



# 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](mailto: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

*April 8, 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. Commissioner Position No. 3 Review of Nominees, Appointment and Oath of Office
  - B. On-call Electrical Services Public Works Contract Award
  - C. Utility Rate Structure Overview
7. OTHER BUSINESS
8. STAFF REPORTS
  - A. General Manager
9. PUBLIC COMMENT OPPORTUNITY
10. ADJOURNMENT



**AGENDA  
BILL  
Item 5**

**Consent Agenda**

DATE SUBMITTED:	April 1, 2026	MEETING DATE:	April 8, 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 04.08.2026\*\***

**BACKGROUND / EXPLANATION OF IMPACT**

- Minutes for the 03.18.26 Special Board Meeting
- Minutes for the 03.25.26 Regular Board Meeting
- Payroll for Pay Period #07 (03.14.2026 through 03.27.2026) totaling \$52,592.33
- Benefits for Pay Period #07 totaling \$59,840.61
- 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

## SPECIAL SESSION OF THE BOARD OF COMMISSIONERS

# Minutes

*March 18, 2026*

Board President Todd Citron called the Special Session to order at 6:00 p.m.

**Attendees:** Commissioner Todd Citron                      General Manager Justin Clary  
Commissioner John Carter  
Commissioner David Holland

**Excused Absence:** Commissioner Jeff Knakal

In attendance were Nick Greif (6:00 p.m. to 6:55 p.m.) and Janine Gray (7:00 p.m. to 7:44 p.m.), District constituents and candidates for the Board of Commissioners.

### **Interview Applicants for Board of Commissioners Position No. 3**

The Board conducted interviews of Nick Greif and Janine Gray, candidates for Commissioner Position No. 3.

### **Executive Session Per RCW 42.30.110(1)(h)**

Citron recessed the Special Session to Executive Session at 7:45 p.m. It was estimated that the Executive Session would take 15 minutes and end at 8:00 p.m. The purpose of the Executive Session was to discuss the qualifications of a candidate for appointment to elected office. Citron recessed the Executive Session and reconvened the Special Meeting at 8:01 p.m.

### **Action Taken**

**Carter moved, Holland seconded, to nominate Nick Greif for appointment to Position No. 3 of the Lake Whatcom Water and Sewer District Board of Commissioners. Motion passed.**

With no further business, Citron adjourned the special session at 8:03 p.m.

\_\_\_\_\_  
Board President, Todd Citron

Attest: \_\_\_\_\_  
Recording Secretary, Rachael Hope

Minutes approved by motion at  Regular  Special Board Meeting on \_\_\_\_\_



1220 Lakeway Dr • Bellingham, WA 98229

## REGULAR SESSION OF THE BOARD OF COMMISSIONERS

# Minutes

*March 25, 2026*

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	Engineering Manager Greg Nicoll
Commissioner David Holland (v)	Finance Manager Jenny Signs
	Operations Manager Jason Dahlstrom
	Recording Secretary Rachael Hope

**Excused Absence:** Commissioner Jeff Knakal

No public were in attendance, until 9:23 a.m., when one member of the public joined virtually in observation only mode. Attendees noted with a (v) attended the meeting virtually.

### **Consent Agenda**

#### **Action Taken**

**Carter moved, Holland seconded, approval of:**

- **Minutes for the 03.11.2026 Regular Board Meeting**
- **Payroll for Pay Period #06 (02.28.2026 through 03.13.2026) totaling \$57,366.48**
- **Benefits for Pay Period #06 totaling \$72,030.40**
- **Accounts Payable Vouchers totaling \$130,946.50**

**Motion passed.**

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

Clary recalled that 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 worked with DES to proceed to the next step in the process—execution of an interagency agreement with DES for these services. The Board considered the interagency agreement during its March 11 meeting;

however, there was a desire to better understand the sequencing of cost effectiveness criteria definition relative to project initiation as it relates to termination fees defined in Appendix B of the agreement. DES staff provided additional information to address this concern, which staff relayed to the board. Discussion followed.

#### **Action Taken**

**Holland moved, Carter seconded, to authorize the general manager to execute Interagency Agreement No. K10380 with the Washington State Department of Enterprise Services, as presented. Motion passed.**

#### **2025 Financial Benchmarks Performance**

Clary explained that as a public agency, it is crucial that the District maintain public trust through efficiently operating in a transparent manner. A method for monitoring and public reporting of utility operations is through performance measurement. Performance measurement (or “benchmarking”) has been implemented by the District in tracking progress on and attainment of departmental goals defined in prior and current six-year strategic business plans.

To go beyond prior performance tracking efforts, the Board adopted a series of financial benchmarks in August 2025 with the objective of setting the stage for the long-term demonstration to customers that the District has proactively managed and maintained its finances and utilities to mitigate unnecessary operational expenses. The financial benchmarks that the Board adopted relied on existing resources (such as the American Water Works Association Utility Benchmarking and Washington State Auditor’s Office guidance documents), as applicable to the District. Staff presented the District’s performance in attaining the benchmarks in 2025 relative to 2024 baseline data. Discussion followed.

