1220 Lakeway Dr • Bellingham, WA 98229

REGULAR SESSION OF THE BOARD OF COMMISSIONERS

Minutes

June 24, 2026

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

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

Also in attendance was member of the public Michael Miller (v). Attendees noted with a (v) attended the meeting virtually.

Consent Agenda

Action Taken
Knakal moved, Holland seconded, approval of:
- **Minutes for the 06.10.2026 Regular Board Meeting**
- **Payroll for Pay Period #13 (06.06.2026 through 06.19.2026) totaling $51,176.16**
- **Benefits for Pay Period #13 totaling $57,721.14**
- **Accounts Payable Vouchers totaling $109,606.78**

Motion passed.

2027-2031 Utility Rate Structure – First Review
During the regularly scheduled Board meeting on June 10, 2026, the Board requested the evaluation of three rate design scenarios for the Water Utility Fund. As a result of that discussion, the Board directed staff to proceed with designing a rate structure for the next five years in which the current design (Base = 0 - 600 cubic feet, Tier 1 = 601 – 2,500 cubic feet, and Tier 2 = greater than 2,500 cubic feet) was revised to reflect a change in consumption levels (Base = 0 - 600 cubic feet, Tier 1 = 601 – 1,800 cubic feet, and Tier 2 = greater than 1,800 cubic feet).

As part of the District's ongoing long-term financial planning efforts, staff evaluated several policy-based financial scenarios for both the Water Utility Fund and the Sewer Utility Fund. The analysis provided options for contingency reserve funding and whether to continue contributions to the capital surplus fund, and associated rate impacts for fiscal years 2027 – 2031. Signs presented the Board with materials summarizing the financial implications of each scenario and highlighted key differences related to contingency reserve funding, capital planning, cash position targets, and future needs. Discussion followed.

Commissioner Greif joined the meeting at 8:08 a.m.

General Manager's Report
Clary updated the Board on several topics, including progress on the Whatcom County Natural Hazards Mitigation Plan and recent meetings with the City of Bellingham to discuss planned improvements at the City's Post Point Wastewater Treatment Plant, including receipt of formal notification 1 year in advance of its emergency generator replacement project.

Engineering Department Report
Nicoll highlighted projects in design, giving progress updates on the Division 22-1 Reservoir Replacement project, recent meetings with Whatcom County regarding stormwater mitigation at project sites, and progress on several building permits for 2027 capital projects. Discussion followed.

President Citron left at 9:06 a.m. and Commissioner Carter assumed governance of the meeting.

Finance Department Report
Signs' report covered May expenses and revenues, highlighting an annual loan repayment and operating expenses that are tracking close to budget, and expectations regarding interest rates and the District's bond portfolio. She also reported on completion of the District's 2025 financial audits by the Washington State Auditor's Office with no findings or recommendations.

Operations & Maintenance Department Report
Dahlstrom reported on the District's continued excellent safety record, recent water leaks, scheduled backup generator maintenance completion, and delivery of the 2025 Consumer Confidence Reports to District customers, and the 2026 development season.

With no further business, Carter adjourned the regular session at 9:12 a.m.

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Board President, Todd Citron

Attest: ______________________________
Recording Secretary, Rachael Hope

Minutes approved by motion at ☑ Regular ☐ Special Board Meeting on July 8, 2026