LAKE WHATCOM WATER AND SEWER DISTRICT
1220 Lakeway Drive
Bellingham, WA 98229

REGULAR MEETING OF THE BOARD OF COMMISSIONERS

AGENDA

July 29, 2026

8:00 a.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. 2027-31 Utility Rate Structure Presentation
   B. Resolution No. 906—Master Fees and Charges Schedule Update
   C. Water System Pressure Monitoring Presentation

7. OTHER BUSINESS

8. STAFF REPORTS
   A. General Manager
   B. Engineering Department
   C. Finance Department
   D. Operations Department

9. PUBLIC COMMENT OPPORTUNITY

10. ADJOURNMENT

AGENDA BILL Item 5	Consent Agenda	

DATE SUBMITTED:	July 23, 2026	MEETING DATE:	July 29, 2026

TO: BOARD OF COMMISSIONERS	FROM: Rachael Hope		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. See below		
TYPE OF ACTION REQUESTED	RESOLUTION ☐	FORMAL ACTION/ MOTION ☒	INFORMATIONAL/ OTHER ☐

****TO BE UPDATED 07.28.2026****

BACKGROUND / EXPLANATION OF IMPACT

- 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 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

July 8, 2026

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

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

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 06.24.26 Regular Board Meeting**
- **Payroll for Pay Period #14 (06.20.2026 through 07.03.2026) totaling $53,889.23**
- **Benefits for Pay Period #14 totaling $58,440.02**
- **Accounts Payable Vouchers totaling $126,176.75**

Motion passed.

On-call General Engineering Services Professional Services Agreement Approval
Nicoll explained that the District occasionally uses the services of a consultant civil engineering firm to supplement staff services through an on-call professional services agreement (PSA). Task orders are issued on an as-needed basis to assist the District with engineering-related tasks including routine professional engineering and surveying services, updates/amendments to water and sewer comprehensive plans, and general customer service.

Wilson Engineering, LLC is the District's current on-call engineer, with the current on-call engineering services PSA expiring on July 31, 2026. The District issued an request for qualifications through publication in the Bellingham Herald on May 14, 2026. The District received responses from three consultant teams by the 4:00 p.m., June 9, 2026, deadline. The District Engineer and General Manager reviewed the submittals and, based upon qualifications presented, recommended execution of a PSA with Wilson Engineering, LLC for the next five-year period.

<u>**Action Taken**</u>
Greif moved, Knakal seconded, to authorize the general manager to execute the professional services agreement with Wilson Engineering, LLC for on-call general engineering services as presented. Motion passed.

<u>**2027-2031 Utility Rate Structure—Second Review**</u>
Signs recalled that during the regularly scheduled Board meeting on June 24, 2026, the Board provided policy direction regarding the utility rate study, including a proposed 4.75% annual increase to the water utility rates and no increase to the sewer utility rates during the five-year planning period. To provide transparency regarding the assumptions supporting the proposed rates and to ensure the financial plan aligns with the Board's previously established policies and objectives, Signs provided a review of projected revenues, operating expenses, capital investment needs, debt service obligations, reserve funding, and cash flow projections incorporated into the proposed five-year financial plan. Discussion followed.

<u>**General Manager's Report**</u>
Clary updated the Board on several topics, including progress on the Whatcom County Comprehensive Plan update, the District's open Maintenance Worker position, and a recent all-staff records management training presented by the District's Public Records Officer.

With no further business, Citron adjourned the regular session at 7:24 p.m.

____________________________________ Attest: ____________________________________
Board President, Todd Citron Recording Secretary, Rachael Hope

Minutes approved by motion at ☐ Regular ☐ Special Board Meeting on _______________________

CHECK REGISTER

PAYROLL

Lake Whatcom W-S District

Time: 10:28:02 Date: 07/21/2026

07/23/2026 To: 07/23/2026

Page: 1

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
1956	07/23/2026	Payroll	5	EFT		1,160.27	07/04/2026 - 07/17/2026 PP15
1957	07/23/2026	Payroll	5	EFT		4,141.84	07/04/2026 - 07/17/2026 PP15
1958	07/23/2026	Payroll	5	EFT		3,373.72	07/04/2026 - 07/17/2026 PP15
1959	07/23/2026	Payroll	5	EFT		4,132.08	07/04/2026 - 07/17/2026 PP15
1960	07/23/2026	Payroll	5	EFT		2,294.75	07/04/2026 - 07/17/2026 PP15
1962	07/23/2026	Payroll	5	EFT		2,205.01	07/04/2026 - 07/17/2026 PP15
1963	07/23/2026	Payroll	5	EFT		2,794.92	07/04/2026 - 07/17/2026 PP15
1964	07/23/2026	Payroll	5	EFT		2,766.36	07/04/2026 - 07/17/2026 PP15
1965	07/23/2026	Payroll	5	EFT		3,244.10	07/04/2026 - 07/17/2026 PP15
1966	07/23/2026	Payroll	5	EFT		3,007.28	07/04/2026 - 07/17/2026 PP15
1967	07/23/2026	Payroll	5	EFT		3,093.43	07/04/2026 - 07/17/2026 PP15
1968	07/23/2026	Payroll	5	EFT		3,414.24	07/04/2026 - 07/17/2026 PP15
1969	07/23/2026	Payroll	5	EFT		1,788.71	07/04/2026 - 07/17/2026 PP15
1970	07/23/2026	Payroll	5	EFT		4,566.95	07/04/2026 - 07/17/2026 PP15
1971	07/23/2026	Payroll	5	EFT		3,948.33	07/04/2026 - 07/17/2026 PP15
1972	07/23/2026	Payroll	5	EFT		3,171.44	07/04/2026 - 07/17/2026 PP15
1961	07/23/2026	Payroll	5	17660		1,910.44	07/04/2026 - 07/17/2026 PP15
		401 Water Fund				13,298.33	
		402 Sewer Fund				37,715.54	
						51,013.87	Payroll: 51,013.87

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** 07.21.2026

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: 10:36:17 Date: 07/21/2026

07/23/2026 To: 07/23/2026 | Page: 1

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
1973	07/23/2026	Payroll	5	EFT	DEPARTMENT OF RETIREMENT SYSTEMS	7,587.00	Pay Cycle(s) 07/23/2026 To 07/23/2026 - DCP; Pay Cycle(s) 07/23/2026 To 07/23/2026 - ROTH DCP
1974	07/23/2026	Payroll	5	EFT	UNITED STATES TREASURY	20,061.78	941 Deposit for Pay Cycle(s) 07/23/2026 - 07/23/2026
1975	07/23/2026	Payroll	5	EFT	WA ST PUBLIC EMP RET PLAN 2	7,156.83	Pay Cycle(s) 07/23/2026 To 07/23/2026 - PERS 2
1976	07/23/2026	Payroll	5	EFT	WA ST PUBLIC EMP RET PLAN 3	2,424.64	Pay Cycle(s) 07/23/2026 To 07/23/2026 - PERS 3
1977	07/23/2026	Payroll	5	EFT	WA ST SUPPORT ENFORCEMENT REGISTERY	888.77	Pay Cycle(s) 07/23/2026 To 07/23/2026 - SUP ENF
1978	07/23/2026	Payroll	5	17661	AFLAC	296.36	Pay Cycle(s) 07/23/2026 To 07/23/2026 - AFLAC PRE-TAX; Pay Cycle(s) 07/23/2026 To 07/23/2026 - AFLAC POST-TAX
1979	07/23/2026	Payroll	5	17662	AFSCME LOCAL	324.45	Pay Cycle(s) 07/23/2026 To 07/23/2026 - UNION DUES; Pay Cycle(s) 07/23/2026 To 07/23/2026 - UNION FUND
1980	07/23/2026	Payroll	5	17663	HRA VEBA TRUST (PAYEE)	530.00	Pay Cycle(s) 07/23/2026 To 07/23/2026 - VEBA
1981	07/23/2026	Payroll	5	17664	WA ST HEALTH CARE AUTHORITY	18,402.89	Pay Cycle(s) 07/23/2026 To 07/23/2026 - PEBB MEDICAL; Pay Cycle(s) 07/23/2026 To 07/23/2026 - PEBB ADD LTD

401 Water Fund	43,689.90	
402 Sewer Fund	13,982.82	
	57,672.72	Payroll: 57,672.72

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** 07.21.2026

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

2nd Qtr 2026
Payroll Taxes

CHECK REGISTER

Lake Whatcom W-S District

Time: 10:54:52 Date: 07/21/2026

07/27/2026 To: 07/27/2026

Page: 1

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
1982	07/27/2026	Payroll	5	17665	EMPLOYMENT SECURITY DEPARTMENT	2,126.47	2nd Quarter Unemployment: 04/01/2026 - 06/30/2026
1983	07/27/2026	Payroll	5	17666	EMPLOYMENT SECURITY DEPT PAID FAMILY & MEDICAL LEAVE	4,607.65	Pay Cycle(s) 04/01/2026 To 06/30/2026 - PFMLA
1984	07/27/2026	Payroll	5	17667	EMPLOYMENT SECURITY DEPT. WA CARES FUND	2,945.82	Pay Cycle(s) 04/01/2026 To 06/30/2026 - LTC
1985	07/27/2026	Payroll	5	17668	WA ST DEPT OF LABOR AND IND	6,225.89	2ND Quarter L&I: 04/01/2026 - 06/30/2026
		401 Water Fund				12,756.77	
		402 Sewer Fund				3,149.06	
						15,905.83	Payroll: 15,905.83

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** 07.21.2026

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	**2027-2031 Utility Rate Structure—Final Report**

DATE SUBMITTED:	July 22, 2026	MEETING DATE:	July 29, 2026

TO: BOARD OF COMMISSIONERS	FROM: Jenny Signs, Finance Manager		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. 2027-2031 Utility Rate Study and Cash Forecasting Model		
TYPE OF ACTION REQUESTED	RESOLUTION ☐	FORMAL ACTION/ MOTION ☐	INFORMATIONAL/ OTHER ☒

BACKGROUND / EXPLANATION OF IMPACT

The Lake Whatcom Water and Sewer District (District) is a special purpose District authorized under Title 57 Revised Code of Washington (RCW). Consistent with its statutory authority to establish utility rates and charges, the District periodically evaluates the financial needs of its water and sewer utilities to ensure rates are sufficient to support reliable utility operations, infrastructure investment, debt obligations, and long-term financial sustainability. Following policy direction provided by the Board of Commissioners during its June 24, 2026, meeting, staff completed the 2027-2031 Utility Rate Study and Cash Forecasting Model.

The study uses a revenue driven financial planning approach that evaluates projected operating costs, capital improvement needs, debt service requirements, reserve funding objectives, and anticipated revenues over a twenty-year planning horizon while establishing rates for 2027-2031. The report also incorporates asset management information, revised capital investment targets, current economic assumptions, and previously adopted financial policies. Consistent with prior Board direction, the recommended financial plan includes:

- Annual 4.75% Water Utility rate increases during 2027-2031.
- No Sewer Utility rate increases during 2027-2031.
- A revised water rate structure maintaining a 600 cubic foot base allowance while adjusting Tier 1 usage to 601-1,800 cubic feet and Tier 2 usage to greater than 1,800 cubic feet.
- Continued investment in utility infrastructure through increased system reinvestment funding supported by updated asset management information.
- Financial policies that maintain operating reserves, capital contingency reserves, debt service coverage, and long-term cash position targets while

continuing to pursue grant funding and low-interest financing opportunities for major capital projects.

The attached report provides the assumptions, financial forecasts, and supporting analysis used to develop the recommended rate strategy and demonstrates that the proposed financial plan maintains the District's financial sustainability.

FISCAL IMPACT

The proposed financial plan supports anticipated long-term utility operations, capital investment, debt obligations, and reserve funding objectives while maintaining compliance with District financial policies. Combined water and sewer service revenues are projected to total approximately $8.9 million in 2027.

APPLICABLE EFFECTIVE UTILITY MANAGEMENT ATTRIBUTE(S)

Financial Viability
Customer Satisfaction

RECOMMENDED BOARD ACTION

None.

PROPOSED MOTION

Not applicable.

Lake Whatcom Water & Sewer District

Water & Sewer Utility Rate Study

2027-2031

July 29, 2026

INTRODUCTION

Utility Background

The Lake Whatcom Water and Sewer District (District) provides essential water and wastewater services to customers throughout approximately 18 square miles surrounding Lake Whatcom with approximately 3,800 water service connections and 4,200 sewer service connections. The District's service area encompasses residential areas surrounding Lake Whatcom, including Sudden Valley, Geneva, Agate Heights, Eagleridge, and neighboring properties within the watershed. The District owns, operates, and maintains a diverse network of utility infrastructure necessary to provide safe and reliable services to its customers. Water system assets include treatment facilities, reservoirs, pump stations, transmission mains, and distribution infrastructure. Wastewater services consist primarily of the collection and conveyance of sewage flows through the District's collection system to the City of Bellingham's Post Point Wastewater Treatment Facility for regional treatment and disposal.

Providing utility service within the Lake Whatcom Watershed presents unique operational, environmental, and financial challenges. Aging infrastructure, regulatory requirements, environmental stewardship responsibilities, topography, and ongoing capital reinvestment needs require thoughtful planning to ensure utility systems remain reliable and financially sustainable for current and future customers. The District's mission is to provide the best possible water and sewer services in a safe and cost-efficient manner while contributing to the protection of Lake Whatcom's water quality. This mission serves as the foundation for utility planning, operational decision-making, and long-term financial management. The District recognizes that utility rates are more than a revenue source, they are a critical tool for maintaining infrastructure, protecting public health, preserving environmental resources, and ensuring reliable service delivery. The District's financial planning process is guided by principles of service, financial responsibility, environmental stewardship, leadership, and teamwork. These principles support the District's commitment to responsibly managing public resources while maintaining high quality service for customers.

Rate Study

The purpose of this Rate Study and Cash Forecasting Model (Study) is to evaluate the financial needs of the District's water and sewer utilities and develop a sustainable funding strategy for future operations, maintenance, and capital reinvestment while meeting debt obligations and financial reserve requirements. The rate setting period evaluated in this study covers fiscal years 2027 through 2031. However, because utility infrastructure investments often extend well beyond a single rate cycle, the financial forecast evaluates revenues, expenses, capital improvements, reserve levels, and debt obligations over a 20-year horizon. This long-range perspective allows the District to assess the affordability and sustainability of funding strategies while identifying future financial challenges before they occur. The financial forecast uses a revenue-driven planning framework that begins with identifying the District's financial obligations, including operating expenses, capital improvement needs, debt service requirements, and reserve funding objectives. These obligations collectively establish the utility's revenue requirement, which in turn forms the basis for developing rates that support reliable service, infrastructure sustainability, and long-term financial resiliency while minimizing abrupt impacts to customers.

FINANCIAL POLICIES

The financial policies reflected in this Study provide the framework used to evaluate the District's long-term revenue requirements and financial health. These policies are intended to promote financial stability, support prudent asset management practices, maintain adequate liquidity, and ensure resources are available to meet both planned and unplanned obligations. The District's financial planning approach recognizes that utility infrastructure requires ongoing investment and that utility revenues must be sufficient not only to support current operations, but also maintain, repair, and replace critical infrastructure over time. The financial forecast incorporates reserve policies, debt management requirements, and cash balance targets designed to support long-term resiliency.

Operating Reserves

Operating reserves provide a liquidity cushion that protects the utility from short-term fluctuations in revenues and expenses. Maintaining adequate operating reserves allows the District to continue normal operations during periods of unexpected revenue reductions, emergency expenses, seasonal cash flow variations, or other unforeseen events. Consistent with the District's Administrative Code and utility industry best practices, the financial forecast maintains minimum operating reserve levels equivalent to approximately 90 days of operating expenses within the Water Utility Fund and 60 days of operating expenses within the Sewer Utility Fund. These reserve levels are intended to provide sufficient working capital while allowing excess funds to be directed toward infrastructure investment and other utility needs.

Capital Continency Reserve

The Capital Contingency Reserve provides a dedicated funding source for emergency capital expenses, significant equipment failures, and other unforeseen infrastructure needs that can't reasonably be anticipated through the biennial budgeting process. Utility systems contain critical assts whose failure may require immediate repair or replacement to maintain service reliability and protect public health. Historically, the District's contingency reserve target was established at approximately one percent of utility asset values. As part of this study, the District evaluated alternative contingency reserve funding strategies to better align reserve levels with current replacement costs, system complexity, and long-term financial risks. The reserve levels reflected in this forecast are intended to improve the District's ability to respond to unexpected infrastructure failures while reducing reliance on emergency borrowing or abrupt rate adjustments while keeping pace with inflation.

Total Days Cash on Hand

In addition to specific reserve categories, the District monitors unrestricted cash balances through the measurement of *total days cash on hand*. This metric evaluates the utility's overall financial flexibility by measuring the number of days the utility could continue operating using available cash reserves. Credit rating agencies, lenders, and utility industry organizations commonly use days cash on hand as a key indicator of financial strength and liquidity. Consistent with prior financial planning efforts and recommendations, this forecast targets approximately 180 days cash on hand within each utility fund. Maintaining this level of liquidity provides additional financial flexibility to address changing economic conditions, infrastructure needs, and future capital investment requirements.

Debt Management Policies

Debt financing remains an important component of the District's long-term capital funding strategy. While the District seeks to maximize the use of available cash resources and grants wherever possible, certain infrastructure investments may require debt financing to equitably distribute costs among current and future customers. The financial forecast assumes debt financing may be used when sufficient funding isn't available through reserves, rate funded capital, grants, developer contributions, or other resources. The use of debt funding allows the District to complete necessary infrastructure improvements while maintaining rate stability and preserving financial flexibility.

Debt Reserve

The District maintains a debt reserve fund consistent with requirements of existing debt agreements. Debt reserves provide an additional level of protection for bondholders and lenders by ensuring resources are available to meet debt service obligations in the event of unexpected financial challenges. The debt reserve fund also contributes to the District's overall financial strength and supports favorable borrowing terms by demonstrating prudent financial management and a commitment to long-term obligations. The current debt reserve fund maintains a balance equivalent to the maximum amount due over the remaining life of the bonds.

Debt Service Coverage

Debt service coverage is a key measure of a utility's financial capacity to meet its debt obligations. The ratio compares available revenues to annual debt service requirements and serves as an indicator of financial stability and creditworthiness. The District's existing bond covenants require a minimum debt service coverage ratio of 1.25. However, consistent with the District's Administrative Code, this forecast uses a more conservative planning target of 1.75 or greater. Maintaining coverage levels above minimum contractual requirements provides an additional financial cushion, strengthens the District's financial position, and enhances future borrowing flexibility.

System Reinvestment Funding

A fundamental component of long-term utility financial planning is ensuring that sufficient resources are available to repair, rehabilitate and replace infrastructure assets as they reach the end of their useful lives. Rate funded system reinvestment provides a dedicated source of funding for these ongoing capital needs and helps reduce reliance on debt financing for routine infrastructure replacement. Historically, the District's financial planning models included annual system reinvestment targets increased by a fixed amount each year. While this approach provided a reasonable planning framework at the time, it was developed when limited information was available regarding the age, condition, and replacement value of many utility assets.

Since completion of prior rate studies, the District has made significant progress toward the development of a comprehensive asset management program. Through this effort, the District has improved its understanding of system infrastructure, asset condition, replacement costs, and long-term capital needs. This work has demonstrated that future capital funding requirements are greater than previously reflected in historical planning assumptions and that a more robust and sustainable reinvestment strategy is necessary to maintain utility reliability and service levels. As a result, this rate study incorporates increased annual capital funding targets that more closely align with the District's evolving asset management practices and long-term capital needs. The financial forecast reflects these higher levels of reinvestment and incorporates inflationary adjustments throughout the planning horizon rather than a fixed amount. Table 1 provides a summary of the District's financial policies for the water and sewer utilities over the subsequent five-year planning window.

Table 1 – Key Financial Policies

Financial Policy	2027	2028	2029	2030	2031
Operating Reserve – Day to Day Operations					
Water (90 Days)	$780,900	$810,000	$840,400	$871,900	$904,600
Sewer (60 Days)	$603,800	$627,700	$652,500	$678,300	$705,200
Capital Contingency Reserve – 1% Asset Replacement Value					
Water	$1,210,500	$1,234,700	$1,259,400	$1,284,600	$1,310,300
Sewer	$1,689,400	$1,723,200	$1,757,700	$1,792,800	$1,828,700
System Reinvestment Funding – Annual Capital Budget					
Water	$639,000	$651,800	$664,800	$678,100	$691,700
Sewer	$996,400	$1,016,300	$1,036,700	$1,057,400	$1,078,500
Debt Service Coverage – 1.75					
Water	1.72	1.87	2.02	2.19	2.29
Sewer	2.85	2.65	2.43	5.98	5.37
Combined	2.29	2.26	2.23	4.09	3.83

STUDY ASSUMPTIONS

The financial forecast presented in this rate study is based upon information available at the time of analysis and reflects current operating conditions, capital planning efforts, reserve funding objectives, and economic assumptions. Long-term financial planning requires use of assumptions regarding future events and conditions that are not known with certainty. As a result, actual financial performance may vary from the projections presented in this report. The assumptions used in this study are intended to provide a reasonable and conservative basis for evaluating future revenue requirements and supporting long-term financial sustainability. These assumptions will continue to be reviewed and refined as additional information becomes available and future rate studies are conducted.