#### **American Public Works Association Accreditation**

Goal No. 7 of the Executive Department goals defined in the District’s 2025-2030 Strategic Business Plan is obtaining agency accreditation through the American Public Works Association (APWA). In line with the District’s pursuit of continuous improvement, APWA accreditation promotes excellence in the operation and management of public works agencies, their programs, and employees. While the District has not yet formally initiated pursuit of accreditation through this comprehensive program, District staff have begun completion of program practices specific to the District to lessen the workload once officially entered. Clary provided the Board with an overview of the accreditation process and experience with program implementation to-date. Discussion followed.

#### **General Manager’s Report**

Clary updated the Board on several topics, including nomination of a candidate for the vacant Commissioner District 3 position, the upcoming annual Lake Whatcom Management Program Joint Councils and Commissions meeting, and communication with the Glen Cove Water Association regarding evaluation of potential acquisition of the GCWA system. Discussion followed.

#### **Engineering Department Report**

Nicoll highlighted recent bid and contract activity and updated the Board on several ongoing projects in various stages of design and permitting, as well as continued work on asset management program development. Discussion followed.

#### **Finance Department Report**

Signs’ report focused on revenues and expenditures tracking to budget projections, highlighting final incoming funds from the EPA received in February for the Division 7 Reservoir Replacement Project, as well as touching on bond maturations and the current audit cycle.

**Operations & Maintenance Department Report**

Dahlstrom reported on the District’s continued excellent safety record, and highlighted preliminary results of the recent Department of Health sanitary survey of the South Shore Water System (Sudden Valley Water Treatment Plant and associated storage and distribution system), and progress on 2026 water main flushing.

With no further business, Citron adjourned the regular session at 9:28 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: 11:33:51 Date: 03/30/2026

04/02/2026 To: 04/02/2026

Page: 1

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
893	04/02/2026	Payroll	5	EFT		4,133.10	03/14/2026 - 03/27/2026 PR07
894	04/02/2026	Payroll	5	EFT		3,365.30	03/14/2026 - 03/27/2026 PR07
895	04/02/2026	Payroll	5	EFT		4,313.44	03/14/2026 - 03/27/2026 PR07
896	04/02/2026	Payroll	5	EFT		3,363.99	03/14/2026 - 03/27/2026 PR07
898	04/02/2026	Payroll	5	EFT		2,204.69	03/14/2026 - 03/27/2026 PR07
899	04/02/2026	Payroll	5	EFT		2,692.60	03/14/2026 - 03/27/2026 PR07
900	04/02/2026	Payroll	5	EFT		2,630.77	03/14/2026 - 03/27/2026 PR07
901	04/02/2026	Payroll	5	EFT		3,327.91	03/14/2026 - 03/27/2026 PR07
902	04/02/2026	Payroll	5	EFT		3,004.96	03/14/2026 - 03/27/2026 PR07
903	04/02/2026	Payroll	5	EFT		3,100.80	03/14/2026 - 03/27/2026 PR07
904	04/02/2026	Payroll	5	EFT		2,494.32	03/14/2026 - 03/27/2026 PR07
905	04/02/2026	Payroll	5	EFT		2,026.99	03/14/2026 - 03/27/2026 PR07
906	04/02/2026	Payroll	5	EFT		1,793.41	03/14/2026 - 03/27/2026 PR07
907	04/02/2026	Payroll	5	EFT		4,565.84	03/14/2026 - 03/27/2026 PR07
908	04/02/2026	Payroll	5	EFT		2,697.57	03/14/2026 - 03/27/2026 PR07
909	04/02/2026	Payroll	5	EFT		4,966.44	03/14/2026 - 03/27/2026 PR07
897	04/02/2026	Payroll	5	17373		1,910.20	03/14/2026 - 03/27/2026 PR07
						13,808.06	
						38,784.27	
						<u>52,592.33</u>	
						52,592.33 Payroll:	52,592.33

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 03.30.2026  
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

CHECK REGISTER

BENEFITS

Lake Whatcom W-S District

Time: 11:55:25 Date: 03/30/2026

04/02/2026 To: 04/02/2026

Page: 1

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
910	04/02/2026	Payroll	5	EFT	DEPARTMENT OF RETIREMENT SYSTEMS	7,652.00	Pay Cycle(s) 04/02/2026 To 04/02/2026 - DCP; Pay Cycle(s) 04/02/2026 To 04/02/2026 - ROTH DCP
911	04/02/2026	Payroll	5	EFT	UNITED STATES TREASURY	20,459.94	941 Deposit for Pay Cycle(s) 04/02/2026 - 04/02/2026
912	04/02/2026	Payroll	5	EFT	WA ST PUBLIC EMP RET PLAN 2	7,041.02	Pay Cycle(s) 04/02/2026 To 04/02/2026 - PERS 2
913	04/02/2026	Payroll	5	EFT	WA ST PUBLIC EMP RET PLAN 3	2,762.58	Pay Cycle(s) 04/02/2026 To 04/02/2026 - PERS 3
914	04/02/2026	Payroll	5	EFT	WA ST SUPPORT ENFORCEMENT REGISTRY	888.77	Pay Cycle(s) 04/02/2026 To 04/02/2026 - SUP ENF
915	04/02/2026	Payroll	5	17374	AFLAC	296.36	Pay Cycle(s) 04/02/2026 To 04/02/2026 - AFLAC PRE-TAX; Pay Cycle(s) 04/02/2026 To 04/02/2026 - AFLAC POST-TAX
916	04/02/2026	Payroll	5	17375	AFSCME LOCAL	360.50	Pay Cycle(s) 04/02/2026 To 04/02/2026 - UNION DUES; Pay Cycle(s) 04/02/2026 To 04/02/2026 - UNION FUND
917	04/02/2026	Payroll	5	17376	HRA VEBA TRUST (PAYEE)	560.00	Pay Cycle(s) 04/02/2026 To 04/02/2026 - VEBA
918	04/02/2026	Payroll	5	17377	WA ST HEALTH CARE AUTHORITY	19,819.44	Pay Cycle(s) 04/02/2026 To 04/02/2026 - PEBB MEDICAL; Pay Cycle(s) 04/02/2026 To 04/02/2026 - PEBB ADD LTD
						45,037.27	401 Water Fund
						14,803.34	402 Sewer Fund
						59,840.61	Payroll:
							59,840.61

