeway Dr.
Bellingham, WA 98229
Tel: (360) 734-9224
Email: justin.clary@lwwsd.org

Notices shall be deemed effective upon the earlier of receipt, if mailed, or, if emailed, upon transmission to the designated email address of said addressee.

The Client Agency representative shall be responsible for working with Energy Program, approving billings and expenses submitted by Energy Program, and accepting any reports from Energy Program or ESCO.

The Energy Program representative shall be the contact person for all communications regarding the conduct of work under this *Agreement*.

6. RECORDS.

- A. **AGREEMENT AVAILABILITY.** Prior to its entry into force, this *Agreement* shall be posted on the parties' websites or other electronically retrievable public source as required by RCW 39.34.040.
- B. **RECORDS RETENTION.** Each party shall maintain records and other evidence that sufficiently and properly reflect all direct and indirect costs expended by either party in the performance and payment of the services. These records shall be subject to inspection, review, or audit by personnel of both parties, other personnel duly authorized by either party, the Office of the State Auditor, and officials authorized by law. Such records shall be retained for a period of six (6) years following expiration or termination of this *Agreement* or final payment for any service placed against this *Agreement*, whichever is later; Provided, however, that if any litigation, claim, or audit is commenced prior to the expiration of this period, such period shall extend until all such litigation, claims, or audits have been resolved.
- C. **OWNERSHIP.** Records and other information, in any medium, furnished by one party to this *Agreement* to the other party, will remain the property of the furnishing party, unless otherwise agreed. The receiving party will not disclose or make available this material to any third party without first providing notice to the other party and allowing ten (10) business days in which to file, at its sole expense, a motion seeking a protective order, or other legal action. Each party will utilize reasonable security procedures and protections to assure that records and information provided by the other party are not erroneously disclosed to third parties.
- D. **PUBLIC RECORDS.** This *Agreement* and all related records are subject to public disclosure as required by RCW 42.56, the Public Records Act (PRA).

7. RESPONSIBILITY OF THE PARTIES. Each party to this *Agreement* assumes responsibility for claims and/or damages to persons and/or property resulting from any act or omission on the part of itself, its employees, or its agents. Neither party assumes any responsibility to the other party for any third party claims.

8. DISPUTE RESOLUTION. The parties shall use their best, good faith efforts cooperatively and collaboratively to resolve any dispute that may arise in connection with this *Agreement* as efficiently as practicable, and at the lowest possible level with authority to resolve such dispute. The parties shall make a good faith effort to continue without delay to carry out their respective responsibilities under this *Agreement* while attempting to resolve any such dispute. If, however, a dispute persists regarding this *Agreement* and cannot be resolved, it may be escalated within each organization. In such situation, upon notice by either party, each party, within five (5) business days shall produce its description of the dispute in writing and deliver it to the other party. The receiving party then shall have three (3) business days to review and respond in writing. In the event that the parties cannot then agree on a resolution of the dispute, the parties shall schedule a conference between the respective senior managers of each organization to attempt to resolve the dispute. In the event the parties cannot agree on a mutual resolution within fifteen (15) business days, the parties shall abide

by the Governor's dispute resolution process (RCW 43.17.330), if applicable, or collectively shall appoint a third party to evaluate and resolve the dispute and such dispute resolution shall be final and binding on the parties.

9. **TERMINATION FOR CONVENIENCE.** Except as otherwise provided in this *Agreement*, either party may terminate this *Agreement* upon thirty (30) calendar days prior written notification. Upon such termination, the parties shall be liable only for performance rendered or costs incurred in accordance with the terms of this *Agreement* prior to the effective date of such termination.