Economic and Inflation Assumptions

The operating expense forecast is based upon the District's 2025-2026 Biennial Budget and historical operating trends. Future expenses are projected using inflationary assumptions that reflect current economic conditions, anticipated market trends, and the District's experience with labor, materials, services, and utility-related costs. While inflation levels experienced in recent years have moderated from historic highs, utility providers throughout the region continue to experience cost pressures associated with labor, construction materials, contracted services, insurance, regulatory compliance, and infrastructure replacement. Accordingly, this study uses inflation assumptions intended to reflect long-term planning conditions rather than short-term economic fluctuations.

Capital Improvement Planning & Asset Management

The capital improvement program reflected in this study is based on the District's most current capital planning information and ongoing asset management efforts. Significant progress has been made in developing a comprehensive understanding of utility assets, their condition, and long-term replacement needs. As a result, the forecast reflects increased annual capital funding targets compared to previous studies and incorporates inflationary adjustments to better align with anticipated infrastructure replacement costs.

Debt Financing

The forecast assumes debt financing may be used when appropriate to fund major capital improvements that can't be reasonably financed through available cash reserves, utility revenues, grants, or developer contributions. Any future debt reflected in the model is intended for planning purposes only.

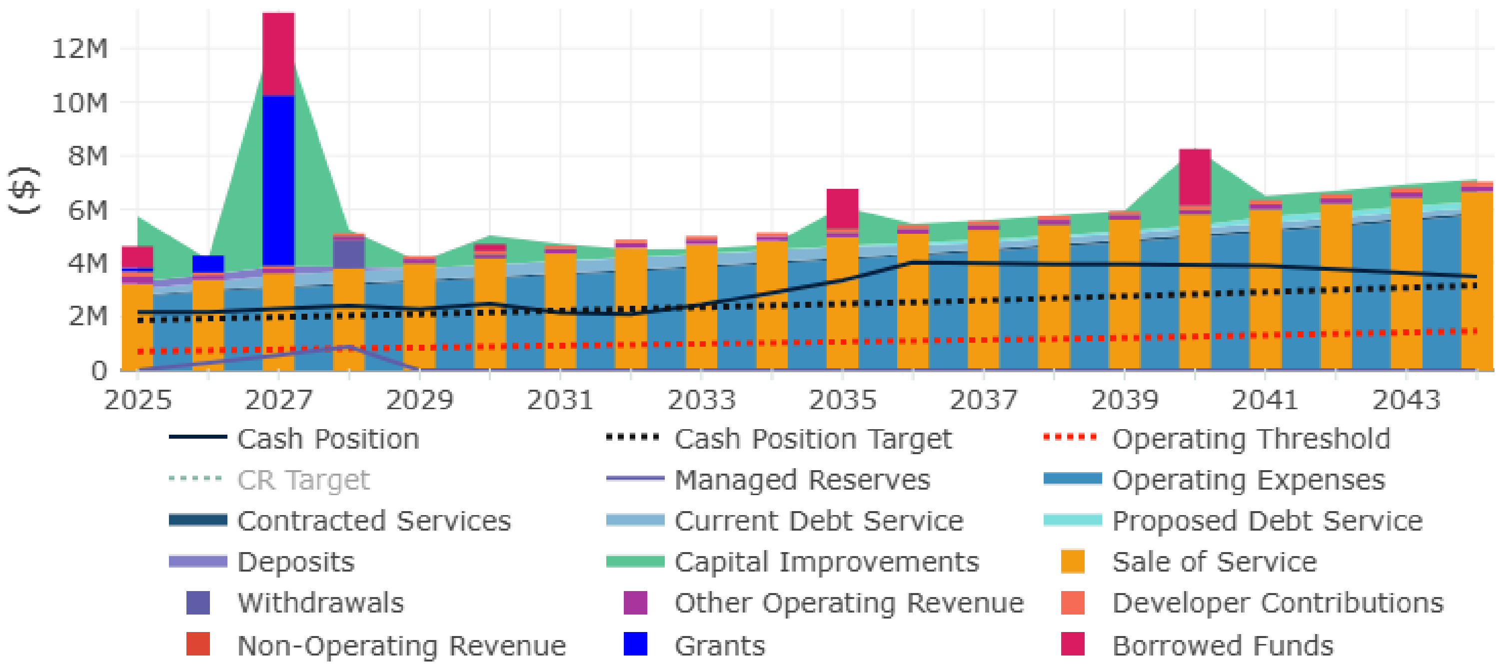
WATER UTILITY FUND & REVENUE REQUIREMENTS

The District provides water utility services to approximately 3,800 connections throughout the District's service area. The District owns and operates treatment, storage, pumping, transmission, and distribution infrastructure necessary to provide safe and reliable drinking water to customers through the Lake Whatcom Watershed. This section evaluates the financial condition of the Water Utility Fund and identifies the revenues necessary to support utility operations, capital investment, debt obligations, reserve funding requirements, and long-term financial sustainability. The financial forecast incorporates actual financial performance through fiscal year 2025, the adopted budget for fiscal year 2026, and projected financial activity throughout the planning horizon.

Consistent with the revenue-driven planning framework discussed earlier, the forecast begins by evaluating the utility's anticipated financial obligations. These obligations collectively establish the utility's revenue requirement and form the basis for developing rates that support the District's needs. In addition to evaluating future revenue requirements, this rate study also evaluated the rate structure used to recover revenues from customers. As part of the rate study process, the Board evaluated several rate design alternatives and directed staff to further analyze modifications to the District's existing tiered rate structure. Historically, the District's water rates have consisted of a 600 cubic foot base allowance, a Tier 1 usage block extending from 601 to 2,500 cubic feet, and a Tier 2 usage block for all consumption exceeding 2,500 cubic feet (over a two-month billing cycle). Consumption exceeding the 600 cubic foot base, is billed at the Tier 1 set rate for each 100 cubic feet; consumption exceeding 2,500 cubic feet is billed at the Tier 2 rate for each 100 cubic feet, which is a 25% increase from the Tier 1 rate. Following the review of customer consumption patterns and rate design alternatives, the Board directed a rate design consisting of a 600 cubic foot base allowance, a Tier 1 usage block extending from 601 to 1,800 cubic feet, and a Tier 2 usage block for all consumption exceeding 1,800 cubic feet. The revised tier structure maintains the District's long-standing objective of providing stable and predictable revenues while improving alignment between customer consumption characteristics and encouraging water conservation. The rate impacts associated with the revised structure are discussed later in this report.

The financial forecast presented in this section illustrates the relationship between operating expenses, capital expenses, debt service obligation, reserve funding objectives, utility revenues, and projected cash balances. Collectively, these factors establish the funding necessary to maintain the long-term financial sustainability of the Water Utility Fund while continuing to provide reliable service to customers. Figure 1 below illustrates the overall forecast for the Water Utility Fund.

Figure 1 – Financial Model Overview



Operations & Maintenance

Operating expenses represent the ongoing costs necessary to operate, maintain, administer, and support the District's water utility system. These expenses include personnel costs, purchased services, utilities, chemicals, maintenance and repairs, insurance, regulatory compliance, professional services, and administrative support functions required to provide reliable drinking water service to customers. A significant portion of the Water Utility Fund's operating expenses are fixed and don't fluctuate based on water consumption. These costs include staffing, insurance, regulatory compliance, routine system maintenance, information technology, administrative support, and operation of critical infrastructure such as reservoirs, pump stations, and water treatment facilities. Regardless of whether water demand increases or decreases in a given year, the District must continue to maintain these assets to provide reliable services to customers.

Other operating expenses are more variable and may fluctuate based on system demand, treatment requirements, utility costs, or other operating conditions. Examples include electricity, treatment chemicals, purchased services, and certain maintenance activities. While these costs vary from year to year, they generally represent a smaller portion of the utility's overall cost structure compared to fixed operating expenses. The operating expense forecast is based upon actual financial performance, the adopted 2026 budget, and long-term planning assumptions previously discussed. Future expenses have been projected using inflationary assumptions that reflect anticipated increases in labor, materials, contracted services, insurance, and other operating costs.

Figure 2 illustrates historical and projected operating expenses for the Water Utility Fund throughout the planning horizon. Operating expenses are anticipated to increase gradually over time as a result of inflationary pressures and the ongoing cost associated with operating and maintaining critical infrastructure. While annual fluctuations may occur, operating expense growth remains relatively stable throughout the forecast period. Figure 3 illustrates how the District's operating costs are accounted for with salaries and benefits being the largest expense. Cost of operating the treatment plants and distribution of water is the next largest category.

Figure 2 – Operating and Maintenance Costs

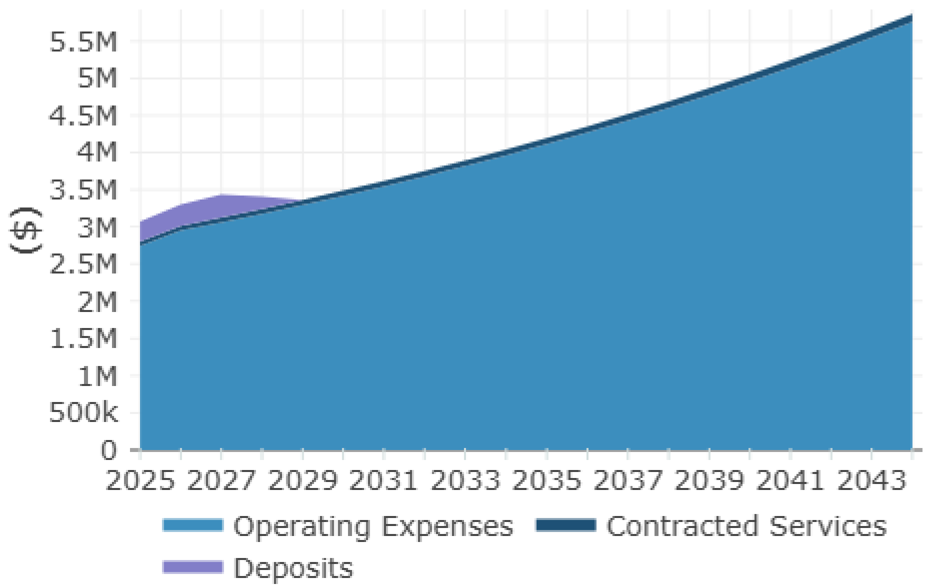
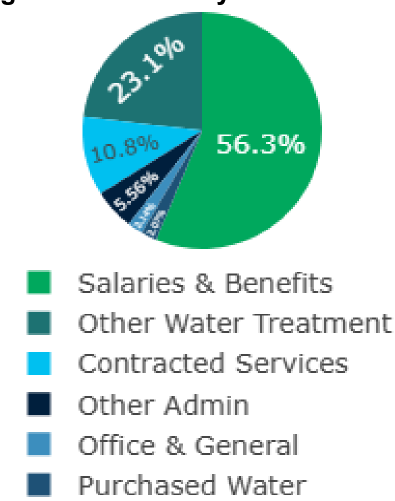


Figure 3 – Summary



The District continues to emphasize proactive maintenance, operational efficiency, and responsible financial management to control operating costs while maintaining service reliability. Although operating expenses remain an important component of the Water Utility Fund's overall revenue requirement, capital investment needs and reserve funding objectives are the primary drivers of future revenue requirements during the planning period.

Capital Expenses

Capital expenses represent investments in infrastructure that extend the service life, reliability, capacity, and resiliency of the District's water system. These projects include the replacement, rehabilitation, and improvement of treatment facilities, reservoirs, transmission mains, distribution infrastructure, booster stations, and other critical assets necessary to provide reliable drinking water service. Figure 4 illustrates historical and projected capital expenses for the Water Utility Fund throughout the planning horizon. Capital expenses represent one of the primary drivers of the utility's long-term revenue requirements and are significantly influenced by the District's ongoing efforts to maintain aging infrastructure, improve system resiliency, and address identified asset replacement needs.

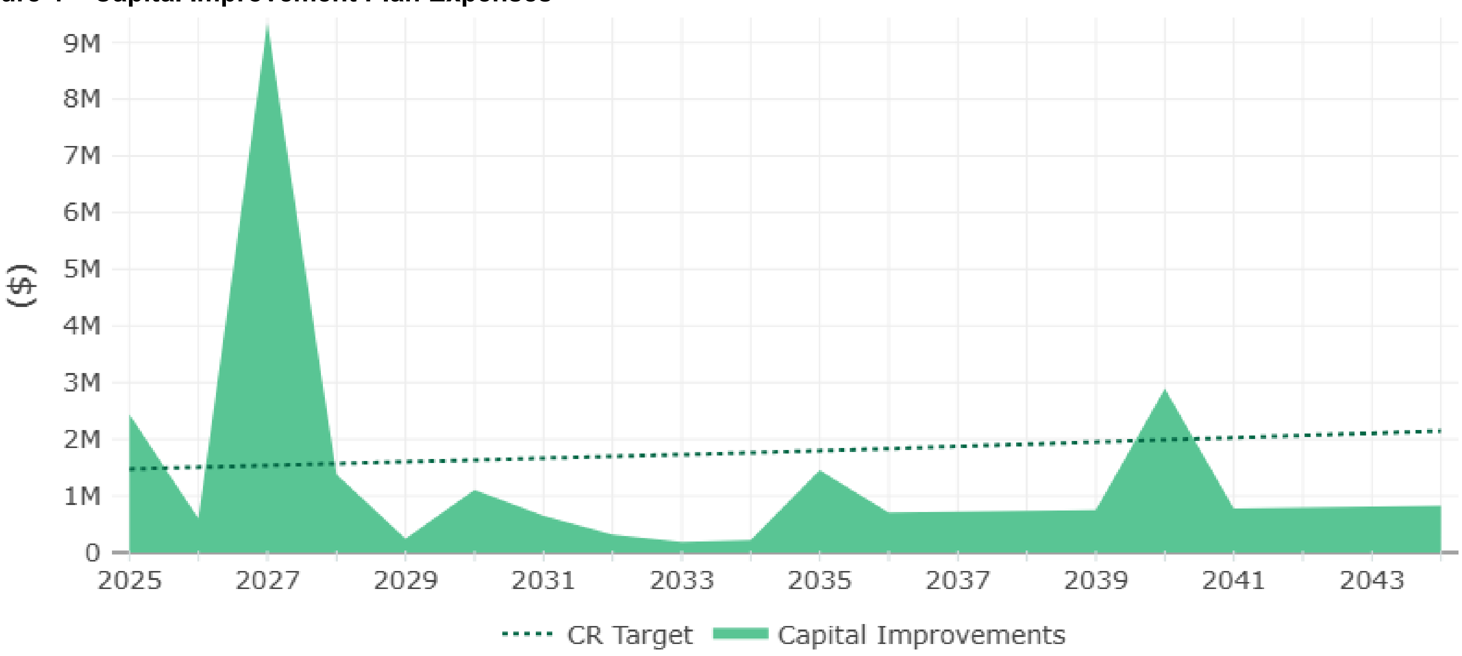
Since completion of prior rate studies, the District has made substantial progress in developing a more comprehensive understanding of its infrastructure through ongoing asset management efforts. This work has improved the District's understanding of asset age, condition, replacement costs, and long-term reinvestment needs. As a result, the capital program reflected in this forecast represents a more realistic assessment of future infrastructure requirements than previous planning efforts and incorporates inflationary adjustments to account for anticipated increases in construction costs over time.

Over the past several years, the District has successfully leveraged grant funding and low-interest loan programs supporting major infrastructure investments while minimizing impacts to customers. Significant projects include replacement of the Division 7 Reservoir and projects that are underway to replace the chlorine contact basin located at the Sudden Valley Water Treatment Plant and the Division 22-1 Reservoir, and improvements to the Geneva Reservoir in the form of recoating and seismic retrofits. These investments improve system reliability, regulatory compliance, emergency preparedness, and long-term asset performance while preserving the financial strength of the utility. While grant funding and low-interest loan financing have significantly reduced the cost burden associated with these projects, external funding sources do not eliminate the need for local financial participation. Most grant programs require matching contributions from the District, and loan proceeds must ultimately be repaid through utility revenues. As a result, maintaining sufficient local funding capacity remains essential to both completing capital projects and successfully pursuing future grant opportunities.

The District's recent success in securing external funding has also highlighted the importance of maintaining strong financial reserves and sustainable levels of rate-funded system reinvestment. Utilities that demonstrate sound financial management and the ability to provide local project funding are often better positioned to compete for state and federal funding assistance. Consequently, the system reinvestment funding targets reflected in this study are significantly higher than those used in previous financial planning efforts. Historically, system reinvestment assumptions were based on fixed annual increases that provided a reasonable planning framework given the information available at the time. However, ongoing asset management efforts have demonstrated that future infrastructure replacement needs exceed those previously assumed. The forecast therefore reflects increased annual reinvestment funding targets that more closely align with the District's evolving understanding of long-term capital needs and incorporates annual inflationary adjustments to maintain purchasing power over time.

As illustrated in Figure 4, capital spending is concentrated during the early years of the forecast due to several planned infrastructure investments and ongoing system reinvestment initiatives. Although annual capital expenses fluctuate throughout the planning horizon, the forecast reflects a long-term commitment to proactive asset management, infrastructure preservation, and financial sustainability. This balanced approach allows the District to leverage grants, low-interest financing, reserves, and utility revenues to responsibly fund infrastructure needs while maintaining reliable service for current and future customers.

Figure 4 – Capital Improvement Plan Expenses



Debt Servicing

Debt service represents the annual principal and interest payments associated with financing capital improvements through long-term debt. The District uses debt financing as a tool to fund major infrastructure investments that provide benefits over multiple generations of customers, allowing project costs to be distributed more equitably over the useful life of the assets. Figure 5 illustrates projected annual debt service obligations for the Water Utility Fund throughout the planning horizon. Existing debt obligations continue to amortize over time while the forecast incorporates additional borrowing associated with several major infrastructure projects, including replacement of the Chlorine Contact Basin and Division 22-1 Reservoir, and the Geneva Reservoir recoating and seismic retrofit project.

The District has historically pursued low-interest financing opportunities through state revolving fund programs and other public infrastructure financing programs whenever available. These financing sources provide significantly lower borrowing costs than conventional financing alternatives (in the form of reduced interest rates) and have allowed the District to complete critical infrastructure improvements while minimizing impacts to customers. Although debt financing remains an important component of the District's capital funding strategy, the forecast reflects a balanced approach that combines debt financing, utility revenues, reserve funding, grant assistance, and other external funding sources. This approach helps preserve financial flexibility while ensuring necessary infrastructure investments can be completed in a timely manner.

Debt service coverage is a key measure of the utility's ability to meet its debt obligations. Figure 6 illustrates projected debt service coverage throughout the forecast period. The District's financial policies establish a minimum planning target of 1.75 times annual debt service. Throughout the forecast period, projected debt service coverage remains at or above this target, demonstrating the utility's ability to meet existing and anticipated debt obligations while maintaining adequate financial flexibility and supporting ongoing infrastructure investment. Maintaining strong debt service coverage provides additional financial resiliency, supports favorable borrowing terms, and positions the District to respond to future infrastructure needs.