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 [Signature] Date 03, 30, 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**

**Board of Commissioners  
Position No. 3 Review of  
Nominees and Appointment**

DATE SUBMITTED:	March 26, 2026	MEETING DATE:	April 8, 2026
TO: BOARD OF COMMISSIONERS	FROM: Justin Clary, General Manager		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. none		
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 is a special purpose district authorized under Title 57 Revised Code of Washington (RCW). The District is governed by five (5) commissioners who set the policies and rates of the District. The District is divided into five distinct *commissioner districts*; each represented by a resident elected from that commissioner district to serve a six-year term of office.

Commissioner Bruce Ford resigned from Position No. 3, with an effective date of January 31, 2026. [RCW 42.12.080](#), Filling nonpartisan vacancies—Special purpose districts, defines associated District-deadlines for filling the vacant position.

Per Paragraph 1, the Board must nominate at least one candidate and post the name of the nominated candidate in at least three public places (including the District’s website) for a minimum of 15 days. During that period, registered voters of the District may submit nominations to the Board for appointment to the vacant position. Following the 15-day period, the Board shall appoint a qualified person to fill the vacancy from the pool of candidates nominated by either the Board or the public (Paragraph 2).

Per Paragraphs 5 and 6, the Board has 90 days to appoint a qualified person to the vacant position (May 1 for the Position No. 3 vacancy). If the Board fails to act by this deadline, the authority turns over to the Whatcom County Council, which has an additional 90 days to fill the vacancy (July 30 for the Position No. 3 vacancy). If the County Council fails to act by this deadline, the authority turns over to the District Board of Commissioners to petition the governor to fill the vacancy. The individual appointed by the Board will hold the position until the general election in November 2027, at which point the individual elected to Position No. 3 will hold the office for the remainder of the current term (through December 31, 2031).

The District advertised for applications for appointment to Position No. 3 February 2 through March 2 (website/Facebook/Nextdoor posts and mailers to residents of Position No. 3). The District received applications from two individuals meeting the qualifying requirements for serving on the Board and conducted interviews of those individuals during a special meeting of the Board on March 18. During the March 18 meeting, the Board nominated Nick Greif for appointment to Position No. 3.

On March 19, the District posted to four public places (District website, District Facebook page, District Nextdoor account, and physically at the entrance to the District’s administration building) a request of the public to nominate an individual to Position No. 3, with nominations due April 6. A list of all eligible individuals nominated for appointment to Position No. 3 will be presented to the Board during the April 8 meeting.

**FISCAL IMPACT**

No fiscal impact beyond the current 2025-26 Budget is anticipated with appointment of an individual to Commissioner Position No. 3.

**APPLICABLE EFFECTIVE UTILITY MANAGEMENT ATTRIBUTE(S)**

Stakeholder Understanding & Support

**RECOMMENDED BOARD ACTION**

Staff recommends that the Board appoint an eligible individual nominated for appointment to Position No. 3.

**PROPOSED MOTION**

A recommended motion is:

“I move to appoint \_\_\_\_\_ to Position No. 3 of the Lake Whatcom Water and Sewer District Board of Commissioners.”

Following appointment, an oath of office will be sworn.

“I, \_\_\_\_\_, do solemnly swear that I will support the Constitution of the United States and the Constitution and laws of the State of Washington, and that I will faithfully and impartially perform and discharge the duties of the office of Lake Whatcom Water and Sewer District Commissioner District No. 3 in and for the County of Whatcom, State of Washington, according to law and to the best of my ability.”



**AGENDA  
BILL  
Item 6.B**

**Electrical On-Call Unit Price  
Small Works Contract Award**

DATE SUBMITTED:	April 1, 2026	MEETING DATE:	April 8, 2026
TO: BOARD OF COMMISSIONERS	FROM: Greg Nicoll, P.E., District Engineer		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. Bid Tabulation		
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 District maintains and operates a substantial number of sewer lift stations, water booster stations, reservoirs, treatment plants, and buildings. All of these facilities have electrical and control systems that need routine maintenance and repair. The District has one licensed electrician on staff. Due to the continuous and increasing amount of electrical and control maintenance, troubleshooting, and repair tasks that periodically exceed the in-house capacity, District staff have used an on-call contract for the past three years.

