



1220 Lakeway Dr • Bellingham, WA 98229

REGULAR SESSION OF THE BOARD OF COMMISSIONERS

Minutes

July 29, 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 (v)	Engineering Manager Greg Nicoll
	Commissioner David Holland	Finance Manager Jenny Signs
	Commissioner Jeff Knakal	Operations Manager Jason Dahlstrom
	Commissioner Nick Greif	

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

Agenda Change

Staff requested adding item 6.D. Resolution 907: Approving the General Manager's Emergency Proclamation. The Board agreed.

Consent Agenda

Action Taken

Knakal moved, Holland seconded, approval of:

- Minutes for the 07.08.26 Regular Board Meeting
- Payroll for Pay Period #15 (07.04.2026 through 07.17.2026) totaling \$51,013.87
- Benefits for Pay Period #15 totaling \$57,672.72
- Payroll Taxes for 2026-Q2 totaling \$15,905.83
- Accounts Payable Vouchers totaling \$148,070.36

Motion passed.

2027-2031 Utility Rate Structure – Final Report

As part of the 2026 Utility Rate Study, over the past several months staff have evaluated and presented to the Board several rate design scenarios as well as financial scenarios for both the Water Utility Fund and Sewer Utility Fund. Signs presented the board with the final report for the 2026 Rate Study, highlighting changes to the volume threshold for tier 1 water usage and continued minimal increases for customers, with the sewer rate remaining static. Discussion followed, including plans for communicating changes to the District's customer base.

Resolution No. 906 Update to Master Fees and Charges Schedule

In accordance with Revised Code of Washington Section 57.08.007, the Board of Commissioners regularly reviews and updates the District's fees and charges to ensure that rates are sufficient to fund current capital and operational cost projections. The current master fees and charges schedule (Schedule 29) was adopted by the Board via Resolution No. 886 during its regularly scheduled meeting on November 9, 2022. Historically, the District performs a comprehensive analysis of its water and sewer rates approximately every five years. To ease the burden of these necessary increases on customers, the District has previously taken the approach of adopting multi-year rate increases for each utility that "smooth" the increases throughout the five-year planning horizon.

As 2026 is the final year of the most recent multi-year master fees and charges schedule, the District completed a rate study supporting development of the next 5-year rate program. With several significant capital projects on the near-horizon, the Board and staff held multiple discussions pertaining to the magnitude of anticipated capital projects, operational projections, and the corresponding necessary rate increases.

Based upon Board direction provided during its July 8, 2026, meeting, the Master Fees and Charges Schedule was revised to reflect a 4.75% annual increase to water rates for 2027 through 2031, and no increase to sewer rates throughout that same period. Signs presented the Board with Draft Resolution No. 906, incorporating these rate increases as well as administrative cleanup and adjustment to miscellaneous out of date fees.

Action Taken

Knakal moved, Greif seconded, to adopt Resolution No. 906, as presented. Motion passed.

Water System Pressure Monitoring Presentation

Maintaining stable water system pressure is critical to ensuring regulatory compliance, protecting public health, and extending the operational lifespan of District infrastructure. Fluctuation in water pressure can lead to localized water main breaks, accelerated pipe fatigue, service disruptions, and potential contamination risks. Dahlstrom provided the Board with a presentation on the District's current water system pressure monitoring initiatives, highlighting recent efforts to track hydraulic performance across pressure zones, troubleshoot localized pressure anomalies, and implement real-time data collection solutions. Discussion followed.

Resolution No. 907 Affirmation of the General Manager's Emergency Declaration associated with Sewage Release

Clary explained that on the morning of July 27, 2026, District staff discovered wastewater in a stormwater catch basin located at the intersection of Opal Terrace and Agate Heights Road in the Agate Heights neighborhood. District staff mobilized to the site and began investigation of the source. Following dye testing and camera inspection of sewer lateral cleanouts serving upgradient homes and the District-owned sewer main located under Opal Terrace, it was determined that the single-family residence located at 3368 Coral Lane was connected to the subdivision's stormwater collection/conveyance system. District staff notified the homeowners of the issue and requested that they cease all discharge from their home (the homeowners ordered a port-a-potty for use until the connection can be corrected).

The 10-foot depth of the sewer main below the road surface is at the limit of what District resources can correct. As a result, the District general manager declared an emergency on July 27, 2026 to allow for the direct hire of a contractor with the capability of correcting the sewer connection. Upon further evaluation of site conditions, District staff have determined that self-performing the work is feasible and provides the most expedient means of correcting the issue. Staff recommended that the Board affirm the general manager's emergency declaration so that should unanticipated conditions be encountered, the District maintained the flexibility of contracting for assistance without the requirement to follow time-consuming public works bid laws. Discussion followed.

Action Taken

Holland moved, Knakal seconded, to adopt Resolution No. 907, as presented. Motion passed.

General Manager's Report

Clary updated the Board on several topics, including a cyanobacteria (blue-green algae) bloom in Lake Whatcom, including contact with the Washington State Department of Health and negative test results for the presence of toxins. Discussion followed.

Engineering Department Report

Nicoll highlighted preparation for upcoming capital projects, including progress on permit applications and FEMA funding agreements, and design progress on several projects including preparation to open bidding for security upgrades to District facilities.

President Citron exited the meeting at 9:07 a.m. to report for jury duty and Secretary Carter assumed governance of the meeting.

Finance Department Report

Signs' report covered the 2nd quarter financial report, as well as highlighting the District's clean audits, completion of the rate study, delays in FEMA funding, and expense monitoring as project dates shift. Additionally, the Board were provided with a calendar for upcoming budget discussions and a report on account adjustments for the month of June as well as year to date.

Operations & Maintenance Department Report

Dahlstrom reported on the District's continued excellent safety record, below typical seasonal usage in the Agate Heights system due to the temporary closure of the Lake Whatcom Treatment Center, completion of standby generator & load testing with no issues, and implementation of standard operating procedures for staff regarding the SCADA system, rolling out common practices for troubleshooting system and alarms.

With no further business, Carter adjourned the regular session at 9:15 a.m.



Board President, Todd Citron

Attest: 

Recording Secretary, Rachael Hope

Minutes approved by motion at ☒ Regular ☐ Special Board Meeting on 8/12/2020