Figure 5 – Debt Servicing

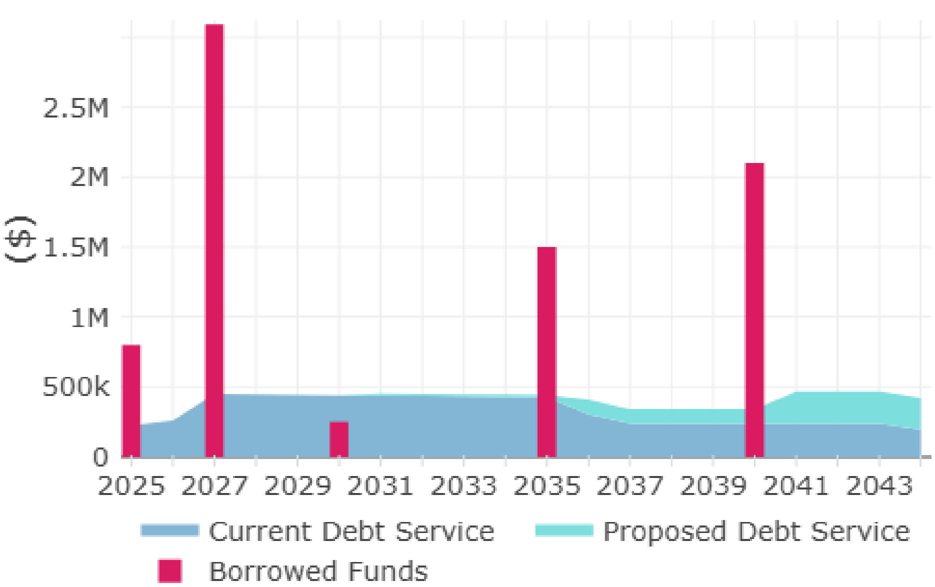
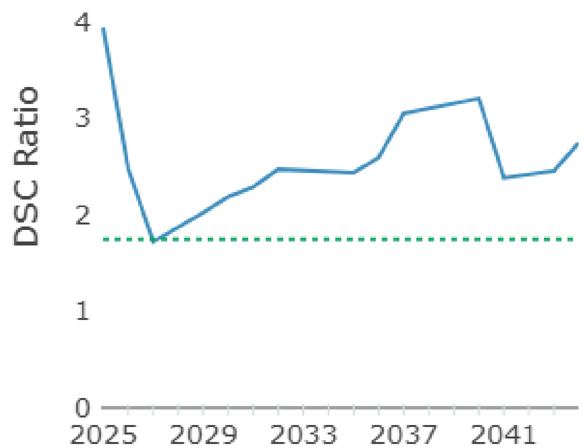


Figure 6 – Debt Service Coverage



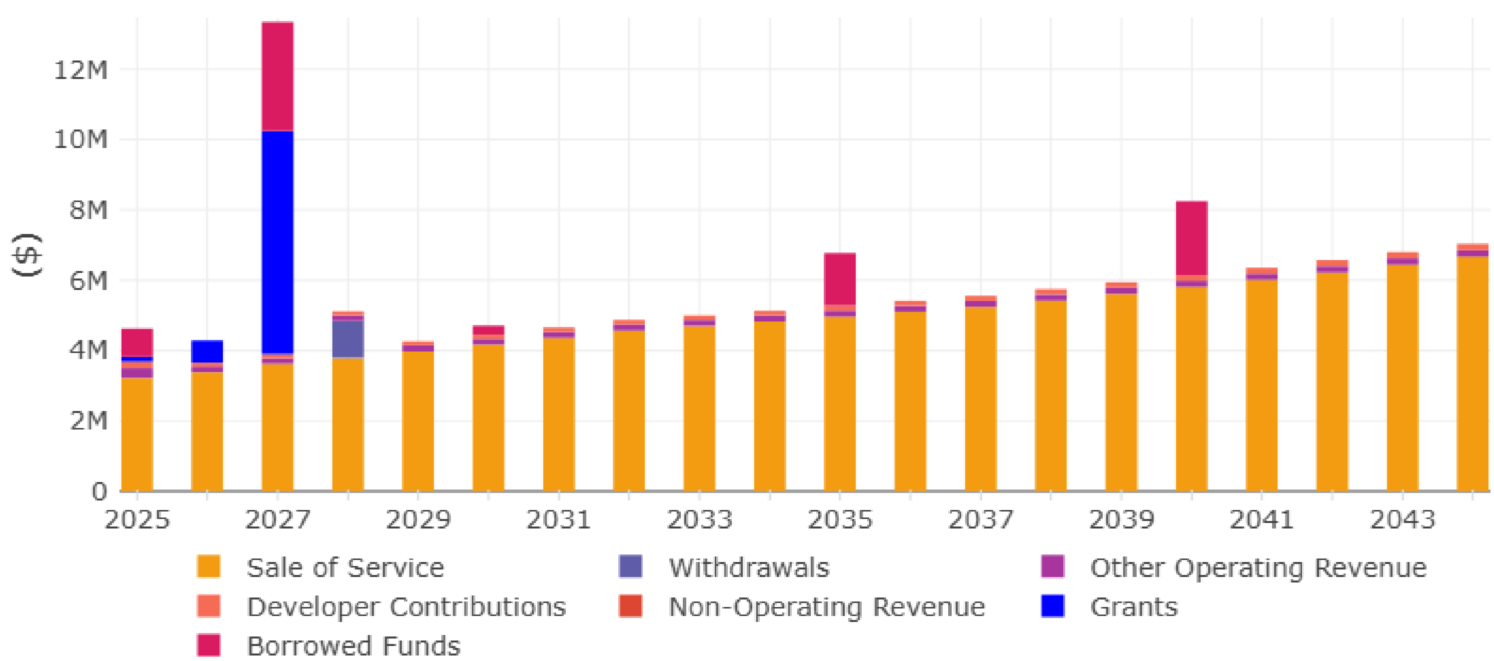
Revenues

The Water Utility Fund receives revenue from a variety of sources, including fixed base charges, volumetric charges, General Facilities Charges (GFCs), investment earnings, grant revenues, loan proceeds, and other miscellaneous revenues. Utility rates remain the primary source of ongoing operating revenue, while grant funding and low-interest financing provide important supplemental funding for major capital improvements. As a Special Purpose District organized under Title 57 RCW, the District establishes utility rates to recover the reasonable cost of providing safe and reliable water service, maintaining infrastructure, meeting financial obligation, and supporting long-term financial sustainability. Revenues generated through utility rates are reinvested directly into the operation, maintenance, replacement, and improvement of the water system.

Figure 7 illustrates projected revenues throughout the planning horizon. The financial forecast assumes annual water rate increases of 4.75 percent from 2027 through 2032, followed by annual adjustments of 2.75 percent thereafter. The reduced rate adjustments reflect the completion of several major capital projects, strengthening reserve levels, and transition toward a more sustainable long-term funding strategy. These assumptions provide a reasonable basis for evaluating future cash balances and will continue to be reviewed as part of future rate studies.

The recommended rate structure has also been revised as part of this study following the evaluation of multiple rate design alternatives by the Board. Historically, the District's water rates included a 600 cubic foot base allowance, Tier 1 usage from 601 to 2,500 cubic feet, and Tier 2 usage for all consumption exceeding 2,500 cubic feet. Based on the Board's direction and evaluation of current customer consumption patterns, the recommended rate structure retains the 600 cubic foot base allowance while revising Tier 1 usage to 601 through 1,800 cubic feet and Tier 2 usage to all consumption exceeding 1,800 cubic feet. The revised structure better aligns with current customer usage characteristics, continues to encourage responsible water use, and supports stable and predictable revenues. Because a significant portion of the District's costs are fixed regardless of water consumption, maintaining stable revenues is essential to funding operations, capital investment, debt obligations, reserve funding objectives, and long-term system reinvestment.

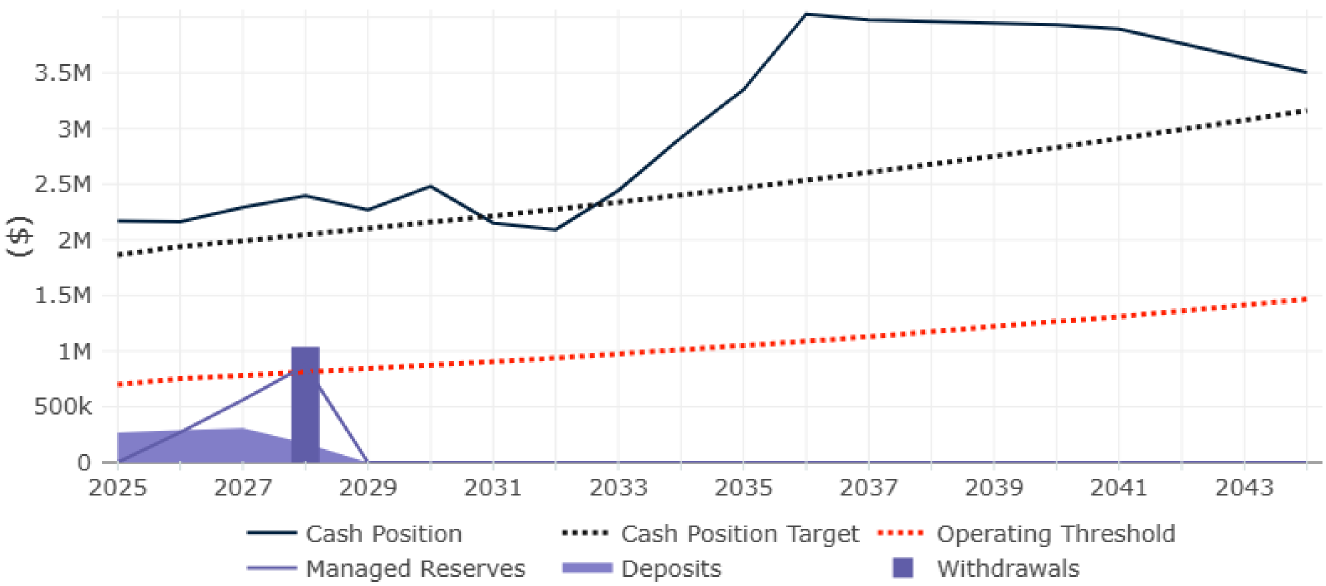
Figure 7 – Revenues



Cash Position

The purpose of the financial forecast and rate study is to evaluate whether the recommended rate strategy provides sufficient revenue to support the District's financial policies while maintaining long-term financial health of the Water Utility Fund. The projected cash position serves as one of the primary indicators of the utility's ability to sustain operations, fund capital improvements, meet debt obligations, and maintain appropriate reserve levels throughout the planning horizon. Figure 8 illustrates the projected cash balance of the Water Utility Fund under the recommended rate structure. The solid black line represents the projected cash balance throughout the planning horizon while the dotted lines identify the District's targe cash position which includes the operating reserves and the contingency reserves. The purple shaded areas, line, and bar represent planned deposits and withdrawals from the managed capital surplus for large capital projects within the fund. The forecast demonstrates that the proposed annual rate increases of 4.75 percent through 2032, followed by adjustments of 2.75 percent annually thereafter, generates sufficient revenues to support the utility's operations along with capital needs and debt obligations.

Figure 8 – Cash Position



During the early years of the forecast, the District strategically uses existing cash reserves to provide local funding for several significant capital projects while leveraging substantial grant funding and low interest loans to cover shortfalls. This planned use of reserves results in temporary fluctuations in the cash position but reflects a deliberate financial strategy rather than a deterioration of the utility's financial condition. As capital projects are completed and the recommended rate adjustments take effect, cash balances recover to meet the District's long-term cash position target.

Throughout the planning horizon, projected cash balances remain above the minimum operating reserve threshold while continuing to support operations and ongoing capital projects. The forecast demonstrates that the recommended financial plan provides sufficient liquidity to meet the District's financial policy objectives while maintaining flexibility necessary to respond to future infrastructure needs and unforeseen events. Overall, the cash forecast confirms that that recommended rate strategy provides a balanced and sustainable funding approach. By strategically using reserves, leveraging external funding, maintaining prudent debt levels, and implementing gradual rate adjustments, the District is able to preserve long-term financial stability while continuing to invest in critical infrastructure while providing reliable water service to its customers.

Summary

Based on the results of the rate study and financial forecasts, the recommended annual rate increases for a single family summarized in Table 2 provide a balanced approach to maintaining the long-term financial sustainability of the Water Utility Fund while minimizing abrupt impacts to customers.

Table 2 – Recommended Water Rates – Single Family

Water Bi-Monthly Rate Charges										
Recommended Rate Plan	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Adjustment Rate	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	2.75%	2.75%	2.75%	2.75%
Fixed Charge - Base 600 Cubic Feet										
	$ 99.27	$ 103.99	$ 108.93	$ 114.10	$ 119.52	$ 125.20	$ 128.64	$ 132.18	$ 135.81	$ 139.55
Volume Charge Per CCF										
601-1,800	$ 14.08	$ 14.75	$ 15.45	$ 16.18	$ 16.95	$ 17.74	$ 18.23	$ 18.73	$ 19.25	$ 19.78
>1,800	$ 17.62	$ 18.46	$ 19.33	$ 20.25	$ 21.21	$ 22.22	$ 22.83	$ 23.46	$ 24.11	$ 24.77

SEWER UTILITY FUND & REVENUE REQUIREMENTS

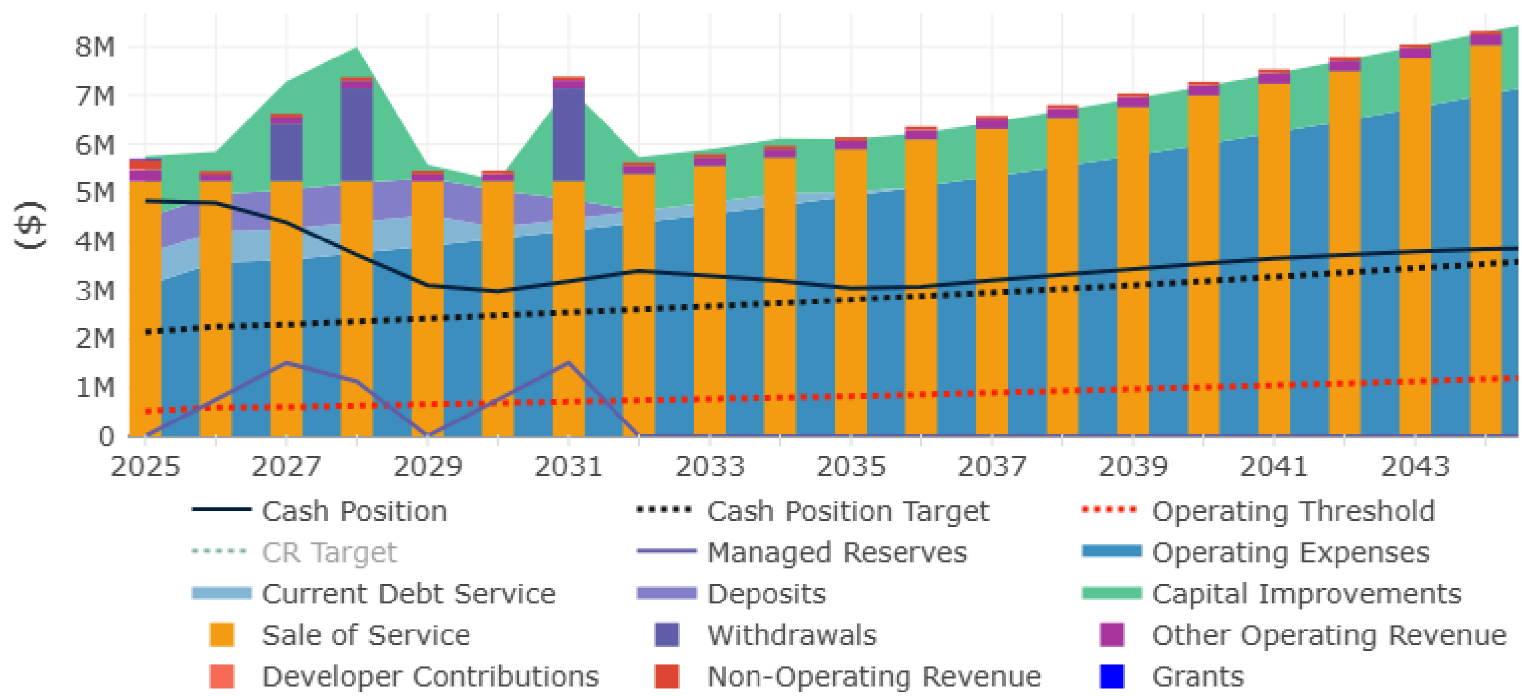
The Sewer Utility Fund provides wastewater collection and conveyance services to customers throughout the District's service area. The District owns and operates more than 75 miles of gravity sewer mains, force mains, and transmission pipelines, as well as 26 sewer lift stations that convey wastewater to the City of Bellingham's conveyance system for ultimate treatment at its Post Point Wastewater Treatment Plant (WWTP). While the District is responsible for the collection and conveyance of wastewater, treatment services are provided through an interlocal agreement with the City of Bellingham. This section of the rate study and financial forecast evaluates the financial condition of the Sewer Utility Fund and determines whether existing and projected revenues are sufficient to support utility operations, capital expenses, debt obligations, reserve funding objectives, and long-term financial sustainability. Similar to the Water Utility Fund, the financial forecast incorporates actual financial performance through fiscal year 2025, the adopted budget for fiscal year 2026, and projected financial activity throughout the planning horizon.

Consistent with the revenue-driven planning framework presented throughout this report, the financial forecast evaluates anticipated costs and implementation of the District's financial policies. Unlike the Water Utility Fund, however, the Sewer Utility Fund is currently in a strong financial position as a result of several years of prudent financial planning and conservative reserve funding. A significant factor influencing the Sewer Utility Fund since the completion of the 2022 Rate Study has been changes to the City of Bellingham's Post Point WWTP planned improvements. At the time of the 2022 study, the District anticipated participating in the City's Resource Recovery Project, resulting in an estimated District obligation of approximately $12 million. Based on this information, the District implemented a long-term funding strategy that included building reserves in preparation for the anticipated capital costs.

Since that time, the City of Bellingham has significantly revised the scope of its long-term wastewater improvements and is no longer pursuing the original Resource Recovery Project as previously envisioned. Under the City's current capital planning assumptions, the District's estimated costs associated with future improvements during this planning period have been reduced to approximately $5 million. As a result, the financial forecast demonstrates that existing reserves, together with ongoing utility revenues, provide sufficient funding to support anticipated capital obligations without requiring additional sewer rate increases during 2027 through 2031.

The financial forecast presented in Figure 9 illustrates the relationship between operating expenses, capital expenses, debt service, reserve funding objectives, utility revenues, and projected cash balances. The analysis demonstrates that the District's conservative financial planning has positioned the Sewer Utility Fund to absorb significant changes in future capital obligations while maintaining financial stability and avoiding the need for additional rate increases during the planning horizon.

Figure 9 – Financial Model



Operations & Maintenance

Operating expenses represent the ongoing costs necessary to operate, maintain, administer, and support the District's wastewater collection and conveyance system. These expenses include personnel costs, utilities, maintenance and repairs, professional services, regulatory compliance, insurance, administrative support, and wastewater treatment charges paid to the City of Bellingham. Similar to the Water Utility Fund, a significant portion of the Sewer Utility Fund's operating expenses are fixed in nature and do not fluctuate based on wastewater flows. The District must continue to operate and maintain its collection system, lift stations, conveyance facilities, and supporting infrastructure regardless of short-term variations in customer usage.

The operating expense forecast is based on actual financial performance, the adopted 2026 budget, and the planning assumptions presented earlier in this report. Future expenses have been projected using inflationary assumptions that reflect anticipated increases in labor, materials, contracted services, wastewater treatment costs, and other operating expenses. Figures 10 and 11 illustrate historical and projected operating expenses for the

Sewer Utility Fund throughout the planning horizon as well as a summary of how those costs breakdown. Operating expenses are projected to increase gradually over time, primarily due to inflationary pressures and anticipated adjustments in wastewater treatment costs. Although these expenses represent an important component of the utility's overall financial requirements, they remain relatively stable throughout the forecast period.

Figure 10 – Operating & Maintenance Costs

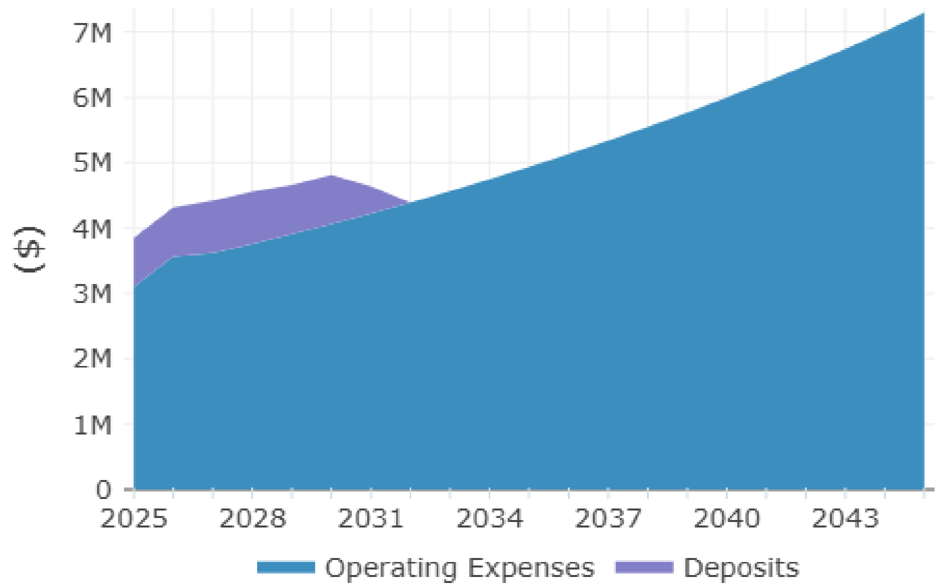
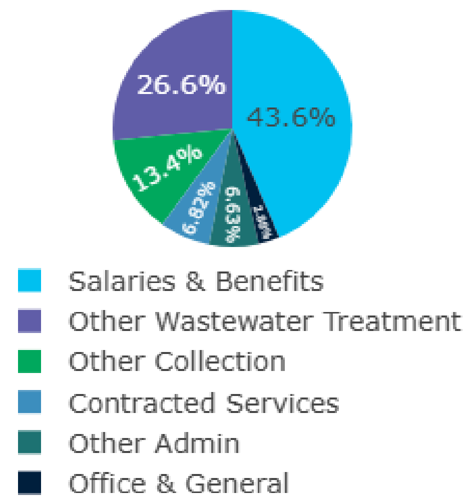


Figure 11 – Summary



The District continues to emphasize preventative maintenance, operational efficiency, and responsible asset management to maximize the useful life of its infrastructure while controlling operating costs. As discussed in the following section, the primary changes affecting the Sewer Utility Fund during this planning period are associated with the anticipated capital obligations related to the City of Bellingham's wastewater treatment improvements rather than significant changes in day-to-day operating expenses.