The intent of this unit price contract is to order electrical work as needed to support and supplement the District’s maintenance crews. The majority of work is anticipated to be for maintenance and repair, with each work order being relatively small in value and would be funded by operations and maintenance funds. However, maintaining an on-call contract such as this also positions the District to more quickly respond to emergency situations, should they arise during the term of the contract.

The value of work is estimated to be less than \$350,000. Per the District’s administrative code (Section 2.16.5.4) and as allowed by state law, staff solicited bids on the District’s small works roster. A total of two bids were received and the lowest responsive bid was provided by Elite Electrical Contractors, Inc.

The contract will be in effect for 12 months from the date of contract execution with the District’s option to extend the contract for an additional one-year period (as allowed by statute).

**FISCAL IMPACT**

This contract is a unit price contract. The total amount listed on the Bid Tabulation is only used to determine the low bidder for contract award, and is NOT the amount of work that will be ordered by the District, nor is the District obligated to order a minimum amount of work once the contract is executed.

Work will be defined and authorized by work order using the unit prices on the Bid Tabulation. Work orders will be issued in accordance with the policies established in the administrative code.

**APPLICABLE EFFECTIVE UTILITY MANAGEMENT ATTRIBUTE(S)**

Operational Optimization  
Enterprise Resiliency

**RECOMMENDED BOARD ACTION**

Staff recommends award of the 2026 Electrical On-Call Unit Price Contract to Elite Electrical Contractors, Inc.

**PROPOSED MOTION**

Recommended motion is:

“I move to award the Electrical On-Call Contract to and authorize the general manager to execute a small works contract with Elite Electrical Contractors, Inc.”

LAKE WHATCOM WATER & SEWER DISTRICT  
 1220 LAKEWAY DRIVE  
 BELLINGHAM, WA 982298  
 (360) 734-9224



**BID TABULATION**

PROJECT NAME	PROJECT #	BID REVIEW DATE & TIME	PAGE # OF #	LOCATION
On-Call Electrical Services	M2606	3/26/2026	1 OF 1	Lake Whatcom Water & Sewer District
NAME OF FIRM	ELITE ELECTRICAL		MARQUIS ELECTRIC	

Item	Description	Quantity	Unit	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount
BASE BID													
1	Mobilization / Demobilization	6	EA	\$ 65.00	\$ 390.00	\$ 150.00	\$ 900.00						
	Project Manager (Regular Hourly Rate)	20	HR	\$ 135.00	\$ 2,700.00	\$ 150.00	\$ 3,000.00						
	Journeyman Electrician (Regular Hourly Rate)	150	HR	\$ 135.00	\$ 20,250.00	\$ 150.00	\$ 22,500.00						
	Journeyman Electrician (Premium Hourly Rate)	50	HR	\$ 202.50	\$ 10,125.00	\$ 200.00	\$ 10,000.00						
	Electrical Trainee (Regular Hourly Rate)	50	HR	\$ 115.00	\$ 5,750.00	\$ 125.00	\$ 6,250.00						
	Electrical Trainee (Premium Hourly Rate)	15	HR	\$ 170.00	\$ 2,550.00	\$ 187.00	\$ 2,805.00						
	Electrical Service Vehicle	100	HR	\$ -	\$ -	\$ 120.00	\$ 12,000.00						
	Owner Pre-authorized Material Purchase(s)	1	LS	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00						
	Sub Total Base Bid (does not include Washington State Sales Tax)				\$ 46,765.00		\$ 62,455.00		\$ -		\$ -		\$ -

BID GURANTEE FOR PROJECTS OVER \$35,000? (YES OR NO)

NA

NA

NA

NA

NA

ADDENDUM ACKNOWLEDGED? (YES OR NO)

NA

NA

NA

NA

NA



**AGENDA  
BILL  
Item 6.C**

**Utility Rate  
Structure Overview**

DATE SUBMITTED:	March 30, 2026	MEETING DATE:	April 8, 2026
TO: BOARD OF COMMISSIONERS	FROM: Jenny Signs, Finance Manager/Treasurer		
GENERAL MANAGER APPROVAL	<i>Jenny Signs</i>		
ATTACHED DOCUMENTS	Designing & Setting Utility Rates Presentation		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input type="checkbox"/>	INFORMATIONAL /OTHER <input checked="" type="checkbox"/>

**BACKGROUND / EXPLANATION OF IMPACT**

The Lake Whatcom Water and Sewer District (District) is a special purpose district authorized under Title 57 of the Revised Code of Washington. While not required by statute, the District has a long-standing practice of projecting operational, capital, and debt service needs multiple years into the future and establishing rates at levels necessary to ensure ongoing financial viability. For additional background on the analysis that set the District’s current (2022-2026) rate structure, please refer to the rate study report available on the [Financial Information page](#) of the District’s website.

With the final increase of the current multi-year rate program now in effect, the District will begin a comprehensive rate study to develop its next five-year rate program. This process is intended to be transparent, deliberate, and grounded in industry best practices, while remaining tailored to the District’s size, system characteristics, and long-term needs.