10. **GENERAL PROVISIONS.**

- A. **COMPLIANCE WITH LAW.** The Parties shall comply with all applicable law.
- B. **INTEGRATED AGREEMENT.** This *Agreement* constitutes the entire agreement and understanding of the parties with respect to the subject matter and supersedes all prior negotiations, representations, and understandings between them. There are no representations or understandings of any kind not set forth herein.
- C. **AMENDMENT OR MODIFICATION.** Except as set forth herein, this *Agreement* may not be amended or modified except in writing and signed by a duly authorized representative of each party.
- D. **AUTHORITY.** Each party to this *Agreement*, and each individual signing on behalf of each party, hereby represents and warrants to the other that it has full power and authority to enter into this *Agreement* and that its execution, delivery, and performance of this *Agreement* has been fully authorized and approved, and that no further approvals or consents are required to bind such party.
- E. **NO AGENCY.** The parties agree that no agency, partnership, or joint venture of any kind shall be or is intended to be created by or under this *Agreement*. Neither party is an agent of the other party nor authorized to obligate it.
- F. **GOVERNING LAW.** The validity, construction, performance, and enforcement of this *Agreement* shall be governed by and construed in accordance with the laws of the State of Washington, without regard to its choice of law rules.
- G. **JURISDICTION & VENUE.** In the event that any action is brought to enforce any provision of this *Agreement*, the parties agree to exclusive jurisdiction in Thurston County Superior Court for the State of Washington and agree that in any such action venue shall lie exclusively at Olympia, Washington.
- H. **EXHIBITS.** All exhibits referred to herein are deemed to be incorporated in this *Agreement* in their entirety.
- I. **CAPTIONS & HEADINGS.** The captions and headings in this *Agreement* are for convenience only and are not intended to, and shall not be construed to, limit, enlarge, or affect the scope or intent of this *Agreement* nor the meaning of any provisions hereof.
- J. **ELECTRONIC SIGNATURES.** A signed copy of this *Agreement* or any other ancillary agreement transmitted by facsimile, email, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this *Agreement* or such other ancillary agreement for all purposes.

K. COUNTERPARTS. This *Agreement* may be executed in any number of counterparts, each of which shall be deemed an original and all of which counterparts together shall constitute the same instrument which may be sufficiently evidenced by one counterpart. Execution of this *Agreement* at different times and places by the parties shall not affect the validity thereof so long as all the parties hereto execute a counterpart of this *Agreement*.

11. CIVIL RIGHTS. Contractor represents and warrants that Contractor complies with all applicable requirements regarding civil rights. Such requirements prohibit discrimination against individuals based on their status as protected veterans or individuals with disabilities and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, or national origin.

12. NON-DISCRIMINATION.

1. Nondiscrimination Requirement. During the term of this Contract, Contractor, including any subcontractor, shall not discriminate on the bases enumerated at RCW 49.60.530(3). In addition, Contractor, including any subcontractor, shall give written notice of this nondiscrimination requirement to any labor organizations with which Contractor, or subcontractor, has a collective bargaining or other agreement.
2. Obligation to Cooperate. Contractor, including any subcontractor, shall cooperate and comply with any Washington state agency investigation regarding any allegation that Contractor, including any subcontractor, has engaged in discrimination prohibited by this Contract pursuant to RCW 49.60.530(3).
3. Default. Notwithstanding any provision to the contrary, Agency may suspend Contractor, including any subcontractor, upon notice of a failure to participate and cooperate with any state agency investigation into alleged discrimination prohibited by this Contract, pursuant to RCW 49.60.530(3). Any such suspension will remain in place until Agency receives notification that Contractor, including any subcontractor, is cooperating with the investigating state agency. In the event Contractor, or subcontractor, is determined to have engaged in discrimination identified at RCW 49.60.530(3), Agency may terminate this Contract in whole or in part, and Contractor, subcontractor, or both, may be referred for debarment as provided in RCW 39.26.200. Contractor or subcontractor may be given a reasonable time in which to cure this noncompliance, including implementing conditions consistent with any court-ordered injunctive relief or settlement agreement.
4. Remedies for Breach. Notwithstanding any provision to the contrary, in the event of Contract termination or suspension for engaging in discrimination, Contractor, subcontractor, or both, shall be liable for contract damages as authorized by law including, but not limited to, any cost difference between the original contract and the replacement or cover contract and all administrative costs directly related to the replacement contract, which damages are distinct from any penalties imposed under Chapter 49.60, RCW. Agency shall have the right to deduct from any monies due to Contractor or subcontractor, or that thereafter become due, an amount for damages Contractor or subcontractor will owe Agency for default under this provision.



EXECUTED AND EFFECTIVE as of the date of the last signature.

Lake Whatcom Water & Sewer District

**STATE OF WASHINGTON
DEPARTMENT OF ENTERPRISE SERVICES**

By: _____
Name: Justin Clary
Title: General Manager
Date: _____

By: _____
Name: Kirsten G. Wilson, PE
Title: Energy Program Manager
Date: _____

ATTACHMENT A

PROJECT MANAGEMENT SERVICES SCOPE OF WORK

Energy/Utility Conservation Projects

Statewide Energy Performance Contracting Program

Energy Program will provide the following project management services for each specific project for the Client Agency. Each individual project shall be authorized by an amendment to this *Agreement*.