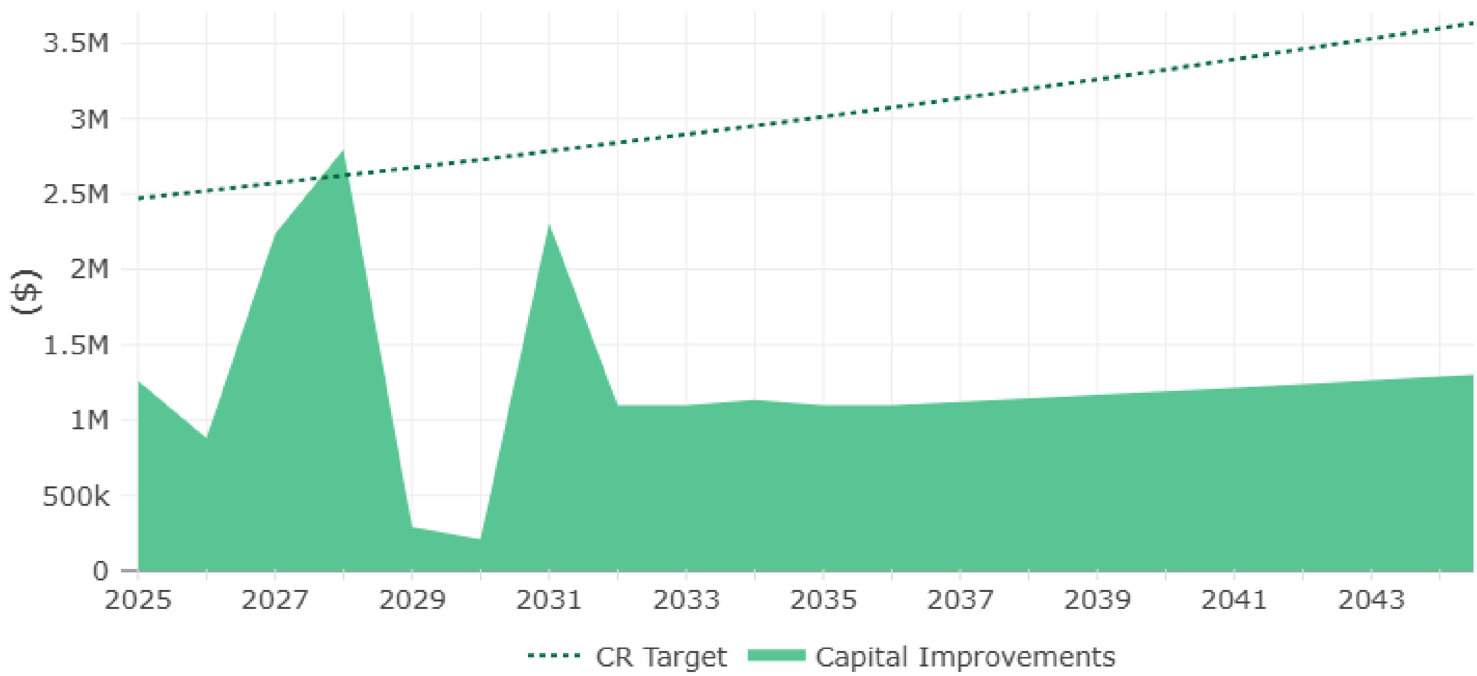
Capital Expenses

Capital expenses represent investments necessary to maintain, rehabilitate, and improve the District's wastewater collection and transmission system including lift stations, force mains, gravity sewer mains, equipment, and other supporting infrastructure. In addition to District owned assets, the Sewer Utility Fund also reflects the District's financial participation in regional wastewater treatment improvements undertaken by the City of Bellingham at its Post Point WWTP.

A significant change since the completion of the 2022 rate study relates to the City of Bellingham's long-term improvement plans at the WWTP. At the time of the previous rate study, the City was advancing the Resource Recovery Project and the District's estimated financial participation was projected to be approximately $11 million. Based on the information available at that time, the District adopted a conservative financial strategy and began building a capital surplus in anticipation of these future obligations. Since that time, the City of Bellingham has substantially revised the scope and timing of its long-term plan and is no longer pursuing the original Resource Recovery Project as previously envisioned. Based on the City's current capital improvement program and available cost information, the District's estimated participation during the planning period has been reduced to approximately $5 million.

Figure 12 illustrates the historical and projected capital expenses for the Sewer Utility Fund throughout the planning horizon. These investments are essential to maintaining reliable wastewater service, protecting public health, and complying with regulatory requirements.

Figure 12 – Capital Improvement Plan Expenses



The District's conservative approach to financial planning has positioned the Sewer Utility Fund to absorb these anticipated capital costs without the need for additional sewer rate increases during the 2027 – 2031 rate-setting period. Existing reserves, together with ongoing utility revenues provide sufficient funding to meet anticipated capital obligations while maintaining the financial policies established by the Board. Although the current outlook has improved significantly, the forecast continues to recognize that future improvements remain subject to refinement as project planning progresses. Accordingly, the financial forecast maintains prudent reserve levels and continues to monitor future capital requirements to ensure the District remains prepared for changing conditions. Overall, the capital forecast demonstrates the value of long-term financial planning and rate setting. By proactively preparing for significant future obligations, the District has maintained the financial flexibility necessary to adapt to changing project assumptions while preserving sustainability that avoids unnecessary rate impacts to customers.

Debt Servicing

Long-term debt provides the District with an effective tool to fund major capital improvements and projects that provide benefits over multiple generations of customers. By financing significant capital investments over the useful life of assets, the District may equitably distribute project costs while preserving financial flexibility and minimizing abrupt impacts to utility rates. Figures 13 and 14 illustrates the District's current and projected debt obligations as well as the Sewer Utility Fund's Debt Service Coverage ratio. Existing debt gradually declines as principal payments are made and outstanding obligations are retired by 2035.

Figure 13 – Debt Servicing

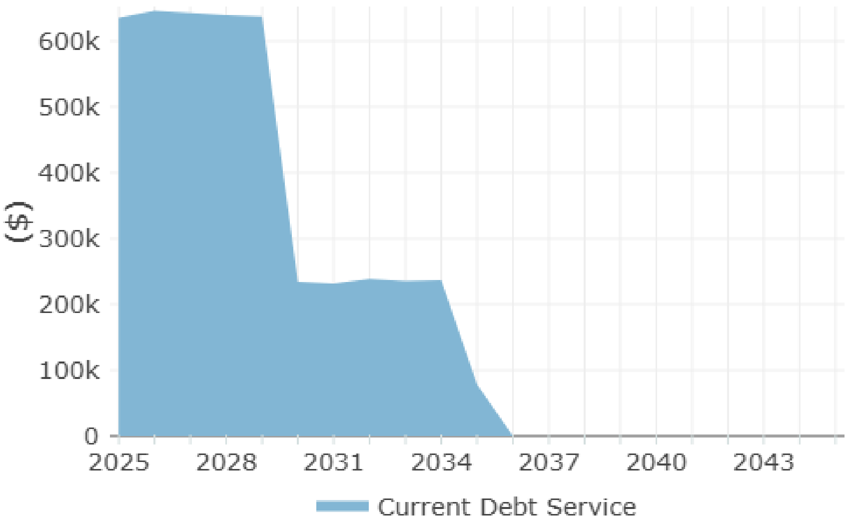
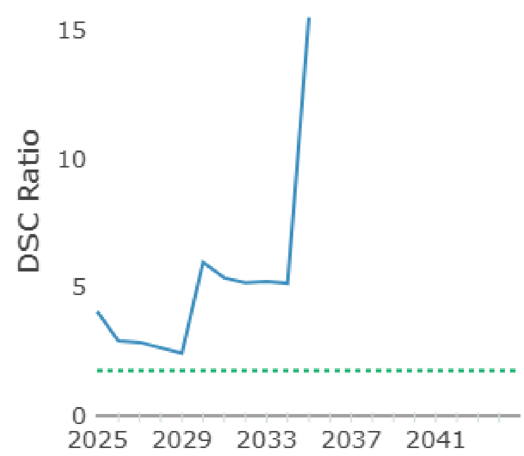


Figure 14 – Debt Service Coverage



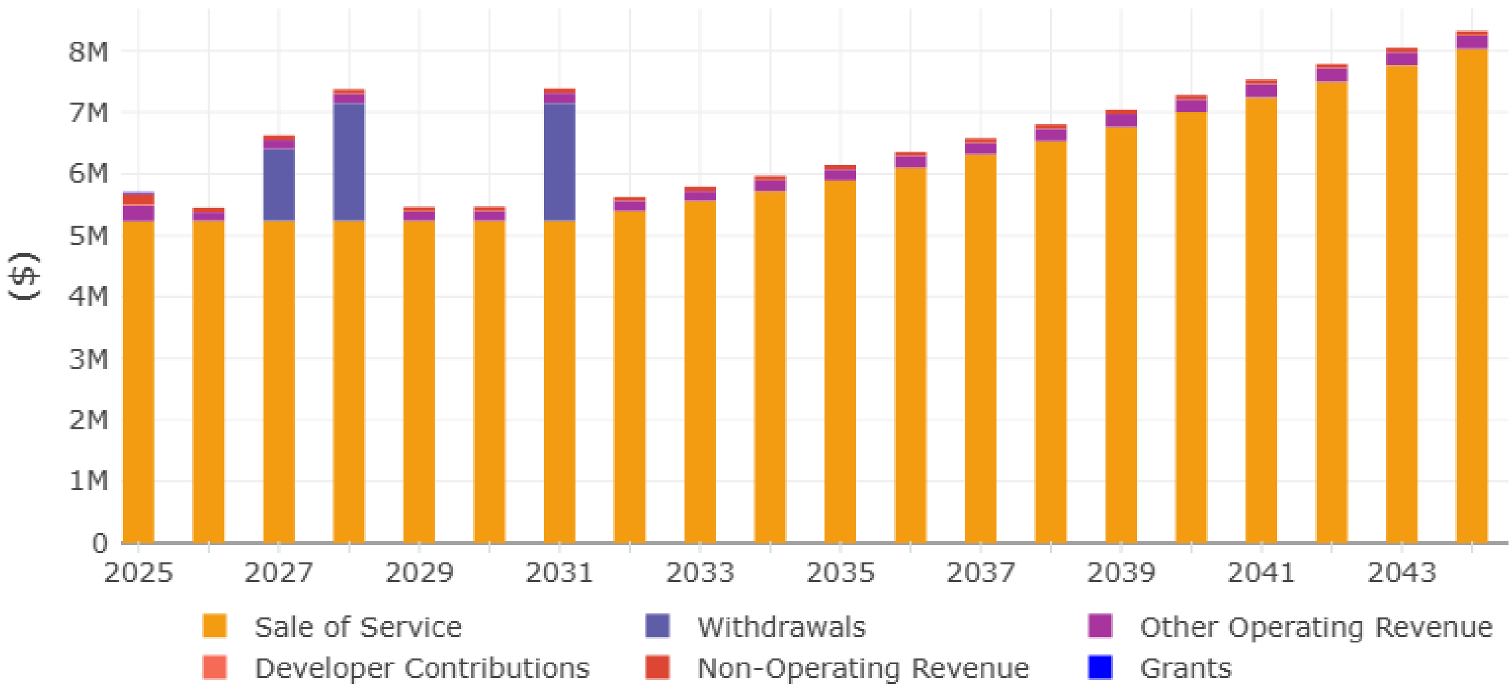
Unlike previous planning assumptions, this forecast does not anticipate the issuance of additional debt during the planning period. The 2022 Rate Study assumed the District would incur additional borrowing to fund anticipated participation in the City of Bellingham's Post Point WWTP capital improvement program. As previously discussed, existing reserves and ongoing utility revenues are projected to provide sufficient funding for these anticipated capital obligations without the need for additional financing. As existing debt continues to be repaid, the District's debt burden declines throughout the forecast, strengthening the overall financial position of the Sewer Utility Fund. Maintaining lower debt levels also preserves future borrowing capacity and maintains the debt service coverage consistent with the District's financial policies.

Revenues

Similar to the Water Utility Fund, the Sewer Utility Fund receives revenue primarily from bi-monthly service charges, supplemented by GFCs, investment earnings, and other miscellaneous revenues. These revenues provide the financial resources necessary to support the District's ongoing expenses, capital expenses, debt obligations, reserve funding objectives, and long-term infrastructure investment. As a special purpose district, the District establishes rates to recover the reasonable cost of providing wastewater collection and conveyance services while maintaining financial sustainability. Revenues generated through sewer rates are reinvested directly into the operation, maintenance, rehabilitation, and replacement of the District's collection system.

Figure 15 illustrates projected revenues throughout the planning horizon. Unlike the Water Utility Fund, the Sewer Utility Fund is projected to maintain sufficient financial capacity without additional rate adjustments from 2027 through 2031. This outcome reflects the District's conservative financial planning in previous years, combined with the City of Bellingham's revised capital improvement program, which substantially reduced the District's anticipated financial obligation. The District will continue to monitor operating costs, capital planning, and future obligations associated with the City of Bellingham's wastewater treatment facilities as part of future rate studies and financial forecast reviews. Should conditions materially change, the financial forecast and revenue requirements will be updated to ensure the continued long-term financial health of the Sewer Utility Fund.

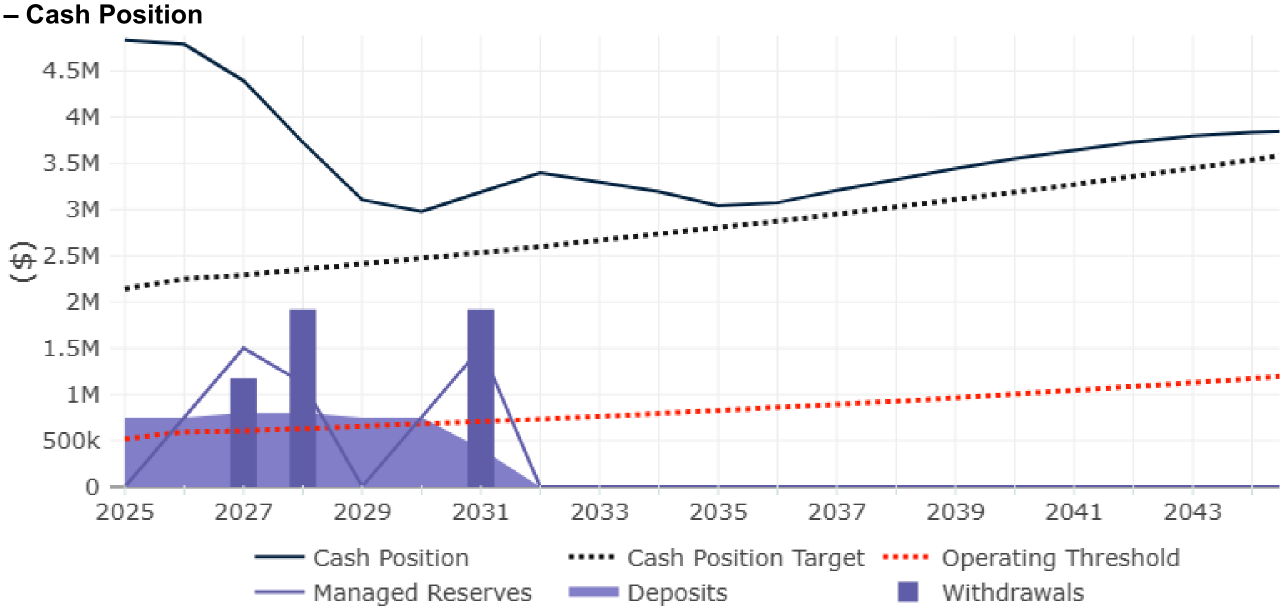
Figure 15 – Revenues



Cash Position

The projected cash position serves as a key indicator of the Sewer Utility Fund's ability to maintain financial stability while continuing to provide reliable wastewater collection and conveyance services. During the early years of the forecast, the District strategically uses the managed reserves known as the capital surplus to fund planned capital investments and anticipated participation in the City of Bellingham's Post Point WWTP projects. These planned reserve deposits and withdrawals are represented by the purple areas, bars, and lines in Figure 16. Although cash balances decline (solid black line) during this period, the forecast demonstrates that the Sewer Utility Fund continues to maintain cash levels above the District's minimum reserve thresholds and policies (dotted lines). As planned capital spending moderates, cash balances stabilize and gradually increase throughout the remainder of the forecast period.

Figure 16 – Cash Position



The financial forecast demonstrates that existing revenue and reserve balances are sufficient to support anticipated operating expenses, capital investment, debt obligations, and financial policy objectives without additional sewer rate adjustments as discussed. The District will continue to monitor future planning efforts with the City of Bellingham and evaluate revenue requirements as part of future rate studies and financial forecast updates to ensure the continued financial stability of the Sewer Utility Fund.

Summary

This financial forecast and rate study demonstrates that the Sewer Utility Fund is well positioned to meet the District's objectives throughout the planning period. Based on the results of this rate study, no sewer rate increases are recommended for 2027 through 2031. Table 3 summarizes the recommended sewer rates and corresponding customer charges.

Table 3 – Recommended Sewer Rates

Sewer Bi-Monthly Rate Charges										
Recommended Rate Plan	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Adjustment Rate	0.00%	0.00%	0.00%	0.00%	0.00%	3.00%	3.00%	3.00%	3.00%	3.50%
Fixed Charge										
	$206.36	$206.36	$206.36	$206.36	$206.36	$212.55	$218.93	$225.50	$232.26	$240.39

CONCLUSION

The purpose of this Rate Study and Cash Forecasting Model was to evaluate the long-term financial needs of the District's water and sewer utilities and develop funding strategies that provide reliable utility service while preserving long-term financial stability. Using a revenue-driven financial planning framework, the study evaluated projected operating expense, capital improvement needs, debt obligations, reserve funding objectives, and anticipated revenues over a 20-year planning horizon to determine whether existing and proposed utility rates are sufficient to meet the District's financial goals. The recommended financial plan reflects a comprehensive evaluation of each utility as an independent enterprise fund to ensure the District can meet all financial policies collectively. Through detailed financial forecasting and rate designs, the District evaluated anticipated operating and capital needs, reserve requirements, debt obligations, customer consumption trends, and customer impacts to determine the revenue necessary to responsibly operate and maintain each utility.

The analysis demonstrates that the Water Utility Fund requires phased rate adjustments to support increased costs. The recommend annual water rate adjustments provide sufficient revenue to maintain the District's financial policies while continuing to leverage grant funding, low-interest financing, and proactive asset management practices. The Sewer Utility Fund reflects a different financial outlook. The District's long-term financial planning and conservative reserve strategy, combined with the City of Bellingham's revised capital improvement program have significantly reduced the District's anticipated financial obligations during the planning period. As a result, the financial forecast demonstrates that existing sewer rates are sufficient to support the Sewer Utility Fund through the 2027-2031 rate-setting period without additional rate increases.

Although the recommendations differ between the two utilities, they are based upon the same financial planning methodology and are intended to ensure each utility remains financially self-supporting while continuing to provide safe, reliable, and sustainable service to customers within the District. The recommended rates balance today's operational and infrastructure needs with the District's responsibility to manage public resources on behalf of both current and future customers. Figure 17 is a model of the District's overall financial health for the next 20 years.

Figure 17 – District Wide Financial Model

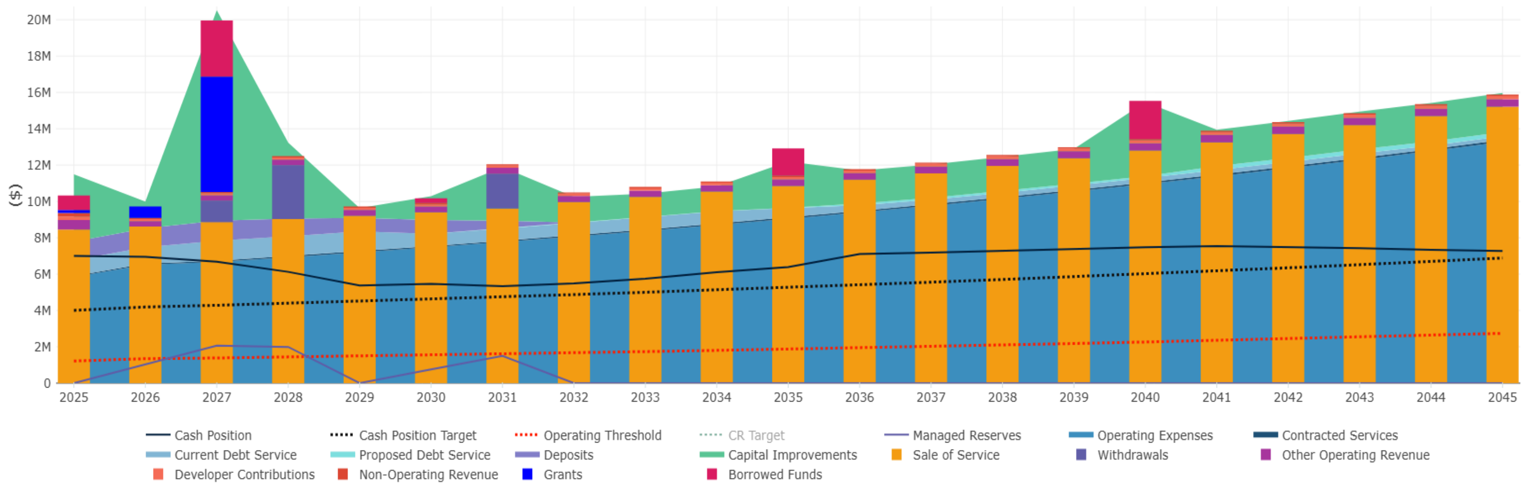


Figure 18 summarizes the projected debt service coverage for the District's water and sewer utilities combined. The analysis demonstrates that the recommended financial plan maintains debt service coverage consistent with the District's financial policies throughout the planning horizon while strengthening the overall financial position of the utility system. This provides assurance that the recommended rates generate sufficient revenue to meet existing debt obligations, preserve future borrowing capacity, and support the District's long-term financial objectives.