Utility rates are the primary mechanism by which the District secures the financial resources necessary to operate, maintain, and sustain critical water and sewer infrastructure. As a public utility, the District does not set rates to generate profit. Rather, rates are established to ensure:

- Reliable delivery of safe water and sewer services
- Ongoing maintenance and preservation of infrastructure
- Timely replacement of aging assets
- Compliance with regulatory requirements
- Financial resilience through appropriate reserves

The District uses a **revenue-driven rate framework**, which focuses on determining the total funding required to responsibly operate and sustain each utility fund to then set rates that are predictable and carefully balanced with consideration of customer

impacts. This proven approach has consistently enabled the District to meet system needs and provides the following key advantages:

- **Financial Stability:** Supports consistent and predictable revenue, even as usage fluctuates
- **Simplicity and Transparency:** Provides a clear and understandable structure for both the Board and customers
- **Practical Application:** Recognized by industry organizations such as the American Water Works Association as appropriate for small to mid-sized utilities
- **Defensibility:** Aligns with legal requirements that rates be reasonable, equitable, and based on sound methodology

While the District evaluates system costs to inform overall revenue needs, the focus remains on ensuring sufficient and stable revenue, not on detailed cost allocation. The attached presentation outlines how revenue needs are determined and the key considerations evaluated throughout the rate study process.

A central objective of this framework is to support long-term asset management, infrastructure sustainability, and reliable operations. A revenue-driven approach ensures that:

- Infrastructure is replaced in a planned and timely manner
- Deferred maintenance is minimized
- Financial responsibility is balanced across current and future customers
- Sudden and significant rate increases are avoided

Stable and adequate revenue today directly reduces financial and operational risks in the future. Rates must provide sufficient, stable, and predictable revenue to support reliable service today and sustainable infrastructure for years to come. This framework positions the District to meet its obligations, plan responsibly, and continue serving the community with transparency and fiscal discipline.

### **FISCAL IMPACT**

Dependent upon the ultimate direction provided by the Board at the time of rate adoption.

### **APPLICABLE EFFECTIVE UTILITY MANAGEMENT ATTRIBUTE(S)**

The rate structure affects all Effective Utility Management Attributes.

### **RECOMMENDED BOARD ACTION**

None.

### **PROPOSED MOTION**

None.

# Designing & Setting Utility Rates

Balancing Financial Sustainability, Fairness, and  
Legal Compliance



1

## What We Will Cover

- Why rates matter
- Legal authority & responsibilities
- Understanding revenue needs to support the system
- How revenue is collected fairly and equitably
- Rate structures & design choices
- Testing rates for stability & affordability
- Role of the Board & public transparency

2

## Why We Set Rates

- Provide safe & reliable utility service
- Cover costs today and in the future
- Meet legal & regulatory requirements
- Treat customers fairly and equitably

3

**Principles of Water Rates, Fees, and Charges** **M1**  
Seventh Edition

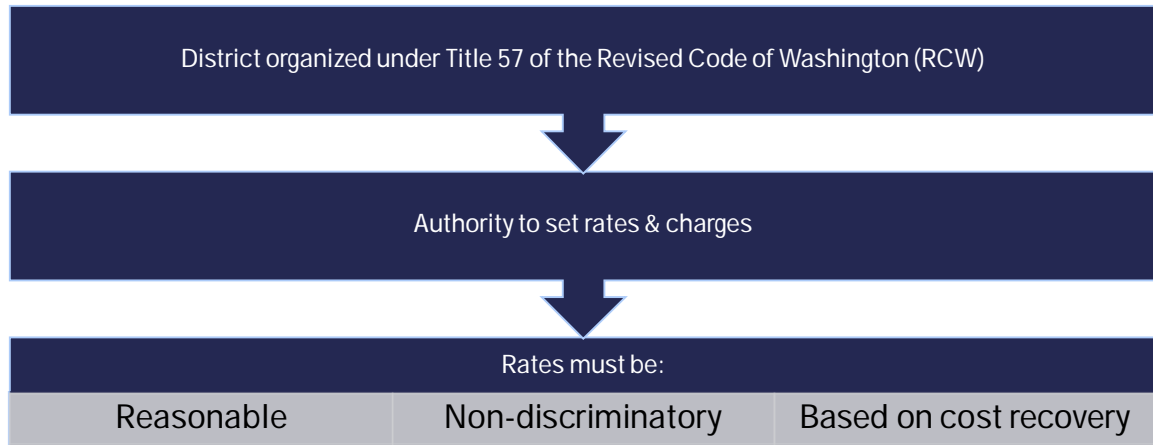
**Guiding Standards We Use**

- ▶ American Water Works Association (AWWA) M1 Manual - Industry Best Practices
- ▶ Rural Community Assistance Partnership (RCAP) Formulate Great Rates – Practical, Community-Focused Approach
- ▶ Washington State Law (Title 57 RCW)