1. Assist the Client Agency in the selection of an Energy Service Company (ESCO) consistent with the requirements of RCW 39.35A for local governments; or 39.35C for state agencies and school districts.
2. Assist in identifying potential energy/utility conservation measures and estimated cost savings.
3. Assist in negotiating scope of work and fee for an ESCO audit of the facility(s).
4. Assist in identifying appropriate project funding sources and assist with obtaining project funding.
5. Assist in negotiating the technical, financial and legal issues associated with ESCO's Energy Services Proposal.
6. Review and recommend approval of ESCO energy/utility audits and Energy Services Proposals.
7. Provide assistance during the design, construction and commissioning processes.
8. Review ESCO invoice voucher(s) received for reasonableness and forward to Client Agency for review and payment.
9. Assist with final project acceptance.
10. Assist in resolution of disputes with the ESCO that arise during this *Agreement*, not to include formal disputes.
11. Review up to the first three years of the ESCO's annual Measurement and Verification (M&V) reports for completeness and accuracy. Review any ESCO guarantee compared to reported results and resolve differences, if needed. Review and forward ESCO invoice vouchers for payment by the Client Agency.

ATTACHMENT B

PROJECT MANAGEMENT FEE SCHEDULE

2025-27 Interagency Reimbursement Costs

for Project Management Fees to Administer Energy/Utility Conservation Projects

<u>TOTAL PROJECT VALUE</u>	<u>PROJECT MANAGEMENT FEE</u>	<u>TERMINATION FEE</u>
5,000,001..... 6,000,000.....	\$68,800.....	25,700
4,000,001... .. 5,000,000.....	67,700.....	25,400
3,000,001..... 4,000,000.....	66,700.....	25,000
2,000,001..... 3,000,000.....	62,500.....	23,400
1,500,001..... 2,000,000.....	58,300.....	21,800
1,000,001..... 1,500,000.....	51,600.....	19,300
900,001. 1,000,000.....	43,800.....	16,400
800,001..... .. 900,000.....	41,300.....	15,400
700,001..... .. 800,000.....	38,300.....	14,400
600,001..... .. 700,000.....	36,500.....	13,700
500,001..... .. 600,000.....	33,800.....	12,600
400,001..... .. 500,000.....	30,200.....	11,300
300,001..... .. 400,000.....	25,800.....	9,700
200,001..... .. 300,000.....	20,700.....	7,700
100,001..... .. 200,000.....	14,400.....	5,400
50,001..... .. 100,000.....	7,800.....	3,500
20,001..... .. 50,000.....	4,200.....	2,000

The project management fee on projects over \$6,000,000 is 1.15% of the project cost. The maximum Energy Program termination fee is \$25,700.

1. These fees cover project management services for energy/utility conservation projects managed by Enterprise Services’ Energy Program.
2. Termination fees cover the selection and project management costs associated with managing an ESCO's investment grade audit and energy services proposal. No termination fee will be charged unless Client Agency decided not to proceed to construction based on an energy services proposal that identifies projects that met Client Agency’s cost effectiveness criteria.
3. If the project meets Client Agency’s cost effectiveness criteria and Client Agency decides not to move forward with a project, then Client Agency will be invoiced per the above listed Termination Fee or \$25,700 whichever is less. If Client Agency decides to proceed with the project then the *Agreement* will be amended to include the Project Management Fee listed above.
4. If the audit fails to produce a project that meets Client Agency’s established cost effectiveness criteria, then there is no cost to Client Agency and no further obligation by Client Agency.



ATTACHMENT C

MEASUREMENT & VERIFICATION SERVICES SCOPE OF WORK

Energy/Utility Conservation Projects

Statewide Energy Performance Contracting Program

If requested, Energy Program will provide the following measurement and verification services for each year beyond the first three years following the Notice of Commencement of Energy Cost Savings by the ESCO for the specific Client Agency project:

1. Review the ESCO's annual Measurement and Verification report for completeness and accuracy. Review any ESCO guarantee compared to reported results and resolve differences, if needed. Review and forward any ESCO invoice vouchers for payment by the Client Agency.
2. Where necessary, review Client Agency facility operations including any changes in operating hours, changes in square footage, additional energy consuming equipment and negotiate changes in baseline energy use with the ESCO and Client Agency that may impact achieved energy savings.
3. Attend a meeting or meetings with Client Agency and ESCO to review and discuss the annual Measurement and Verification report.



**AGENDA
BILL
Item 8.A**

**General Manager's
Report**

DATE SUBMITTED:	March 5, 2026	MEETING DATE:	March 11, 2026
TO: BOARD OF COMMISSIONERS	FROM: Justin Clary, General Manager		
GENERAL MANAGER APPROVAL	<i>Justin Clary</i>		
ATTACHED DOCUMENTS	1. General Manager's Report 2.		
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, March 11, 2026 – 6:30 p.m.