Figure 18 – District Wide Debt Service Coverage

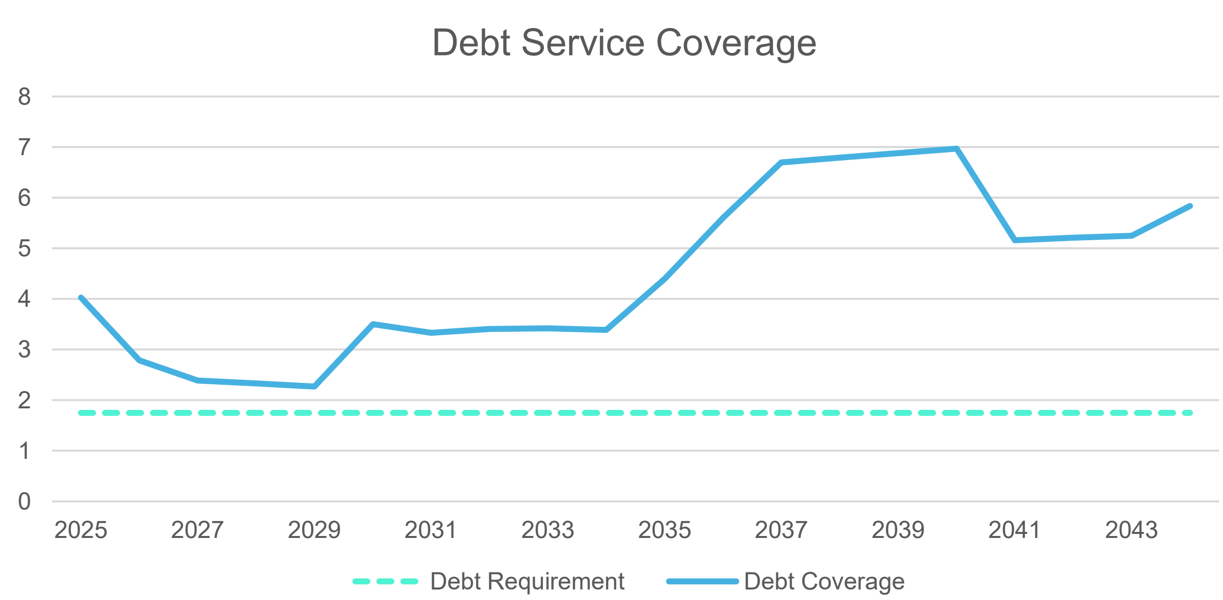


Table 4 provides a consolidated summary of the recommended single-family residential water and sewer base utility rates, including both the individual utility and the combined bi-monthly customer bill for each year for the next ten years.

Table 4 – District Bi-Monthly Base Rate Charges

Water Bi-Monthly Rate Charges										
Recommended Rate Plan	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**
Adjustment Rate	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	2.75%	2.75%	2.75%	2.75%
Fixed Charge - Base 600 Cubic Feet										
	$ 99.27	$ 103.99	$ 108.93	$ 114.10	$ 119.52	$ 125.20	$ 128.64	$ 132.18	$ 135.81	$ 139.55
Volume Charge Per CCF										
601-1,800	$ 14.08	$ 14.75	$ 15.45	$ 16.18	$ 16.95	$ 17.74	$ 18.23	$ 18.73	$ 19.25	$ 19.78
>1,800	$ 17.62	$ 18.46	$ 19.33	$ 20.25	$ 21.21	$ 22.22	$ 22.83	$ 23.46	$ 24.11	$ 24.77
Sewer Bi-Monthly Rate Charges										
Recommended Rate Plan	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**
Adjustment Rate	0.00%	0.00%	0.00%	0.00%	0.00%	3.00%	3.00%	3.00%	3.00%	3.50%
Fixed Charge										
	$ 206.36	$ 206.36	$ 206.36	$ 206.36	$ 206.36	$ 212.55	$ 218.93	$ 225.50	$ 232.26	$ 240.39
Combined Bi-Monthly Rate Charges										
Fixed Base Charge Combined										
Total	**$ 305.63**	**$ 310.35**	**$ 315.29**	**$ 320.46**	**$ 325.88**	**$ 337.75**	**$ 347.57**	**$ 357.68**	**$ 368.07**	**$ 379.94**

As with any long-range financial plan, the assumptions and projections contained in this Rate Study should continue to be reviewed periodically as part of the District's ongoing financial review and future rate studies. Updating the financial forecast as conditions change will allow the District to remain responsive to changing economic conditions, capital improvement priorities, regulatory requirements, and infrastructure needs while maintaining transparent, predictable, and financially responsible utility rates.

AGENDA BILL Item 6.B	Resolution No. 906 Update to Master Fees and Charges Schedule		
DATE SUBMITTED:	July 21, 2026	MEETING DATE:	July 29, 2026
TO: BOARD OF COMMISSIONERS		FROM: Jennifer Signs, Finance Manager	
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS		1. Resolution No. 906	
TYPE OF ACTION REQUESTED	RESOLUTION ☒	FORMAL ACTION/ MOTION ☐	INFORMATIONAL/OTHER ☐

BACKGROUND / EXPLANATION OF IMPACT

In accordance with the powers granted under Revised Code of Washington Section 57.08.007, from time-to-time the Board of Commissioners reviews and updates the District's fees and charges to ensure that the District receives appropriate payment for services rendered. The master fees and charges schedule is codified under Title 7 of the District's Administrative Code, with the current revision (Schedule 29) adopted by the Board via Resolution No. 886 during its regularly scheduled meeting on November 9, 2022.

A key component of the Master Fees and Charges Schedule are the District's rates for water sales and sewer service. Historically, the District performs a comprehensive analysis of its water and sewer rates approximately every five years to ensure rates are sufficient to fund current capital and operational cost projections. To ease the burden of increases on customers, the District has previously taken the approach of adopting multi-year rate increases for each utility that "smooth" the necessary increases throughout five-year planning horizon.

With the final increase of its most recent multi-year rate increase program in effect, 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 has been 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. Those changes have been incorporated into the draft Master Fees and Charges Schedule associated with the attached Resolution No. 906.

Additional revisions to the Master Fees and Charges Schedule proposed through Resolution No. 906 consist of cleanup of the schedule (e.g., deletion of fees that are no longer applicable due to their expiration) and other fees adjusted to recover the District's costs (these adjustments were also discussed during the July 8 board meeting).

FISCAL IMPACT

Adoption of the proposed master fees and charges schedule will allow for 2027 and 2028 utility revenues consistent with projected cost of services that will be incorporated in the upcoming biennial budget.

APPLICABLE EFFECTIVE UTILITY MANAGEMENT ATTRIBUTE(S)

Financial Viability

RECOMMENDED BOARD ACTION

Staff recommends updating the Master Fees and Charges schedule via adoption of Resolution No. 906.

PROPOSED MOTION

A recommended motion is:

> "I move to adopt Resolution No. 906, as presented."

LAKE WHATCOM WATER AND SEWER DISTRICT
RESOLUTION NO. 906

A Resolution of the Board of Commissioners
Updating the Master Fees and Charges with Schedule No. 30
Effective January 1, 2027

WHEREAS, the Lake Whatcom Water and Sewer District ("District") is a special purpose district authorized under Title 57 Revised Code of Washington; and

WHEREAS, the District is responsible for planning, improvements, maintenance, and operation of comprehensive water and sewer systems capable of providing reliable service to District ratepayers; and

WHEREAS, the District needs to periodically adjust its fees and/or charges to better reflect the actual cost of services rendered; and

WHEREAS, the District intends to maintain a stable rate structure so that it may continue to responsibly and reliably provide services with lower rate increases into the future; and

WHEREAS, the District Board of Commissioners has reviewed and determined it appropriate to update the Master Fees and Charges schedule, as reflected in Exhibit A attached hereto for reference purposes only, which identifies specific amendments to the current Schedule No. 29 with deletions in strikethrough and additions underlined; and

WHEREAS, the foregoing recitals are a material part of this Resolution;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Lake Whatcom Water and Sewer District, Whatcom County, Washington as follows:

Section 1. The Lake Whatcom Water and Sewer District Master Fees and Charges, Schedule No. 30, as attached hereto as Exhibit B, is adopted in its entirety and shall replace Schedule No. 29.

Section 2. Title 7 of the Lake Whatcom Water and Sewer District Administrative Code shall be amended such that Schedule No. 30 will replace Schedule No. 29 as the operative Master Fees and Charges schedule for the District.

Section 3. Any resolutions or parts of resolutions in conflict herewith are hereby repealed insofar as they conflict with the provisions of this Resolution.

Section 4. If any section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Resolution. The Board of Commissioners hereby declare that it would have passed this Resolution and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases has been declared invalid or unconstitutional, and if, for any reason, this Resolution should be declared invalid or unconstitutional, then the original resolution or resolutions shall be in full force and effect.

Section 5. This Resolution shall be effective immediately. The application of Schedule No. 30 and the effective date of the code amendment described in Section 2 shall be January 1, 2027.

ADOPTED by the Board of Commissioners of Lake Whatcom Water and Sewer District, Whatcom County, Washington, at a regular meeting thereof, on the 29th day of July, 2026.

____

Todd Citron, President, Board of Commissioners

ATTEST:

____

Rachael Hope, Recording Secretary

APPROVED AS TO FORM:

____

Robert Carmichael, District Legal Counsel

EXHIBIT A

MASTER FEES & CHARGES - SCHEDULE ~~29~~30

Effective Date January 1, 202 ~~3~~ 7 (Resolution ~~886~~ 906)

Administrative Fees			
Item	**Item Description**	**Fee/Charge**	**Reference**
1	**Equipment Charge, Hourly**		
	District-owned equipment will be charged at the current U.S. Federal Emergency Management Agency schedule of equipment rates for equivalent equipment as determined by the District.		Resolution 860
2	**Information Reproduction**		
	Digital Recording - Board Meeting	$35.00	Resolution 680
	Document - Standard Size - Less than 10 Pages	No Charge	Resolution 680
	Document - Standard Size - More than 10 Pages	$0.15 per page	Resolution 717
3	**Labor, Hourly**		
	District labor will be charged at the current, fully burdened cost for salary and benefits, plus a 10% overhead rate.		Resolution 860
	Consultant Engineer - Invoice for Services Rendered + 10%		Resolution 860
4	**Document Recording Fees**		
	Document Recording	~~$105.00~~$315.00	Resolution ~~753~~906
	Lien Record/Release	$215.00	Resolution 860
	Transfer, real estate closing	$30.00	Resolution 806
	Segregation of assessment, equivalent residential units and water/sewer permits	$100.00	Resolution 819
	Assessment Transfer	~~$250.00~~$315.00	Resolution ~~680~~906
5	Payment Return Item	~~$15.00~~$30.00	Resolution ~~860~~906
6	Stop Payment	$20.00	Resolution 906

Billing - Sewer Service					
Item	**Item Description**			**Fee/Charge**	**Reference**
~~6~~7	**Regular Customer Charge Per Billing Cycle - Sewer**				
	~~Effective January 1, 2023~~	~~Account Charge~~	~~$8.77~~		~~Resolution 879~~
		~~Volume Charge per dwelling unit~~	~~$176.01~~		
		~~Total Billing Cycle Charge~~		~~$184.79~~	
		~~Low Income/Senior/Disabled Rate (40% Discount)~~		~~$110.87~~	
	~~Effective January 1, 2024~~	~~Account Charge~~	~~$9.10~~		~~Resolution 879~~
		~~Volume Charge per dwelling unit~~	~~$182.61~~		
		~~Total Billing Cycle Charge~~		~~$191.71~~	
		~~Low Income/Senior/Disabled Rate (40% Discount)~~		~~$115.03~~	
	~~Effective January 1, 2025~~	~~Account Charge~~	~~$9.44~~		~~Resolution 879~~
		~~Volume Charge per dwelling unit~~	~~$189.46~~		
		~~Total Billing Cycle Charge~~		~~$198.90~~	
		~~Low Income/Senior/Disabled Rate (40% Discount)~~		~~$119.34~~	
	~~Effective January 1, 2026~~	~~Account Charge~~	~~$9.79~~		~~Resolution 879~~
		~~Volume Charge per dwelling unit~~	~~$196.56~~		
		~~Total Billing Cycle Charge~~		~~$206.36~~	
		~~Low Income/Senior/Disabled Rate (40% Discount)~~		~~$123.81~~	

Billing - Sewer Service (cont'd)

Item	Item Description			Fee/Charge	Reference
~~6~~7 (cont)	Effective January 1, 2027	Account Charge	$9.79		Resolution 906
		Volume Charge per dwelling unit	$196.56		
		Total Billing Cycle Charge		$206.35	
		Low Income/Senior/Disabled Rate (40% Discount)		$123.81	
	Effective January 1, 2028	Account Charge	$9.79		Resolution 906
		Volume Charge per dwelling unit	$196.56		
		Total Billing Cycle Charge		$206.35	
		Low Income/Senior/Disabled Rate (40% Discount)		$123.81	
	Effective January 1, 2029	Account Charge	$9.79		Resolution 906
		Volume Charge per dwelling unit	$196.56		
		Total Billing Cycle Charge		$206.35	
		Low Income/Senior/Disabled Rate (40% Discount)		$123.81	
	Effective January 1, 2030	Account Charge	$9.79		Resolution 906
		Volume Charge per dwelling unit	$196.56		
		Total Billing Cycle Charge		$206.35	
		Low Income/Senior/Disabled Rate (40% Discount)		$123.81	
	Effective January 1, 2031	Account Charge	$9.79		Resolution 906
		Volume Charge per dwelling unit	$196.56		
		Total Billing Cycle Charge		$206.35	
		Low Income/Senior/Disabled Rate (40% Discount)		$123.81	
~~7~~8	Late Fee 1 late fee per account per year refundable with General Manager's approval			10% of past due utility services balance	RCW 57.08.081(3)

Billing - Water Sales

Item	Item Description		Fee/Charge	Reference
~~8~~9	**Regular Customer Charge Per Billing Cycle - Up to 600 cubic feet of water**			
	~~Effective January 1, 2023~~	~~5/8 x 3/4 Inch Meter~~	~~$83.05~~	~~Resolution 879~~
		~~Low Income/Senior/Disabled Rate~~	~~$49.83~~	
		~~1 Inch Meter~~	~~$110.14~~	
		~~1.5 Inch Meter~~	~~$151.94~~	
		~~2 Inch Meter~~	~~$209.93~~	
		~~3 Inch Meter~~	~~$415.18~~	
		~~Usage over 600 cubic feet (per 100 cubic feet)~~	~~$11.78~~	
		~~Low Income/Senior/Disabled Rate~~	~~$7.07~~	
		~~Usage over 2,500 cubic feet (per 100 cubic feet)~~	~~$14.74~~	
		~~Low Income/Senior/Disabled Rate~~	~~$8.84~~	

Billing - Water Sales (con'd)				
Item	**Item Description**		**Fee/Charge**	**Reference**
~~8~~9	~~Effective January 1, 2024~~	~~5/8 x 3/4 Inch Meter~~	~~$86.79~~	~~Resolution 879~~
		~~Low Income/Senior/Disabled Rate~~	~~$52.07~~	
		~~1 Inch Meter~~	~~$115.10~~	
		~~1.5 Inch Meter~~	~~$158.78~~	
		~~2 Inch Meter~~	~~$219.38~~	
		~~3 Inch Meter~~	~~$433.86~~	
		~~Usage over 600 cubic feet (per 100 cubic feet)~~	~~$12.31~~	
		~~Low Income/Senior/Disabled Rate~~	~~$7.39~~	
		~~Usage over 2,500 cubic feet (per 100 cubic feet)~~	~~$15.40~~	
		~~Low Income/Senior/Disabled Rate~~	~~$9.24~~	
	~~Effective January 1, 2025~~	~~5/8 x 3/4 Inch Meter~~	~~$90.69~~	~~Resolution 879~~
		~~Low Income/Senior/Disabled Rate~~	~~$54.42~~	
		~~1 Inch Meter~~	~~$120.28~~	
		~~1.5 Inch Meter~~	~~$165.92~~	
		~~2 Inch Meter~~	~~$229.25~~	
		~~3 Inch Meter~~	~~$453.39~~	
		~~Usage over 600 cubic feet (per 100 cubic feet)~~	~~$12.86~~	
		~~Low Income/Senior/Disabled Rate~~	~~$7.72~~	
		~~Usage over 2,500 cubic feet (per 100 cubic feet)~~	~~$16.10~~	
		~~Low Income/Senior/Disabled Rate~~	~~$9.66~~	
	~~Effective January 1, 2026~~	~~5/8 x 3/4 Inch Meter~~	~~$94.77~~	~~Resolution 879~~
		~~Low Income/Senior/Disabled Rate~~	~~$56.86~~	
		~~1 Inch Meter~~	~~$125.69~~	
		~~1.5 Inch Meter~~	~~$173.39~~	
		~~2 Inch Meter~~	~~$239.57~~	
		~~3 Inch Meter~~	~~$473.79~~	
		~~Usage over 600 cubic feet (per 100 cubic feet)~~	~~$13.44~~	
		~~Low Income/Senior/Disabled Rate~~	~~$8.07~~	
		~~Usage over 2,500 cubic feet (per 100 cubic feet)~~	~~$16.82~~	
		~~Low Income/Senior/Disabled Rate~~	~~$10.09~~	
	Effective January 1, 2027	5/8 x 3/4 Inch Meter	$99.27	Resolution 906
		Low Income/Senior/Disabled Rate	$59.56	
		1 Inch Meter	$131.66	
		1.5 Inch Meter	$181.63	
		2 Inch Meter	$250.95	
		3 Inch Meter	$496.30	
		Usage over 600 cubic feet (per 100 cubic feet)	$14.08	
		Low Income/Senior/Disabled Rate	$8.45	
		Usage over 1,800 cubic feet (per 100 cubic feet)	$17.62	
		Low Income/Senior/Disabled Rate	$10.57	

Billing - Water Sales (con'd)				
Item	**Item Description**		**Fee/Charge**	**Reference**
	Effective January 1, 2028	5/8 x 3/4 Inch Meter	$103.99	Resolution 906
		Low Income/Senior/Disabled Rate	$62.39	
		1 Inch Meter	$137.91	
		1.5 Inch Meter	$190.25	
		2 Inch Meter	$262.87	
		3 Inch Meter	$519.87	
		Usage over 600 cubic feet (per 100 cubic feet)	$14.75	
		Low Income/Senior/Disabled Rate	$8.85	
		Usage over 1,800 cubic feet (per 100 cubic feet)	$18.46	
		Low Income/Senior/Disabled Rate	$11.07	
	Effective January 1, 2029	5/8 x 3/4 Inch Meter	$108.93	Resolution 906
		Low Income/Senior/Disabled Rate	$65.36	
		1 Inch Meter	$144.47	
		1.5 Inch Meter	$199.29	
		2 Inch Meter	$275.36	
		3 Inch Meter	$544.56	
		Usage over 600 cubic feet (per 100 cubic feet)	$15.45	
		Low Income/Senior/Disabled Rate	$9.27	
		Usage over 2,500 cubic feet (per 100 cubic feet)	$19.33	
		Low Income/Senior/Disabled Rate	$11.60	
	Effective January 1, 2030	5/8 x 3/4 Inch Meter	$114.10	Resolution 906
		Low Income/Senior/Disabled Rate	$68.46	
		1 Inch Meter	$151.33	
		1.5 Inch Meter	$208.76	
		2 Inch Meter	$288.44	
		3 Inch Meter	$570.43	
		Usage over 600 cubic feet (per 100 cubic feet)	$16.18	
		Low Income/Senior/Disabled Rate	$9.71	
		Usage over 2,500 cubic feet (per 100 cubic feet)	$20.25	
		Low Income/Senior/Disabled Rate	$12.15	
	Effective January 1, 2031	5/8 x 3/4 Inch Meter	$119.52	Resolution 906
		Low Income/Senior/Disabled Rate	$71.71	
		1 Inch Meter	$158.52	
		1.5 Inch Meter	$218.67	
		2 Inch Meter	$302.14	
		3 Inch Meter	$597.52	
		Usage over 600 cubic feet (per 100 cubic feet)	$16.95	
		Low Income/Senior/Disabled Rate	$10.17	
		Usage over 2,500 cubic feet (per 100 cubic feet)	$21.21	
		Low Income/Senior/Disabled Rate	$12.73	
~~9~~10	Late Fee 1 late fee per account per year refundable with General Manager's approval		10% of past due utility services balance	RCW 57.08.081(3)