**Formulate Great Rates**  
The Guide to Conducting a Rate Study for a Small System

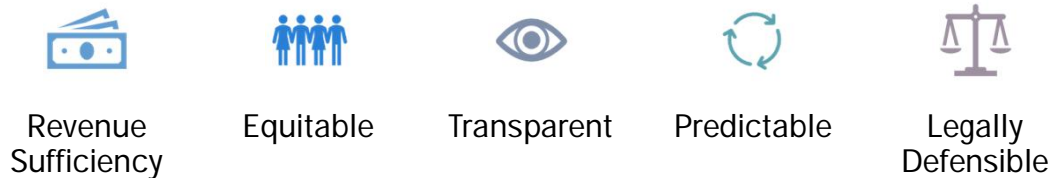
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## Legal Authority (Washington State)

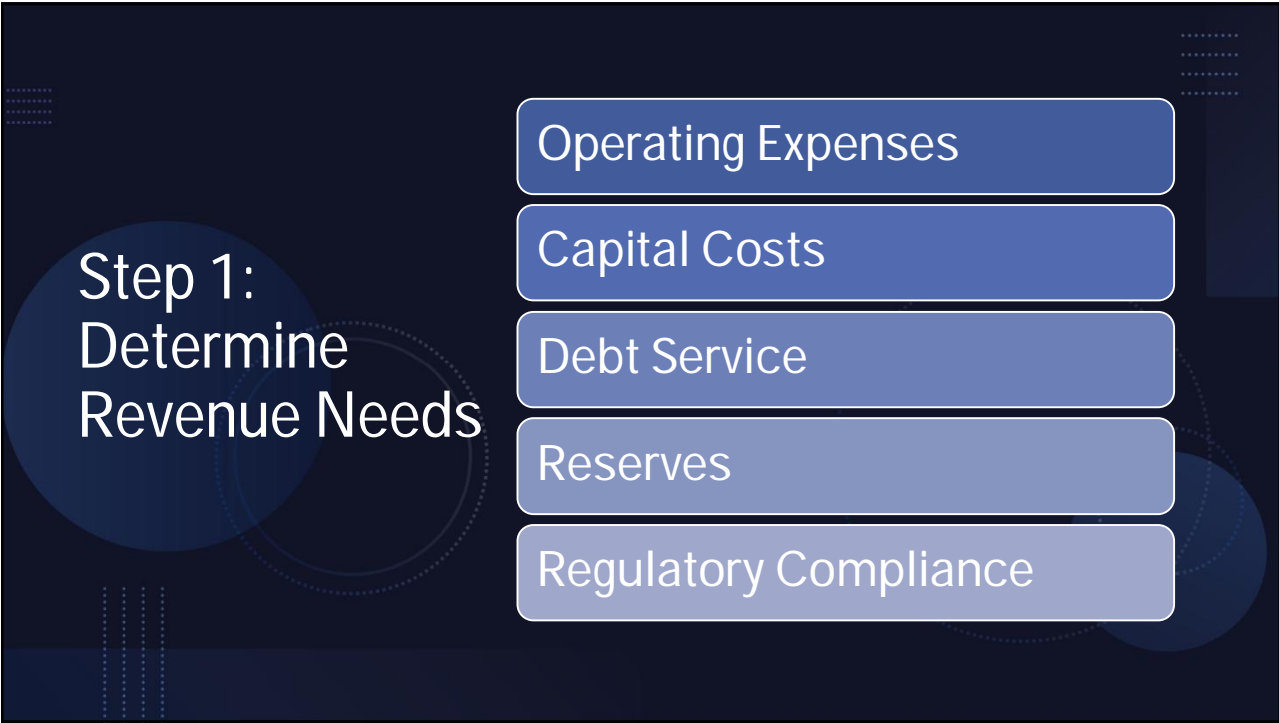


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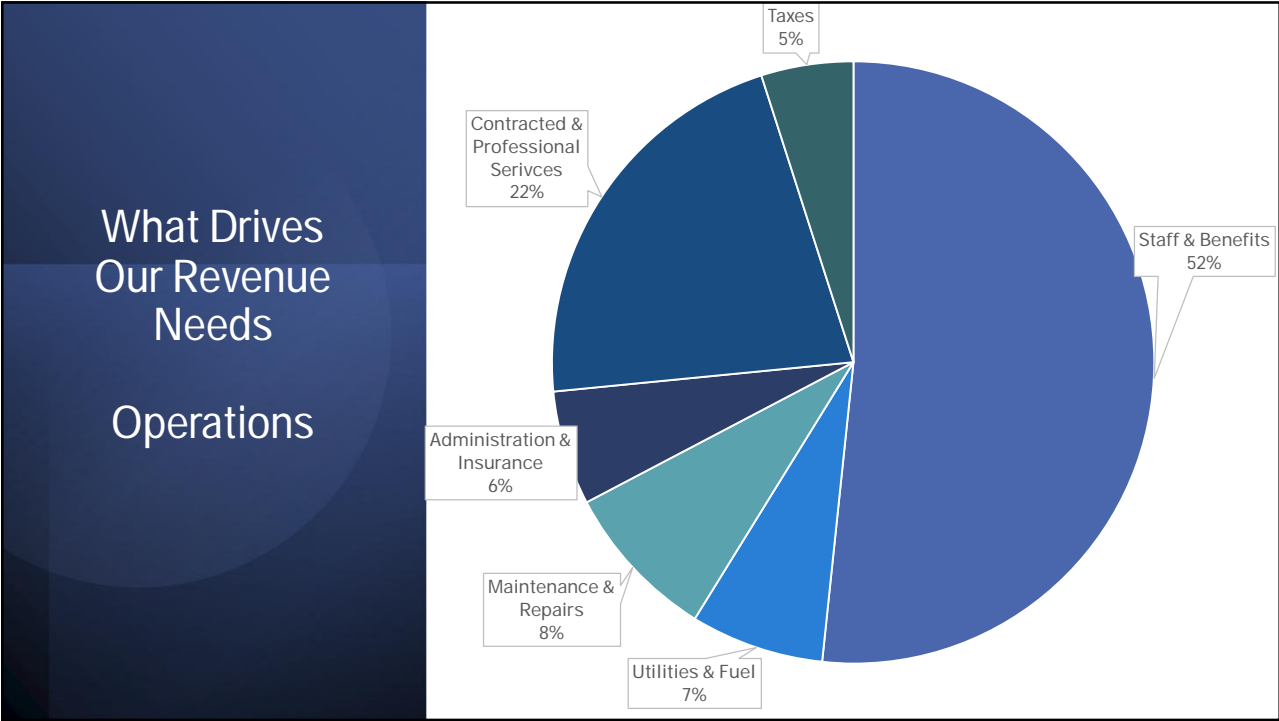
## Core Principles of Good Rate Design