Important Upcoming Dates

Lake Whatcom Water & Sewer District			
Regular Board Meeting	Wed Mar 25, 2026	8:00 a.m.	Board Room/Hybrid
Employee Staff Meeting	Thu Mar 12, 2026	8:00 a.m.	Board Room/Hybrid Commissioner Holland to attend
Investment Comm. Meeting	Wed Apr 29, 2026	10:00 a.m.	Board Room/Hybrid
Safety Committee Meeting	Thu Mar 26, 2026	8:00 a.m.	Board Room
Lake Whatcom Management Program			
Policy Group Meeting	Wed Jun 3, 2026	3:00 p.m.	City of Bellingham Pacific St Ops Center, 2221 Pacific Street
Joint Councils Meeting	Wed Apr 1, 2026	6:30 p.m.	Bellingham City Hall 210 Lottie Street
Other Meetings			
WASWD Section III Meeting	Tue Mar 10, 2026	6:00 p.m.	Bob’s Burgers 8822 Quil Ceda Pkwy, Tulalip, WA
Whatcom County Council of Governments Board Meeting	Wed May 13, 2026	3:00 p.m.	Council of Governments Offices 314 E Champion Street/Hybrid

Committee Meeting Reports

Safety Committee:

- The committee met on February 26; discussion included the findings of safety inspections and annual facility audits, the status of safety programs review, and the completion of securing the sodium hypochlorite tank at the Agate Heights water treatment plant.

Investment Committee:

- No committee meeting has been held since the last board meeting.

Upcoming Board Meeting Topics

- Commissioner Position No. 3 applicant interviews, nomination, and appointment
- 2025-26 Budget Amendment No. 2 approval
- Records management policy adoption
- Geneva-Division 22-1 Reservoirs Improvements public works contract award
- APWA accreditation presentation
- District utility rate structure overview (work session)

2026 Initiatives Status

Administration and Operations

Water Right Adjudication

- Represent the District in the Water Resource Inventory Area (WRIA) 1 water right adjudication to ensure that its certificated and permitted rights are protected.
The District received the adjudication claim documents in March 2025. District staff and legal counsel have finalized claim forms specific to each water right for submittal to Whatcom County Superior Court.

Water and Sewer Rates Analysis

- With the current multi-year rate structure adopted through 2026, lead the District through a comprehensive review of water and sewer rates with the goal of adopting a new 5-year rate structure prior to development of the 2027-28 biennial budget.
The rate analysis is scheduled to begin April 2026.

2027-28 Biennial Budget

- Develop a balanced budget for the 2027-28 biennium.
Budget development is scheduled to begin in Summer 2026 following adoption of a new multi-year rate structure.

Succession Plan

- With several staff retirements anticipated over the next five years, update the District's succession plan.
An update to the succession plan was completed in December 2025.

EUM Assessment/Strategic Plan

- Facilitate the AWWA Effective Utility Management assessment with board and staff and perform an update of the District's 6-year strategic business plan based upon the outcome of the EUM assessment.
The EUM assessment is scheduled for Spring 2026.

APWA Accreditation

- Continue 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 (106 practices have been completed to-date).

Emergency Response/System Security/Safety

Emergency Readiness

- Continue use of Whatcom County Department of Emergency Management services to hold tabletop and/or field emergency response exercises.
2026 emergency response exercises will be scheduled for Fall 2026.

AWIA Compliance

- Complete an update to the District's facility risk assessment in compliance with the American Water Infrastructure Act of 2018 (AWIA) deadline of June 30, 2026.
District staff have initiated risk assessment activities.

- Complete an update to the District's emergency response plan in compliance with the AWIA deadline of December 31, 2026.
Update of the District's ERP will be initiated following completion of the facility risk assessment update.

Safety Program Update

- Continue systematic review and revision of District's safety programs by updating nine programs in 2026.
Staff are reviewing the hearing conservation, personal protective equipment, and office safety programs.

L&I START Program

- Initiate a multi-year effort to obtain District certification through the Washington State Department of Labor & Industries Safety Through Achieving Recognition Together (START) program.
The risk management assessment component was completed by L&I on February 11; currently coordinating industrial hygiene, and health and safety assessments (targeting March).

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
A press release was issued on January 30 (Commissioner Ford resignation).

Intergovernmental Relations

- *J Clary met with Washington State Department of Enterprise Services staff on February 26 regarding energy savings performance contracts.*
- *J Clary is scheduled to attend the WASWD membership committee and Section III meetings on March 10.*

Lake Whatcom Water Quality

Lake Whatcom Management Program

- Participate in meetings of Lake Whatcom Management Program partners.
No LWMP meetings are scheduled during the reporting period.