MASTER FEES & CHARGES - SCHEDULE ~~29~~30

Effective Date January 1, 202 ~~3~~ 7 (Resolution ~~886~~ 906)

Item	Item Description	Fee/Charge	Reference
Miscellaneous Water Charges			
~~10~~11	**Water Interruption - Voluntary - With Billing Suspension**		
	Lock Curb Stop Valve - during normal business hours	base rate	Resolution 860
	Unlock Curb Stop Valve - during normal business hours	No charge	
	Unlock Curb Stop Valve - outside normal business hours	$150.00	
	Lock Curb Stop Valve	$50.00	Resolution 661
	Unlock Curb Stop Valve - during normal business hours	No charge	
	Unlock Curb Stop Valve - outside normal business hours	$150.00	
~~11~~12	**Water Interruption - Involuntary**		
	Delinquent Account - Lock curb stop valve	$75.00	Resolution 860
	Unlock Curb Stop Valve		
	During Normal Business Hours	No charge	
	Outside Normal Business Hours	$150.00	
~~12~~13	**Water Interruption - Other**		
	Failure to comply with emergency order	$75.00	Resolutions 661 & 860
	Failure to eliminate cross connection	$75.00	
	Failure to repair leak	$75.00	
	Request of agency/higher authority	No charge	
	Visible leak in vacant building or disaster	No charge	
~~13~~14	**Unauthorized Lock Removal Fee**	$250.00	Resolution 860
~~14~~15	**Damaged Meter** If meter is damaged by the customer	Material, equipment, & labor to repair meter + $250.00	Resolution 860
~~15~~16	**Clear obstructed water meter** after request to customer to remove is refused	$75.00 + third party charges	Resolution 860
~~16~~17	**Hydrant meter, fire hose, fittings**		
	Meter rental deposit	$1,500.00	Resolution 860
	Equipment rental - single continuous use	$50.00 per	Resolution 860
	Bulk water purchase with hydrant meter		
	~~Effective January 1, 2023 - Per 100 cubic feet~~	~~$11.78~~	~~Resolution 879~~
	~~Effective January 1, 2024 - Per 100 cubic feet~~	~~$12.31~~	
	~~Effective January 1, 2025 - Per 100 cubic feet~~	~~$12.86~~	
	~~Effective January 1, 2026 - Per 100 cubic feet~~	~~$13.44~~	
	Effective January 1, 2027 - Per 100 cubic feet	$14.08	Resolution 906
	Effective January 1, 2028 - Per 100 cubic feet	$14.75	
	Effective January 1, 2029 - Per 100 cubic feet	$15.45	
	Effective January 1, 2030 - Per 100 cubic feet	$16.18	
	Effective January 1, 2031 - Per 100 cubic feet	$16.95	

MASTER FEES & CHARGES - SCHEDULE ~~29~~30

Effective Date January 1, 202 ~~3~~ 7 (Resolution ~~886~~ 906)

Developer Extension Agreements			
Item	**Item Description**	**Fee/Charge**	**Reference**
~~17~~18	**Initial Fees**		
	Application - Good for 60 days	$300.00	Resolution 680
	Conformance Deposit	$1,000.00	Resolution 680
	General Administration plus recording fees	$750.00	Resolution 680
~~18~~19	**Final Design Review**		
	By District Engineer	Cost + 2%	Resolution 680
~~19~~20	**Design Review and Inspection**		
	Initial Deposit	$5,000.00	Resolution 680
	Supplemental Deposit	$5,000.00	Resolution 860
~~20~~21	Contract noncompliance	Cost + 2%	Board Mtg 5/14/97
~~21~~22	Latecomers Reimbursement Agreements, reimbursement processing	Cost + 2%	Resolution 860
~~22~~23	Special Agreements	Cost + 2%	Board Mtg 5/14/97
~~23~~24	Third Party Claims	Cost + 2%	
~~24~~25	**Time Extension**		
	Before Expiration Date	$250.00	
	After Expiration Date	$750.00	

Permitting - Water Permits

	Meter Size	Continuous Flow	Meter Capacity
Meter Information	5/8 x 3/4 Inch	15	1
	1 Inch	30	2
	1.5 Inch	75	5
	2 Inch	120	8
	3 Inch Compound	330	22
	4 Inch Compound	440	29

Item	Item Description	Fee/Charge	Reference
~~25~~26	**Water General Facilities & Installation**		
	** Installation fees marked with an * vary by project, please see District Engineer with questions.*		

	~~Meter Size~~	~~Connection Fee~~	~~Installation~~	
~~Effective January 1, 2023~~	~~5/8 x 3/4 Inch~~	~~$7,832.00~~	~~$2,000.00~~	~~Resolution 886~~
	~~1 Inch~~	~~$15,664.00~~	~~*~~	
	~~1.5 Inch~~	~~$39,160.00~~	~~*~~	
	~~2 Inch~~	~~$62,656.00~~	~~*~~	
	~~3 Inch Compound~~	~~$172,304.00~~	~~*~~	
	~~4 Inch Compound~~	~~$229,712.56~~	~~*~~	

MASTER FEES & CHARGES - SCHEDULE ~~29~~30

Effective Date January 1, 202 ~~3~~ 7 (Resolution ~~886~~ 906)

Permitting - Water Permits (cont'd)					
Item	**Item Description**			**Fee/Charge**	**Reference**
~~25~~26 (cont)	~~Effective January 1, 2024~~	~~Meter Size~~	~~Connection Fee~~	~~Installation~~	~~Resolution 886~~
		~~5/8 x 3/4 Inch~~	~~$8,027.80~~	~~$2,000.00~~	
		~~1 Inch~~	~~$16,055.60~~	~~*~~	
		~~1.5 Inch~~	~~$40,139.00~~	~~*~~	
		~~2 Inch~~	~~$64,222.40~~	~~*~~	
		~~3 Inch Compound~~	~~$176,611.60~~	~~*~~	
		~~4 Inch Compound~~	~~$235,455.37~~	~~*~~	
	~~Effective January 1, 2025~~	~~Meter Size~~	~~Connection Fee~~	~~Installation~~	~~Resolution 886~~
		~~5/8 x 3/4 Inch~~	~~$8,228.50~~	~~$2,000.00~~	
		~~1 Inch~~	~~$16,456.99~~	~~*~~	
		~~1.5 Inch~~	~~$41,142.48~~	~~*~~	
		~~2 Inch~~	~~$65,827.96~~	~~*~~	
		~~3 Inch Compound~~	~~$181,026.89~~	~~*~~	
		~~4 Inch Compound~~	~~$241,341.76~~	~~*~~	
	~~Effective January 1, 2026~~	~~Meter Size~~	~~Connection Fee~~	~~Installation~~	~~Resolution 886~~
		~~5/8 x 3/4 Inch~~	~~$8,434.21~~	~~$2,000.00~~	
		~~1 Inch~~	~~$16,868.41~~	~~*~~	
		~~1.5 Inch~~	~~$42,171.04~~	~~*~~	
		~~2 Inch~~	~~$67,473.66~~	~~*~~	
		~~3 Inch Compound~~	~~$185,552.56~~	~~*~~	
		~~4 Inch Compound~~	~~$247,375.30~~	~~*~~	
	Effective January 1, 2027	Meter Size	Connection Fee	Installation	Resolution 886
		5/8 x 3/4 Inch	$8,645.06	$2,000.00	
		1 Inch	$17,290.13	*	
		1.5 Inch	$43,225.31	*	
		2 Inch	$69,160.50	*	
		3 Inch Compound	$190,191.38	*	
		4 Inch Compound	$253,559.68	*	
~~26~~27	Permit Administration & Processing			$170.00	Resolution 860
	Initial Water Pressure Reducing Valve Inspection & Documentation			$50.00	Resolution 860
	Water Pressure Reducing Valve Reinspection			$100.00	Resolution 860
~~27~~28	**Water Permit - Special Charges**				
	~~Blaine Water Main Extension Latecomer's (North Shore)~~			~~$10,910.00~~	~~Expires 8/25/2024~~
	North Shore and Eagleridge/COB Reimbursement			$300.00	6/10/88 Agreemt
	~~South Geneva Class A Water~~			~~$17,088.97~~	~~Expires 7/22/2026~~
	~~South Geneva Class B Water~~			~~$5,981.14~~	~~Expires 7/22/2026~~

Permitting - Sewer Permits

	Meter Size	Meter Capacity
Meter Information	5/8 x 3/4 Inch	1
	1 Inch	2
	1.5 Inch	5
	2 Inch	8
	3 Inch Compound	22
	4 Inch Compound	29

Item	Item Description			Fee/Charge	Reference
~~28~~29	**Sewer General Facilities**				
	~~Effective January 1, 2023~~	~~Meter Size~~	~~Connection Fee~~	~~Installation~~	~~Resolution 886~~
		~~5/8 x 3/4 Inch~~	~~$11,934.00~~	~~Done by owner's bonded side sewer contractor~~	
		~~1 Inch~~	~~$23,868.00~~		
		~~1.5 Inch~~	~~$59,670.00~~		
		~~2 Inch~~	~~$95,472.00~~		
		~~3 Inch Compound~~	~~$262,548.00~~		
		~~4 Inch Compound~~	~~$350,024.22~~		
	~~Effective January 1, 2024~~	~~Meter Size~~	~~Connection Fee~~	~~Installation~~	~~Resolution 886~~
		~~5/8 x 3/4 Inch~~	~~$12,232.35~~	~~Done by owner's bonded side sewer contractor~~	
		~~1 Inch~~	~~$24,464.70~~		
		~~1.5 Inch~~	~~$61,161.75~~		
		~~2 Inch~~	~~$97,858.80~~		
		~~3 Inch Compound~~	~~$269,111.70~~		
		~~4 Inch Compound~~	~~$358,774.83~~		
	~~Effective January 1, 2025~~	~~Meter Size~~	~~Connection Fee~~	~~Installation~~	~~Resolution 886~~
		~~5/8 x 3/4 Inch~~	~~$12,538.16~~	~~Done by owner's bonded side sewer contractor~~	
		~~1 Inch~~	~~$25,076.32~~		
		~~1.5 Inch~~	~~$62,690.79~~		
		~~2 Inch~~	~~$100,305.27~~		
		~~3 Inch Compound~~	~~$275,839.49~~		
		~~4 Inch Compound~~	~~$367,744.20~~		
	~~Effective January 1, 2026~~	~~Meter Size~~	~~Connection Fee~~	~~Installation~~	~~Resolution 886~~
		~~5/8 x 3/4 Inch~~	~~$12,851.61~~	~~Done by owner's bonded side sewer contractor~~	
		~~1 Inch~~	~~$25,703.23~~		
		~~1.5 Inch~~	~~$64,258.06~~		
		~~2 Inch~~	~~$102,812.90~~		
		~~3 Inch Compound~~	~~$282,735.48~~		
		~~4 Inch Compound~~	~~$376,937.80~~		

MASTER FEES & CHARGES - SCHEDULE ~~29~~30

Effective Date January 1, 202 ~~3~~ 7 (Resolution ~~886~~ 906)

Permitting - Sewer Permits (cont'd)					
Item	**Item Description**			**Fee/Charge**	**Reference**
~~28~~29 (cont)	Effective January 1, 2027	Meter Size	Connection Fee	Installation	Resolution 886
		5/8 x 3/4 Inch	$13,172.90	Done by owner's bonded side sewer contractor	
		1 Inch	$26,345.81		
		1.5 Inch	$65,864.52		
		2 Inch	$105,383.22		
		3 Inch Compound	$289,803.87		
		4 Inch Compound	$386,361.25		
~~29~~30	Service Installation - If District-installed stub exists			$755.00	Resolution 860
	Permit Processing			$170.00	
	Scheduled Sewer Inspection-Construction Not Ready			$100.00	
	Initial Sewer Inspection/Grinder Pump Installation Inspection			$370.00	
	Sewer Reinspection of Deficient Work			$500.00	
~~30~~31	**Sewer Permit - Special Charges**				
	Lakewood/Grand Blvd Special Benefit Fee			$6,000.00	District Funded
	~~South Geneva Class A Sewer~~			~~$22,406.50~~	~~Expires 7/22/2026~~
	~~South Geneva Class A Sewer Vault~~			~~$1,704.55~~	~~Expires 7/22/2026~~
	ULID #18 Fee in Lieu of Assessment - see table below			See table	Resolution 885
~~31~~32	**Other Sewer Charges**				
	Review waiver of claim agreements for customer-owned side sewers with			$50.00	Resolution 645
	Unauthorized Connection to Sewer				
	Investigation, testing, inspection			$500.00	Resolution 645
	Repair and Correction			Cost + 10%	Resolution 860
	Disconnect monitoring/enforcement after 90 days			$25.00/day	Board Mtg 8/29/03
	Voluntary Sewer Service Interruption				
	Permit to install two-way clean out			Permit processing & inspection fee	
	Suspend billing - insert plug into side sewer			$250.00	Resolution 709
	Resume billing/remove plug - during regular business hours			No charge	
	Resume billing/remove plug - outside regular business hours			$150.00	

ULID #18 Fee in Lieu of Assessment					
~~32~~33	Year	Equivalent to	Fee in Lieu of	Total Fee	Reference
	~~2023~~	~~$2,792.78~~	~~$5,810.38~~	~~$8,603.16~~	Resolution 885
	~~2024~~	~~$2,792.78~~	~~$6,362.36~~	~~$9,155.14~~	
	~~2025~~	~~$2,792.78~~	~~$6,966.79~~	~~$9,759.57~~	
	~~2026~~	~~$2,792.78~~	~~$7,628.63~~	~~$10,421.41~~	
	2027	$2,792.78	$8,353.35	$11,146.13	
	2028	$2,792.78	$9,146.92	$11,939.70	
	NOTE: As described in Resolution 672 and 885, ULID #18 Fee in Lieu of Assessment Charges were created to put parcels not assessed on the same footing as those that were assessed for the ULID. Assessed parcels could, and many did, prepay their assessments. To provide the same opportunity for non-assessed parcels, prepayment of ULID 18 Fee in Lieu of Assessment Charges will also be accepted. Therefore, paid in full ULID Fee in Lieu of Assessment Charges satisfy the ULID Charges				

Violations of Administrative Code

Item	Item Description	Fee/Charge	Reference
~~33~~34	Labor	Staff hourly rates - See Item No. 3	
	Equipment Use	Hourly rate - See Item No. 1	
	Materials	Cost of materials used	Resolution 798
	Attorney's Fees and Expenses	Reimburse District's Costs	
	Administrative Fee	10% of total expenses	
	Any person who violates any provision of the Administrative Code shall be liable to the District for any expense, loss, damage, cost of inspection or cost of correction incurred by the District by reason of such violation, including any expenses and attorney fees incurred by the District in collecting from such person of such loss, damage, expense, cost of inspection or cost of correction, plus an administrative fee equal to 10% of the total expenses. (Reference: Administrative Code Section 3.3.1		

Water Booster Pump Credit

Item	Item Description	Credit	Reference
~~34~~35	Maximum allowable credit for installing a private water booster pump serving qualifying properties	$1,500.00	Resolution 778

EXHIBIT B

MASTER FEES & CHARGES - SCHEDULE 30

Effective Date January 1, 2027 (Resolution 906)

Administrative Fees			
Item	**Item Description**	**Fee/Charge**	**Reference**
1	**Equipment Charge, Hourly**		
	District-owned equipment will be charged at the current U.S. Federal Emergency Management Agency schedule of equipment rates for equivalent equipment as determined by the District.		Resolution 860
2	**Information Reproduction**		
	Digital Recording - Board Meeting	$35.00	Resolution 680
	Document - Standard Size - Less than 10 Pages	No Charge	Resolution 680
	Document - Standard Size - More than 10 Pages	$0.15 per page	Resolution 717
3	**Labor, Hourly**		
	District labor will be charged at the current, fully burdened cost for salary and benefits, plus a 10% overhead rate.		Resolution 860
	Consultant Engineer - Invoice for Services Rendered + 10%		Resolution 860
4	**Document Recording Fees**		
	Document Recording	$315.00	Resolution 906
	Lien Record/Release	$215.00	Resolution 860
	Transfer, real estate closing	$30.00	Resolution 806
	Segregation of assessment, equivalent residential units and water/sewer permits	$100.00	Resolution 819
	Assessment Transfer	$315.00	Resolution 906
5	Payment Return Item	$30.00	Resolution 906
6	Stop Payment	$20.00	Resolution 906

Billing - Sewer Service					
Item	**Item Description**			**Fee/Charge**	**Reference**
7	**Regular Customer Charge Per Billing Cycle - Sewer**				
	Effective January 1, 2027	Account Charge	$9.79		Resolution 906
		Volume Charge per dwelling unit	$196.56		
		Total Billing Cycle Charge		$206.35	
		Low Income/Senior/Disabled Rate (40% Discount)		$123.81	
	Effective January 1, 2028	Account Charge	$9.79		Resolution 906
		Volume Charge per dwelling unit	$196.56		
		Total Billing Cycle Charge		$206.35	
		Low Income/Senior/Disabled Rate (40% Discount)		$123.81	
	Effective January 1, 2029	Account Charge	$9.79		Resolution 906
		Volume Charge per dwelling unit	$196.56		
		Total Billing Cycle Charge		$206.35	
		Low Income/Senior/Disabled Rate (40% Discount)		$123.81	
	Effective January 1, 2030	Account Charge	$9.79		Resolution 906
		Volume Charge per dwelling unit	$196.56		
		Total Billing Cycle Charge		$206.35	
		Low Income/Senior/Disabled Rate (40% Discount)		$123.81	

Billing - Sewer Service (cont'd)

Item	Item Description			Fee/Charge	Reference
7 (cont)	Effective January 1, 2031	Account Charge	$9.79		Resolution 906
		Volume Charge per dwelling unit	$196.56		
		Total Billing Cycle Charge		$206.35	
		Low Income/Senior/Disabled Rate (40% Discount)		$123.81	
8	Late Fee 1 late fee per account per year refundable with General Manager's approval			10% of past due utility services balance	RCW 57.08.081(3)

Billing - Water Sales

Item	Item Description		Fee/Charge	Reference
9	**Regular Customer Charge Per Billing Cycle - Up to 600 cubic feet of water**			
	Effective January 1, 2027	5/8 x 3/4 Inch Meter	$99.27	Resolution 906
		Low Income/Senior/Disabled Rate	$59.56	
		1 Inch Meter	$131.66	
		1.5 Inch Meter	$181.63	
		2 Inch Meter	$250.95	
		3 Inch Meter	$496.30	
		Usage over 600 cubic feet (per 100 cubic feet)	$14.08	
		Low Income/Senior/Disabled Rate	$8.45	
		Usage over 1,800 cubic feet (per 100 cubic feet)	$17.62	
		Low Income/Senior/Disabled Rate	$10.57	
	Effective January 1, 2028	5/8 x 3/4 Inch Meter	$103.99	Resolution 906
		Low Income/Senior/Disabled Rate	$62.39	
		1 Inch Meter	$137.91	
		1.5 Inch Meter	$190.25	
		2 Inch Meter	$262.87	
		3 Inch Meter	$519.87	
		Usage over 600 cubic feet (per 100 cubic feet)	$14.75	
		Low Income/Senior/Disabled Rate	$8.85	
		Usage over 1,800 cubic feet (per 100 cubic feet)	$18.46	
		Low Income/Senior/Disabled Rate	$11.07	
	Effective January 1, 2029	5/8 x 3/4 Inch Meter	$108.93	Resolution 906
		Low Income/Senior/Disabled Rate	$65.36	
		1 Inch Meter	$144.47	
		1.5 Inch Meter	$199.29	
		2 Inch Meter	$275.36	
		3 Inch Meter	$544.56	
		Usage over 600 cubic feet (per 100 cubic feet)	$15.45	
		Low Income/Senior/Disabled Rate	$9.27	
		Usage over 2,500 cubic feet (per 100 cubic feet)	$19.33	
		Low Income/Senior/Disabled Rate	$11.60	