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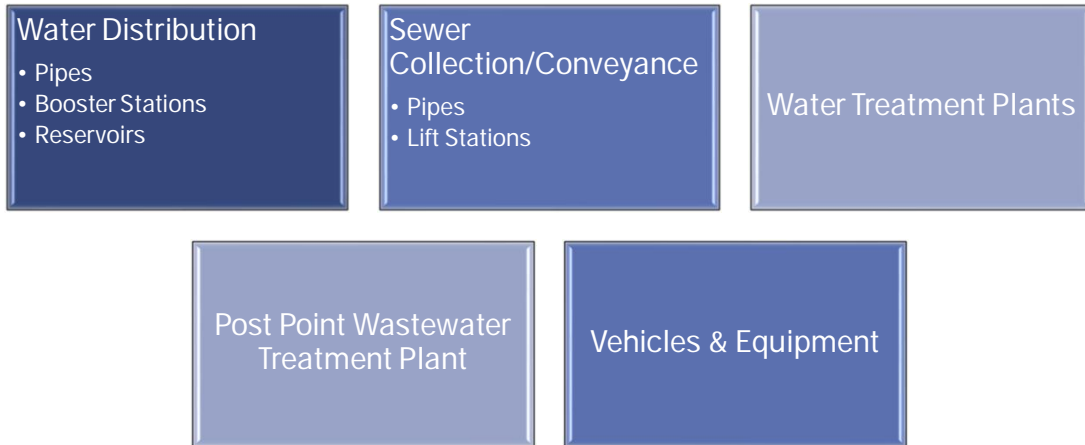


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8

## What Drives Our Revenue Needs - Capital



9

## What Drives Our Revenue Needs– Debt & Reserves



10

# Understanding Costs Fixed vs. Variable



## Fixed Costs

- Staffing
- Administration
- Debt Service
- Regulatory Compliance
- System Readiness



## Variable Costs

- Water Production
  - Power
  - Chemicals
- Sewer Conveyance
  - Pumping
- Treatment at Post Point WWTP

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## Step 2: Align Rates to Revenue Needs

How we ensure stable and sufficient revenue.



Identify Total Revenue Needed






Ensure Each Fund is Self-Supporting



Prioritize Stability & Simplicity

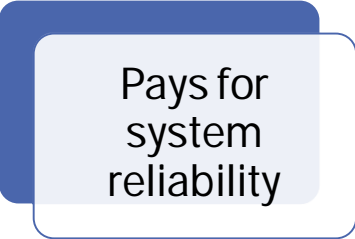

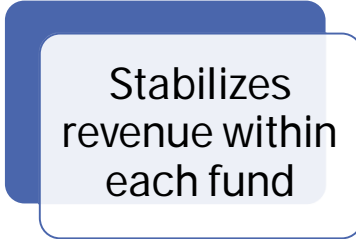
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# Step 3: Choose a Rate Structure

-  Base Rate Plus Tiered Usage (Water Utility Fund)
-  Base Rate (Sewer Utility Fund)
-  Designed to Meet Revenue Needs

13

## Base Charges Explained

-  Pays for system reliability
-  Covers most fixed costs
-  Stabilizes revenue within each fund

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## Volume Charges Explained



REFLECTS WATER USE



ENCOURAGES  
EFFICIENT WATER USE



SUPPORTS VARIABLE  
OPERATING COSTS

15

## Conservation & Affordability Balance

Protect	Protect Essential Household Use
Avoid	Avoid Revenue Instability
Balance	Balance Conservation Goals

16

Step 4: Test the Rates

- Does each fund meet revenue needs?
- Are capital plans supported?
- How sensitive are rates to usage changes?
- Are our rates affordable?