Billing - Water Sales (cont'd)				
Item	**Item Description**		**Fee/Charge**	**Reference**
9 (cont)	Effective January 1, 2030	5/8 x 3/4 Inch Meter	$114.10	Resolution 906
		Low Income/Senior/Disabled Rate	$68.46	
		1 Inch Meter	$151.33	
		1.5 Inch Meter	$208.76	
		2 Inch Meter	$288.44	
		3 Inch Meter	$570.43	
		Usage over 600 cubic feet (per 100 cubic feet)	$16.18	
		Low Income/Senior/Disabled Rate	$9.71	
		Usage over 2,500 cubic feet (per 100 cubic feet)	$20.25	
		Low Income/Senior/Disabled Rate	$12.15	
	Effective January 1, 2031	5/8 x 3/4 Inch Meter	$119.52	Resolution 906
		Low Income/Senior/Disabled Rate	$71.71	
		1 Inch Meter	$158.52	
		1.5 Inch Meter	$218.67	
		2 Inch Meter	$302.14	
		3 Inch Meter	$597.52	
		Usage over 600 cubic feet (per 100 cubic feet)	$16.95	
		Low Income/Senior/Disabled Rate	$10.17	
		Usage over 2,500 cubic feet (per 100 cubic feet)	$21.21	
		Low Income/Senior/Disabled Rate	$12.73	
10	Late Fee 1 late fee per account per year refundable with General Manager's approval		10% of past due utility services balance	RCW 57.08.081(3)

Miscellaneous Water Charges			
Item	**Item Description**	**Fee/Charge**	**Reference**
11	**Water Interruption - Voluntary - With Billing Suspension**		
	Lock Curb Stop Valve - during normal business hours	base rate	Resolution 860
	Unlock Curb Stop Valve - during normal business hours	No charge	
	Unlock Curb Stop Valve - outside normal business hours	$150.00	
	Lock Curb Stop Valve	$50.00	Resolution 661
	Unlock Curb Stop Valve - during normal business hours	No charge	
	Unlock Curb Stop Valve - outside normal business hours	$150.00	
12	**Water Interruption - Involuntary**		
	Delinquent Account - Lock curb stop valve	$75.00	Resolution 860
	Unlock Curb Stop Valve		
	During Normal Business Hours	No charge	
	Outside Normal Business Hours	$150.00	

Miscellaneous Water Charges (cont'd)			
13	**Water Interruption - Other**		
	Failure to comply with emergency order	$75.00	Resolutions 661 & 860
	Failure to eliminate cross connection	$75.00	
	Failure to repair leak	$75.00	
	Request of agency/higher authority	No charge	
	Visible leak in vacant building or disaster	No charge	
14	**Unauthorized Lock Removal Fee**	$250.00	Resolution 860
15	**Damaged Meter** If meter is damaged by the customer	Material, equipment, & labor to repair meter + $250.00	Resolution 860
16	**Clear obstructed water meter** after request to customer to remove is refused	$75.00 + third party charges	Resolution 860
17	**Hydrant meter, fire hose, fittings**		
	Meter rental deposit	$1,500.00	Resolution 860
	Equipment rental - single continuous use	$50.00 per	Resolution 860
	Bulk water purchase with hydrant meter		
	Effective January 1, 2027 - Per 100 cubic feet	$14.08	Resolution 906
	Effective January 1, 2028 - Per 100 cubic feet	$14.75	
	Effective January 1, 2029 - Per 100 cubic feet	$15.45	
	Effective January 1, 2030 - Per 100 cubic feet	$16.18	
	Effective January 1, 2031 - Per 100 cubic feet	$16.95	

Developer Extension Agreements			
Item	**Item Description**	**Fee/Charge**	**Reference**
18	**Initial Fees**		
	Application - Good for 60 days	$300.00	Resolution 680
	Conformance Deposit	$1,000.00	Resolution 680
	General Administration plus recording fees	$750.00	Resolution 680
19	**Final Design Review**		
	By District Engineer	Cost + 2%	Resolution 680
20	**Design Review and Inspection**		
	Initial Deposit	$5,000.00	Resolution 680
	Supplemental Deposit	$5,000.00	Resolution 860
21	Contract noncompliance	Cost + 2%	Board Mtg 5/14/97
22	Latecomers Reimbursement Agreements, reimbursement processing	Cost + 2%	Resolution 860
23	Special Agreements	Cost + 2%	Board Mtg 5/14/97
24	Third Party Claims	Cost + 2%	
25	**Time Extension**		
	Before Expiration Date	$250.00	
	After Expiration Date	$750.00	

Permitting - Water Permits

	Meter Size	Continuous Flow	Meter Capacity
Meter Information	5/8 x 3/4 Inch	15	1
	1 Inch	30	2
	1.5 Inch	75	5
	2 Inch	120	8
	3 Inch Compound	330	22
	4 Inch Compound	440	29

Item	Item Description			Fee/Charge	Reference
26	**Water General Facilities & Installation**				
	** Installation fees marked with an * vary by project, please see District Engineer with questions.*				
		Meter Size	Connection Fee	Installation	
	Effective January 1, 2027	5/8 x 3/4 Inch	$8,645.06	$2,000.00	Resolution 886
		1 Inch	$17,290.12	*	
		1.5 Inch	$43,225.30	*	
		2 Inch	$69,160.48	*	
		3 Inch Compound	$190,191.32	*	
		4 Inch Compound	$253,559.61	*	
27	Permit Administration & Processing			$170.00	Resolution 860
	Initial Water Pressure Reducing Valve Inspection & Documentation			$50.00	Resolution 860
	Water Pressure Reducing Valve Reinspection			$100.00	Resolution 860
28	**Water Permit - Special Charges**				
	North Shore and Eagleridge/COB Reimbursement			$300.00	6/10/88 Agreemt

Permitting - Sewer Permits

	Meter Size	Meter Capacity
Meter Information	5/8 x 3/4 Inch	1
	1 Inch	2
	1.5 Inch	5
	2 Inch	8
	3 Inch Compound	22
	4 Inch Compound	29

MASTER FEES & CHARGES - SCHEDULE 30

Effective Date January 1, 2027 (Resolution 906)

Permitting - Sewer Permits (cont'd)

Item	Item Description			Fee/Charge	Reference
29	**Sewer General Facilities**				
		Meter Size	Connection Fee	Installation	
	Effective January 1, 2027	5/8 x 3/4 Inch	$13,172.90	Done by owner's bonded side sewer contractor	Resolution 886
		1 Inch	$26,345.80		
		1.5 Inch	$65,864.50		
		2 Inch	$105,383.20		
		3 Inch Compound	$289,803.81		
		4 Inch Compound	$386,361.16		
30	Service Installation - If District-installed stub exists			$755.00	Resolution 860
	Permit Processing			$170.00	
	Scheduled Sewer Inspection-Construction Not Ready			$100.00	
	Initial Sewer Inspection/Grinder Pump Installation Inspection			$370.00	
	Sewer Reinspection of Deficient Work			$500.00	
31	**Sewer Permit - Special Charges**				
	Lakewood/Grand Blvd Special Benefit Fee			$6,000.00	District Funded
	ULID #18 Fee in Lieu of Assessment - see table below			See table	Resolution 885
32	**Other Sewer Charges**				
	Review waiver of claim agreements for customer-owned side sewers with			$50.00	Resolution 645
	Unauthorized Connection to Sewer				
	Investigation, testing, inspection			$500.00	Resolution 645
	Repair and Correction			Cost + 10%	Resolution 860
	Disconnect monitoring/enforcement after 90 days			$25.00/day	Board Mtg 8/29/03
	Voluntary Sewer Service Interruption				
	Permit to install two-way clean out			Permit processing & inspection fee	
	Suspend billing - insert plug into side sewer			$250.00	Resolution 709
	Resume billing/remove plug - during regular business hours			No charge	
	Resume billing/remove plug - outside regular business hours			$150.00	

ULID #18 Fee in Lieu of Assessment

Item	Year	Equivalent to	Fee in Lieu of	Total Fee	Reference
33	2027	$2,792.78	$8,353.35	$11,146.13	Resolution 885
	2028	$2,792.78	$9,146.92	$11,939.70	

NOTE: As described in Resolution 672 and 885, ULID #18 Fee in Lieu of Assessment Charges were created to put parcels not assessed on the same footing as those that were assessed for the ULID. Assessed parcels could, and many did, prepay their assessments. To provide the same opportunity for non-assessed parcels, prepayment of ULID 18 Fee in Lieu of Assessment Charges will also be accepted. Therefore, paid in full ULID Fee in Lieu of Assessment Charges satisfy the ULID Charges

Violations of Administrative Code			
Item	**Item Description**	**Fee/Charge**	**Reference**
34	Labor	Staff hourly rates - See Item No. 3	Resolution 798
	Equipment Use	Hourly rate - See Item No. 1	
	Materials	Cost of materials used	
	Attorney's Fees and Expenses	Reimburse District's Costs	
	Administrative Fee	10% of total expenses	
	Any person who violates any provision of the Administrative Code shall be liable to the District for any expense, loss, damage, cost of inspection or cost of correction incurred by the District by reason of such violation, including any expenses and attorney fees incurred by the District in collecting from such person of such loss, damage, expense, cost of inspection or cost of correction, plus an administrative fee equal to 10% of the total expenses. (Reference: Administrative Code Section 3.3.1		

Water Booster Pump Credit			
Item	**Item Description**	**Credit**	**Reference**
35	Maximum allowable credit for installing a private water booster pump serving qualifying properties	$1,500.00	Resolution 778

	AGENDA BILL Item 6.C	**Water System Pressure Monitoring Presentation**

DATE SUBMITTED:	July 21, 2026	MEETING DATE:	July 29, 2026

TO: BOARD OF COMMISSIONERS	FROM: Jason Dahlstrom, O&M Manager		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. none		
TYPE OF ACTION REQUESTED	RESOLUTION ☐	FORMAL ACTION/ MOTION ☐	INFORMATIONAL /OTHER ☒

BACKGROUND / EXPLANATION OF IMPACT

Maintaining stable water system pressure is critical to ensuring regulatory compliance, protecting public health, and extending the operational lifespan of District infrastructure. Fluctuations in water pressure—whether high-velocity surges or severe drops—can lead to localized water main breaks, accelerated pipe fatigue, service disruptions, and potential contamination risks.

Staff will provide a presentation on the District's current water system pressure monitoring initiatives. The presentation will highlight recent efforts to track hydraulic performance across pressure zones, troubleshoot localized pressure anomalies, and implement real-time data collection solutions.

FISCAL IMPACT

No fiscal impact is anticipated from this presentation. A related project is under consideration for 2027-28 budget cycle and will be further detailed if included in budget.

APPLICABLE EFFECTIVE UTILITY MANAGEMENT ATTRIBUTE(S)

Product Quality
Operational Optimization
Infrastructure Strategy & Performance
Water Resource Sustainability

RECOMMENDED BOARD ACTION

No action is recommended at this time.

PROPOSED MOTION

Not applicable.

AGENDA BILL Item 8.A	**General Manager's Report**	

DATE SUBMITTED:	July 23, 2026	MEETING DATE:	July 29, 2026

TO: BOARD OF COMMISSIONERS	FROM: Justin Clary, General Manager		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. General Manager's Report 2. Strategic Business Plan Implementation Update		
TYPE OF ACTION REQUESTED	RESOLUTION ☐	FORMAL ACTION/ MOTION ☐	INFORMATIONAL /OTHER ☒

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, July 29, 2026 – 8:00 a.m.

Important Upcoming Dates

Lake Whatcom Water & Sewer District			
Regular Board Meeting	Wed Aug 12, 2026	6:30 p.m.	Board Room/Hybrid
Employee Staff Meeting	Thu Aug 13, 2026	8:00 a.m.	Board Room/Hybrid Commissioner Holland assigned
Investment Comm. Meeting	Wed Jul 29, 2026	10:00 a.m.	Board Room/Hybrid
Safety Committee Meeting	Thu Aug 27, 2026	8:00 a.m.	Board Room
Lake Whatcom Management Program			
Policy Group Meeting	Wed Sep 2, 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 Aug 11, 2026	6:00 p.m.	Bob's Burgers 8822 Quil Ceda Pkwy, Tulalip, WA
Whatcom County Council of Governments Board Meeting	Wed Oct 14, 2026	3:00 p.m.	Council of Governments Offices 314 E Champion Street/Hybrid

Committee Meeting Reports

Safety Committee:

- The committee met on July 23; discussion included implementation of excavation trench safety plan documentation, scheduling in-person vehicle operation training, and the findings and next steps from the L&I safety audit report received through the START certification program.

Investment Committee:

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

Upcoming Board Meeting Topics

- 2025-26 Budget Amendment No. 2 approval
- 2027-28 Budget development
- 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.
  Review of the District's rate structure was initiated during the April 8 board meeting and has since been discussed during several subsequent meetings; the 2027-31 rate structure is scheduled for adoption during the July 29 board meeting.

2027-28 Biennial Budget

- Develop a balanced budget for the 2027-28 biennium.
  Budget development is scheduled to begin in August 2026 following adoption of the 2027-31 rate program.

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 board postponed the EUM assessment and strategic plan update to 2027 during its April 29 meeting.

APWA Accreditation

- Continue work towards multi-year effort to gain American Public Works Association accreditation.
  The accreditation team is in the process of reviewing/completing the 273 accreditation practices applicable to the District (152 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 exercise 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.
  The updated risk assessment was submitted to USEPA on May 26.

- 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 emergency response plan is underway.

<u>Safety Program Update</u>

- Continue systematic review and revision of District's safety programs by updating nine (9) programs in 2026.
  Staff has finalized updates to eight (8) programs (personal protective equipment, medical emergencies, hearing conservation, office safety, sodium hypochlorite, back injury prevention, welding, cutting & brazing, and heat-related illness) and are reviewing the securing loads program.

<u>L&I START Program</u>

- Initiate a multi-year effort to obtain District certification through the Washington State Department of Labor & Industries (L&I) Safety Through Achieving Recognition Together (START) program.
  The risk management assessment component was completed by L&I on February 11 (report received on May 27), and the industrial hygiene and health and safety assessments were conducted on April 30 with employee interviews performed on May 21.

Community/Public Relations

<u>General</u>

- Website
  The District's web content is reviewed and updated on a regular basis. The District is considering addition of a function to the website that converts .pdf documents on the website to meet Web Content Accessibility Guidelines (WCAG).
- Social Media
  Posts are made to District Facebook, LinkedIn, and Nextdoor pages regularly; Nextdoor is also routinely monitored to identify District-related posts.
- Press Releases
  Press releases were issued on January 30 (Commissioner Ford resignation), April 2 (Rep. Larsen earmark), April 9 (Commissioner Greif appointment), and June 23 (clean audit for 2024-25).

<u>Intergovernmental Relations</u>

- *J Clary chaired the Whatcom Water Alliance meeting on July 21.*

Lake Whatcom Water Quality

<u>Lake Whatcom Management Program</u>

- Participate in meetings of Lake Whatcom Management Program partners.
  J Clary attended the interjurisdictional coordinating team meeting and the management team meeting on July 16 and July 23, respectively.

2025-2030 Strategic Business Plan Implementation Status
Lake Whatcom Water and Sewer District

	Executive Department Goals	2025	2026 YTD	2027	2028	2029	2030
1.	**Facilitate achievement of annually established Board inititatives**						
	Workload Indicators						
	- Meetings with management team to attain Board initiatives	47	23				
	- Reporting on the status of completion of Board initiatives	22	12				
	- Annual number of Board initiatives	8	10				
	- Annual number of Board meetings/work sessions held	22	13				
	Performance Measures						
	- Completion of initiatives within Board/staff agreed timelines	complete	underway				
2.	**Biennial EUM self-assessment and update to strategic plan**						
	Workload Indicators						
	- Draft departmental strategic plans by June 30						
	- Financial forecast updated biennially (even-numbered years)		to be initiated				
	- Balanced budget presented to the Board biennially		to be initiated				
	Performance Measures						
	- Complete strategic plan by Sep 1						
3.	**Maintain intergovernmental relations program**						
	Workload Indicators						
	- Participation in LWMP data group, ICT, policy group, and joint councils meetings	yes	yes				
	- Participation in WWA, WUCC, COG, and Whatcom Water Districts meetings	yes	yes				
	- Participation in WASWD and WSRMP meetings	yes	yes				
	- Meet with City, County, SVCA, and SWFA staff	yes	yes				
	- Attendance of WASWD and IACC conferences	yes	yes				
	- Presentation at SVCA board meetings	no	yes				
	Performance Measures						
	- Annual budgetary allocation supporting organization memberships	complete	complete				
	- Number of LWMP meetings attended	41	21				
	- Number of WWA, WUCC, COG, and Whatcom Water Districts meetings attended	23	7				
	- Number of meetings with City, County, SVCA, and SWFA staff	11	6				
	- Number of conferences attended	3	1				

2025-2030 Strategic Business Plan Implementation Status
Lake Whatcom Water and Sewer District

	Executive Department Goals	2025	2026 YTD	2027	2028	2029	2030
	- Number of presentations to SVCA board	0	1				
4.	**Enhance public relations program**						
	Workload Indicators						
	- Update of District website	no					
	- Issuance of press releases and Facebook posts on a regular basis	yes	yes				
	- Active participation in community events	yes	yes				
	Performance Measures						
	- Completion of website udpate by December 31, 2025 (postponed to rebranding)						
	- Completion of District rebranding by December 31, 2028						
	- Number of Facebook followers	223	229				
	- Number of press releases issued	4	4				
	- Number of Facebook posts	39	27				
	- Number of community events participated in	2	4				
5.	**Maintain safety program**						
	Workload Indicators						
	- Staff review of District safety programs	complete	underway				
	- Staff completion of online safety trainings	complete	complete				
	- Staff attendance of required certification courses	complete	underway				
	Performance Measures						
	- Annual review of a minimum of 9 safety programs	11	8				
	- Monthly meeting of the safety committee	12	6				
	- Annual number of safety inspections by management	6	3				
	- Annual number of lost time injuries and near misses	0	0				
6.	**Water rights adjudication participation**						
	Workload Indicators						
	- Attendance of adjudication-related presentations/meetings	yes	yes				
	Performance Measures						
	- Claims filed for each District water right		0				
	- Documentation supporting claims filed with court						

	Executive Department Goals	2025	2026 YTD	2027	2028	2029	2030
7.	**American Public Works Association accreditation**						
	Workload Indicators						
	- Accreditation team status meetings	yes	no				
	- Consistent completion of accreditation-required metrics (Practice sub-goals)	yes	yes				
	Performance Measures						
	- Number of Accreditation Team meetings held annually	1	0				
	- Number of Practice sub-goals completed annually (273 total)	98	51				
	- Formal registration in 2026		to be initiated				
	- APWA accreditation in 2029						

2025-2030 Strategic Business Plan Implementation Status
Lake Whatcom Water and Sewer District

	Finance Department Goals	2025	2026 YTD	2027	2028	2029	2030
1.	**Improve performance standards and enhance professional growth**						
	Workload Indicators						
	- Regular review of job descripions and cross-train as duties allow	complete	Initiated				
	- Identify applicable trainings and encourage accounting principles understanding	ongoing	ongoing				
	- Issue weekly updates to staff	ongoing	ongoing				
	- Increase training centered on accounting standards and best practices	ongoing					
	- Develop a comprehensive financial procedure manual	ongoing	ongoing				
	Performance Measures						
	- Number of trainings and webinars attended	27	11				
	- Implement employee cross-training and development tracking system	ongoing	ongoing				
	- Number of weekly updates from the Finance Manager	43	18				
	- Number of staff meetings and engagement activities	27	12				
	- Implement comprehensive financial procedures manual	ongoing	ongoing				
2.	**Improve financial sustainability and forecasting**						
	Workload Indicators						
	- Development and routine evaluation of long-term forecasting model	ongoing	ongoing				
	- Provide instructions/schedule for budget preparation		TBI				
	- Routine evaluation of biennial budget	ongoing	ongoing				
	- Routine evaluation of financial policies	ongoing	ongoing				
	- Routine evaluation of investments	ongoing	ongoing				
	Performance Measures						
	- Alignment of overhead/personnel costs with rate revenue	ongoing	ongoing				
	- Regular use and update to the forecasting model	ongoing	ongoing				
	- Number of management team meetings to review cost alignment with budget	ongoing	ongoing				
	- Financial policies are maintained to align with industry best practices/standards	yes	yes				
	- Investment revenue increases while maintaining safety and liquidity requirements	yes	yes				
	- Financials and financial policies comply with State Auditor's Office	yes	yes				

Updated 7/21/2026

2025-2030 Strategic Business Plan Implementation Status
Lake Whatcom Water and Sewer District

Finance Department Goals		2025	2026 YTD	2027	2028	2029	2030
3.	**Maximize and utilize technology to improve workflow**						
	Workload Indicators						
	- Meet with banking representatives to improve daily deposit process	no	Complete				
	- Utilize records retention software to maintain payroll and benefites lifetime records	ongoing	ongoing				
	- Convert accounts payable process to paperless	no	TBI				
	- Research implementation of Springbrook Cloud	in process	Complete				
	- Increase staff and management trainings on new technology and processes	ongoing	ongoing				
	Performance Measures						
	- Implementation of remote deposit capture or electronic processing of checks	no	Complete				
	- Implementation of document management software for payroll and benefits records	in process	in process				
	- Implementation of paperless accounts payable process	no	TBI				
	- Utilization of internal server drive for accounts payable records	no	TBI				
	- Number of meetings with Springbrook representatives re: Springbrook Cloud	2	3				
	- Number of trainings on recent technology and processes	6	0				