17

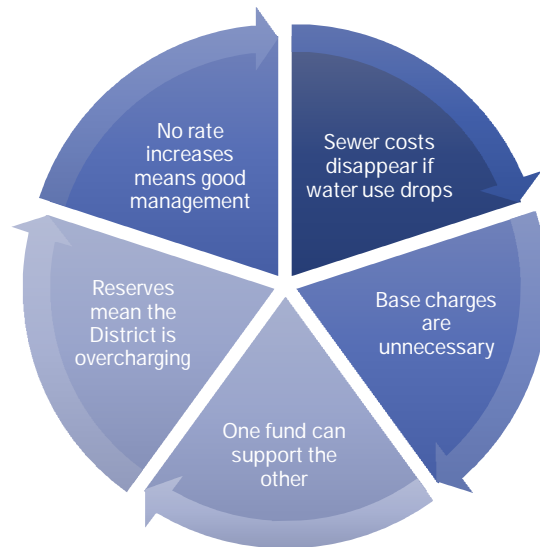
## Rate Stability & Long-Term Planning



- Separate Financial Planning By Fund
- Coordinated Long-Term Strategy for Water and Sewer Funds
- Gradual Adjustments

18

## Common Misconceptions



19

## Transparency & Public Trust



Clear Explanations & Calculations



Simple Visuals



Open Dialogue

20

**Role of the Board**

- Establish rate policy and direction
- Ensure legal and fiduciary compliance
- Balance affordability with sustainability
- Adopt rates through a public process

21

**What This Means for Our District**

- Clear Roles & Responsibilities
- Transparent, Defensible Rate Decisions
- Long-Term Stewardship of Assets

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## Next Steps



Establish timeline of rate study



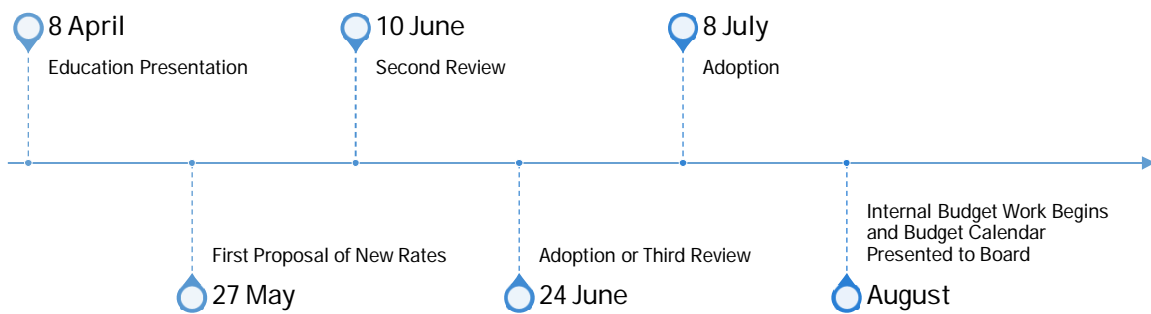
Establish target date for rate adoption



Incorporate rates into the next biennial budget cycle for 2027 - 2028

23

## Timeline



24

# Questions?





**AGENDA  
BILL  
Item 8.A**

**General Manager's  
Report**

DATE SUBMITTED:	April 1, 2026	MEETING DATE:	April 8, 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, April 8, 2026 – 6:30 p.m.

**Important Upcoming Dates**

Lake Whatcom Water & Sewer District			
Regular Board Meeting	Wed Apr 29, 2026	8:00 a.m.	Board Room/Hybrid
Employee Staff Meeting	Thu Apr 9, 2026	8:00 a.m.	Board Room/Hybrid Commissioner Citron to attend
Investment Comm. Meeting	Wed Apr 29, 2026	10:00 a.m.	Board Room/Hybrid
Safety Committee Meeting	Thu Apr 23, 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	Spring 2027	TBD	TBD
Other Meetings			
WASWD Section III Meeting	Wed Apr 22, 2026	7:00 a.m.	WASWD Spring Conference Kennewick, 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 March 26; discussion included status of review of safety programs, status of implementation of corrections identified during annual audits of sewer lift stations and water reservoirs, and support needed during the L&I START program audit on April 30.

Investment Committee:

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

**Upcoming Board Meeting Topics**

- 2025-26 Budget Amendment No. 2 approval
- Records management policy adoption
- Glen Cove Water Association merger consideration
- FEMA hazard mitigation grants amendments approval (authorizing Phase 2—construction)
- Geneva-Division 22-1 Reservoirs Improvements public works contract award

## 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 form responses specific to each water right for submittal to the Whatcom County Superior Court (June 1, 2027 deadline).*

#### 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 will be initiated with an overview of the District's rate structure and history provided during the April 8 board meeting.*

#### 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 (111 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 are conducting 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 has finalized updates to one (1) program (personal protective equipment) and are reviewing the hearing conservation, personal protective equipment, office safety, medical emergencies, and back injury prevention 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; the industrial hygiene, and health and safety assessments are scheduled for April 30.*

### **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 attended the WASWD general managers quarterly meeting on March 25.

- J Clary attended the WSRMP semi-annual business meeting on March 26.

### **Lake Whatcom Water Quality**

#### Lake Whatcom Management Program

- Participate in meetings of Lake Whatcom Management Program partners.

*J Clary attended a joint councils preparation meeting on March 25 and the joint councils meeting on April 1.*