2025-2030 Strategic Business Plan Implementation Status
Lake Whatcom Water and Sewer District

	Engineering Department Goals	2025	2026 YTD	2027	2028	2029	2030
1.	**Identify, design and construct capital improvement projects**						
	Workload Indicators						
	- Number of capital projects completed during the current biennium	13	0				
	- Hours of on-site inspection provided by District staff	1011	0				
	- Hours of design and construction admin provided by consulting engineers	1400	850.25				
	Performance Measures						
	- Biennial update to the 6- and 20-year capital improvement plans	underway	underway				
	- Board adoption of biennieal capital reinvestment budget	complete					
	- Completion of planned capital projects on schedule and within budget	underway	underway				
2.	**Further develop the asset management system to ensure timely maintenance and plan for asset reinvestment**						
	Workload Indicators						
	- Number of asset decay curves	1	3				
	- Number of Overall Condition Index scores added or updated	523	378				
	- Number of asset replacement plans developed for linear assets	1	3				
	- Number of Asset Committee meetings held	7	4				
	Performance Measures						
	- Life extension of assets beyond the typical expected useful life	underway	underway				
	- Development of written strategic asset management plan	complete	complete				
	- Creation of an asset management committee	complete	complete				
3.	**Strategically optimize the use and further development of the District's GIS to support operations**						
	Workload Indicators						
	- Completion of GIS management and development plan	underway	underway				
	- Number of assets field located by GPS and updated in GIS	426	0				
	Performance Measures						
	- Completion of internal GIS utilization and improvement plan	planning	planning				
	- Hire temporary GIS/engineering intern to assist with field inspection/GPS	Complete	Complete				
	- Complete updated GIS database with sufficient accuracy for use by staff	complete	complete				

2025-2030 Strategic Business Plan Implementation Status
Lake Whatcom Water and Sewer District

Engineering Department Goals		2025	2026 YTD	2027	2028	2029	2030
4.	**Support the development of the document management program to ensure maintenance and access to Engineering documents**						
	Workload Indicators						
	- Number of records inventoried	491	5				
	- Number of records filed	491	5				
	Performance Measures						
	- Complete inventory and prioritization of all needed engineering records	ongoing	ongoing				
	- Revise administrative staff job descriptions	draft	draft				
	- Inventory/filing of 25% of records (2025), 50% (2026), 75% (2027), 100% (2028)	50%	50%				

2025-2030 Strategic Business Plan Implementation Status
Lake Whatcom Water and Sewer District

	Operations Department Goals	2025	2026 YTD	2027	2028	2029	2030
1.	**Ensure continuity of potable water production that meets or exceeds regulatory requirements**						
	Workload Indicators						
	- Number of routine water system reports submitted to agencies	72	39				
	- Number of routine water treatment plant samples collected/analyzed	2,328	1,121				
	- Number of water distribution system samples collected/analyzed	1,429	548				
	- Number of hours performing equipment calibration and maintenance	882	437				
	- Number of hours inventorying and preparing treatment chemicals	112	60				
	Performance Measures						
	- Meet all Department of Health water quality requirements without violation	yes	yes				
	- Labor hours used to perform preventitive maintenance tasks at treatment plants	177.5	32				
	- Percentage of samples analyzed by laboratory that are satisfactory	100	100				
	- Number of annual water quality customer complaints received	1	0				
	- Number of tasks related to preventative maintenance completed at plants	30	6				
	- Number of tasks unrelated to preventative maintenance completed at plants	6	0				
2.	**Enhance system resiliency through proactive maintenance of electrical systems, instrumentation, controls, and communications**						
	Workload Indicators						
	- Scheduled inspections of electrical cabinets, components and assoc. equipment	54	16				
	- Repair of electrical cabinents, components and assoc. equipment by staff	19	11				
	- SCADA hardware/software installation and maintenance using contract services	12	3				
	- On-call services provided by external contractors	2	0				
	Performance Measures						
	- Number of inspections per year	54	16				
	- Number of repairs per year	19	11				
	- Total cost of SCADA services, including District labor and resources	$35,452	$23,204				
	- Total cost of electrical, instrumentation, and controls services, including District labor and resources	$25,166	$0				
	- Total communications network downtime (in hours) due to external failures	75	16				
	- Total communications network downtime (in hours) due to internal failures	7	6				

2025-2030 Strategic Business Plan Implementation Status
Lake Whatcom Water and Sewer District

	Operations Department Goals	2025	2026 YTD	2027	2028	2029	2030
3.	**Ensure collection and conveyance of sewage out of the watershed through routine inspection and preventitive maintenance**						
	Workload Indicators						
	- Monthly inspections of sewer lift stations	316	177				
	- Total number of preventative maintenance tasks scheduled	955	355				
	- Total number of preventative maintenance tasks completed	827	349				
	- Total number of repairs associated with sewer assets	30	9				
	- Labor hours expended televising/inspecting sewer mains	174	86				
	Performance Measures						
	- Number of sewer system overflows per year	3	0				
	- Labor hours spent performing preventative maintenance tasks for sewer assets	1202	465				
	- Total cost of repairs associated with sewer assets	$50,089	$10,340				
	- Miles of sewer main televised/inspected per year	2.26	2				
	- Annual volume of I&I conveyed to the City of Bellingham	TBD	TBD				
	- Annual cost of I&I treatment (by City of Bellingham)	TBD	TBD				
4.	**Ensure the realization of the maximum operable life of District water infrastructure**						
	Workload Indicators						
	- Total number of preventative maintenance tasks scheduled	785	168				
	- Total number of preventative maintenance tasks completed	627	142				
	- Total number of PRVs rated as *needs replacement*	4	2				
	Performance Measures						
	- Labor hours performing preventative maintenance tasks on water infrastructure	816	390				
	- Total cost of replacing PRVs needing replacement	$2,252	$0				
	- Number of customer complaints regarding water pressure per year	7	3				
	- Number of water leaks repaired	27	9				

2025-2030 Strategic Business Plan Implementation Status
Lake Whatcom Water and Sewer District

	Operations Department Goals	2025	2026 YTD	2027	2028	2029	2030
5.	**Maintain level-of-service expectations relative to development services**						
	Workload Indicators						
	- Water/sewer connection inquiries processed	58	31				
	- Water/sewer connection permits issued	21	9				
	- New water service installations	9	2				
	Performance Measures						
	- Pre-construction meetings attended (annual)	15	6				
	- Water/sewer permits issued (annual)	21	9				
	- Inspector labor hours for new development inspections (annual)	29	5				
	- Maintenance staff labor hours for new development installations (annual)	212	36				

	AGENDA BILL Item 8.B	**Engineering Department Report**

DATE SUBMITTED:	July 23, 2026	MEETING DATE:	July 29, 2026

TO: BOARD OF COMMISSIONERS	FROM: Greg Nicoll, Engineering Manager/District Engineer		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. Summary of Capital Improvement Projects		
TYPE OF ACTION REQUESTED	RESOLUTION ☐	FORMAL ACTION/ MOTION ☐	INFORMATIONAL /OTHER ☒

BACKGROUND / EXPLANATION OF IMPACT

Updated information regarding District projects and current priorities in advance of the Board meeting.

FISCAL IMPACT

None.

RECOMMENDED BOARD ACTION

None required.

PROPOSED MOTION

None.

SUMMARY OF CAPITAL IMPROVEMENT PROJECTS

Updated: 7/22/2026

Prepared by: G. Nicoll

LEGEND:		
WATER	SEWER	SHARED

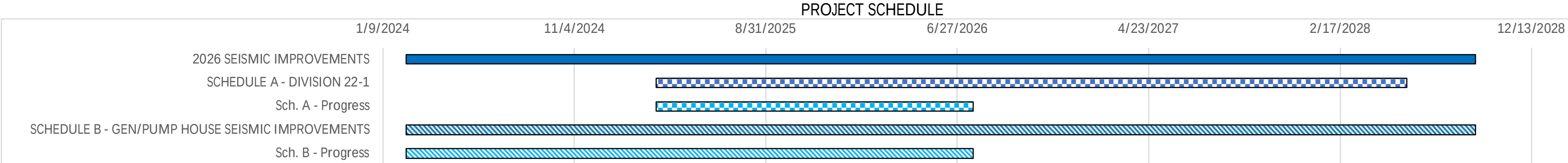
MAJOR PROJECTS IN CONSTRUCTION: No Capital Projects Currently in Construction

MAJOR PROJECTS IN DESIGN:

2027 WATER SYSTEM SEISMIC IMPROVEMENTS PROJECT

The 2026 Water System Seismic Improvements Project is a composite project of two separately budgeted and separately funded projects that will be bid and constructed under a single construction contract. The project will consist of two schedules of work as summarized below. Bid documents will be prepared to maintain completely separate cost accounting for the two projects to ensure compliance with grant funding requirements. Sequencing of the project will be at the discretion of the contractor.

PROJECT SCHEDULE



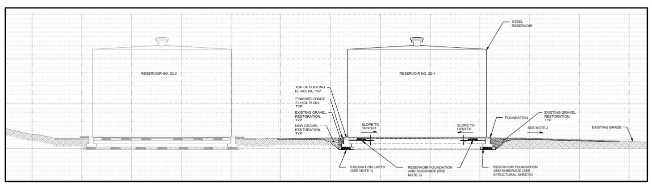
SCHEDULE A: C2517 - DIVISION 22-1 RESERVOIR REPLACEMENT

Project Summary:	Construct a new reservoir to replace the existing Division 22-1 Reservoir to improve seismic resiliancy of critical infrastructure (FEMA Hazard Mitigation Grant 5456-10).
Project Status:	Gray & Osborne is coordinating with Whatcom County to get preliminary concurrence with the proposed stormwater management solution for the project. Once the County concurs with the proposed solution, staff will submit a revised permit application and, assuming the County concurs, the conditional use permit hearing can be scheduled. The District has provided responses to an RFI from FEMA as progress towards a Phase 2 (construction) funding agreement continues. The project remains at approximately 90% design and the project is on schedule for bidding in early 2027.

Budget Summary		
Budget:	$	2,870,000.00
Spent to Date:	$	175,928.36
Balance:	$	2,694,071.64

87.5% grant funded

Budget Years:	2025-2027



SCHEDULE B: C2402 - SVWTP PUMPHOUSE AND GENEVA RESERVOIR SEISMIC UPGRADES

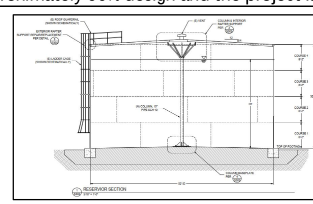
Project Summary:	Construct improvements at the SV WTP Finished Water Pump Building and the Geneva Reservoir to improve seismic resiliancy of critical infrastructure (FEMA Hazard Mitigation Grant 5395-10R). Reservoir recoating (District Project #C2518), which, per WA EMD, is eligible for grant funding, will be completed concurrently.
Project Status:	Design is 90%+ complete and is on-hold pending permits and funding. The building permits for work at both Geneva and the pump house are ready to issue pending identification of the contractor. Staff continues to work with FEMA and WA EMD on a Phase 2 funding agreement. The project remains at approximately 90% design and the project is on schedule for bidding in early 2027.

Budget Summary - C2402		
Budget:	$	1,428,895.00
Spent to Date:	$	260,830.98
Balance:	$	1,168,064.02

95% grant funded

Budget Summary - C2518		
Budget:	$	-
Spent to Date:	$	6,181.05
Balance:	$	(6,181.05)

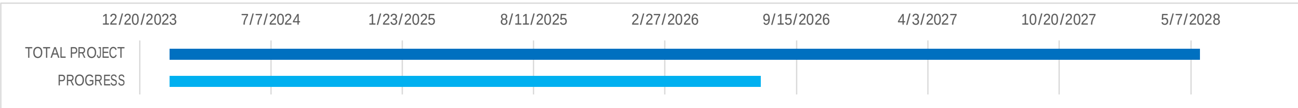
Budget Year:	2025-2026

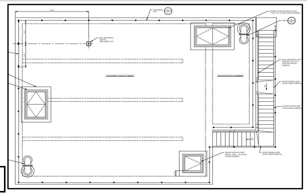


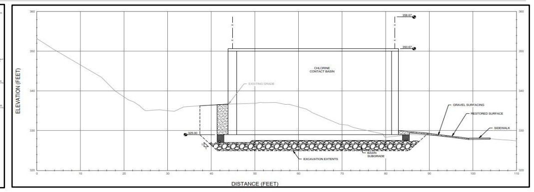
C2316 - SUDDEN VALLEY WTP CHLORINE CONTACT BASIN REPLACEMENT

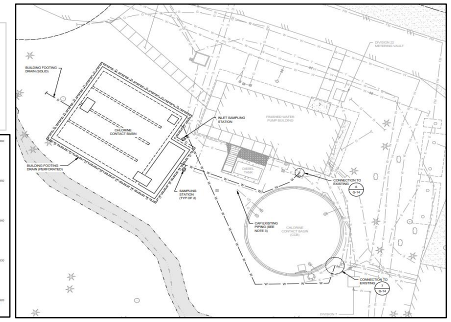
Project Summary:	Replace existing chlorine contact basin with a new basin that will include seismic restraints and will be sized for sufficient contact time at buildout flows. (FEMA Hazard Mitigation Grant 5395-10R).
Project Status:	90% design is complete and has been reviewed by staff. However, G&O is working on design revisions to relocate the new CCB to avoid an existing drainage ditch. In addition, FEMA has provided preliminary approval of the District's request for additional HMG grant funds, increasing the total project budget from $1,963,000 to $3,800,000, which, if approved, will allow the District to construct a two train basin rather than the one train alternative that was previously selected due to funding constraints. (Note that this additional funding is pending a final Phase 2 funding agreement from FEMA and Board approval.) This change will require some re-design but will be the best long term solution for the District. The District and the County have agreed upon an approach for stormwater management and G&O is currently preparing revised permit application documents so that permitting can proceed. This project is currently scheduled to be advertised for bids in early 2027.

PROJECT SCHEDULE









Budget Summary		
Budget:	$	1,963,000.00
Spent to Date:	$	221,827.31
Balance:	$	1,741,172.69

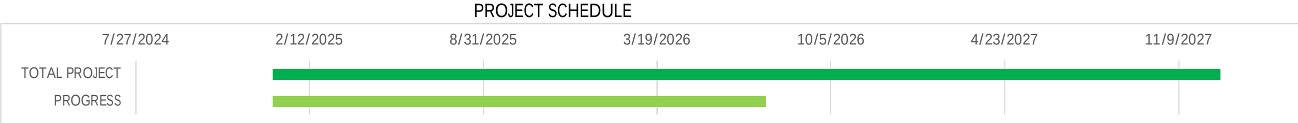
87.5% grant funded

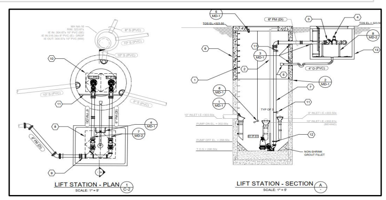
Budget Year:	2024-2026

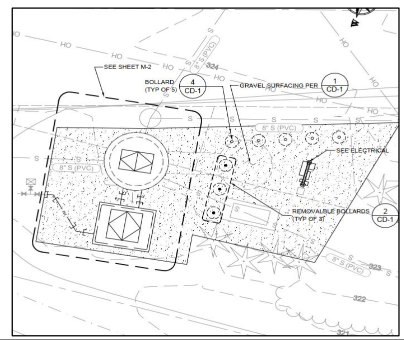
C2510 - AGATE BAY SEWER LIFT STATION REHABILITATION

Project Summary:	Agate Bay Lift Station is one of the last remaining original sewer lift stations that has not been rehabilitated and this project will renovate this station. The preferred alternative for rehabilitation of this lift station is reconfiguration of the existing wet pit/dry pit configuration to a submersible station.
Project Status:	District Engineering staff has completed 60% civil and mechanical design drawings and has submitted the shoreline substantial development permit to Whatcom County. Design is in progress for the electrical and controls systems (K Engineers) as well as the awning structure that will cover the control panels (Kingworks Engineers).

PROJECT SCHEDULE







Budget Summary		
Budget:	$	334,000.00
Spent to Date:	$	24,399.73
Balance:	$	309,600.27

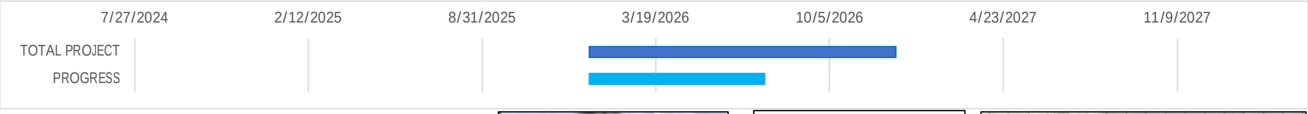
Design & Pre-Design

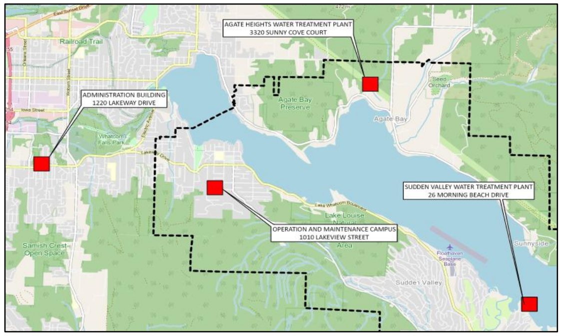
Budget Year:	2025-2027

C2602 - SURVEILLANCE CAMERAS AND ACCESS CONTROL IMPROVEMENTS

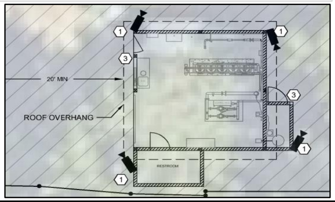
Project Summary:	Per the recommendations of the Facilities Security Assessment completed in 2024, the Agate Heights Water Treatement Plant (WTP), Sudden Valley WTP, Administration Building, and Operations and Maintenance (O&M) Campus are high priority facilities. To further protect and monitor these facilities, this project will install surveillance cameras and additional access controls. This is a phased project with additional cameras and access controls to be installed at other critical facilities in future years.
Project Status:	District Engineering staff has prepared bid documents, including plans and specifications to install cameras and access controls at the WTPs, Administration Building and O&M Campus for bidding on the District's Small Works Roster. The project scope will include designing and installing a complete and integrated access control and surveillance camera system. This will include a central cloud-based management and control system that can be expanded in the future for additional facilities, cameras and access controls. Construction is anticipated to begin in fall 2026.

PROJECT SCHEDULE





Budget Summary	
Budget:	$ 184,000.00
Spent to Date:	$ -
Balance:	$ 184,000.00
Budget Year:	2026



PROJECTS COMPLETED IN PAST 12 MONTHS

Project #	Project Name	Budget	Spent	Balance
C 2111	Division 7 Reservoir Replacement	$ 3,301,000.00	$ 3,146,082.24	$ 154,917.76
C 2113	Flat Car LS Reverse Flow to Sudden Valley LS	$ 280,000.00	$ 262,339.19	$ 17,660.81
C 2506	Physical Security Improvements	$ 37,000.00	$ 34,703.53	$ 2,296.47
C 2516	Sudden Valley WTP Pump House Skylight Replacement	O&M	$ 17,408.00	N/A
C 2511	Lake Whatcom Boulevard Interceptor Cured In Place Pipe	$ 195,000.00	$ 192,271.36	$ 2,728.64
C 2509	Eagleridge Booster Station Building Roof	$ 21,000.00	$ 15,669.84	$ 5,330.16
C 2513	Administration Building HVAC Improvements	O&M	$ 20,282.37	N/A
C 2112	Rocky Ridge and Lakewood Lift Stations Rehabilitation	$ 2,116,353.00	$ 1,791,512.87	$ 324,840.13

AGENDA BILL Item 8.C	**Finance Department Report**	

DATE SUBMITTED:	July 14, 2026	MEETING DATE:	July 29, 2026

TO: BOARD OF COMMISSIONERS	FROM: Jennifer Signs, Finance Manager		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. Second Quarter 2026 Financial Report 2. June 2026 Utility Account Adjustments 3. 2027-2028 Budget Calendar		
TYPE OF ACTION REQUESTED	RESOLUTION ☐	FORMAL ACTION/ MOTION ☐	INFORMATIONAL /OTHER ☒

BACKGROUND / EXPLANATION OF IMPACT

Updated information regarding District finances in advance of the Board meeting.

FISCAL IMPACT

None

APPLICABLE EFFECTIVE UTILITY MANAGEMENT ATTRIBUTE(S)

Financial Viability

RECOMMENDED BOARD ACTION

None required.

PROPOSED MOTION

None

Quarterly Financial Report
Second Quarter 2026

Lake Whatcom Water and Sewer District
Bellingham, Washington

Summary

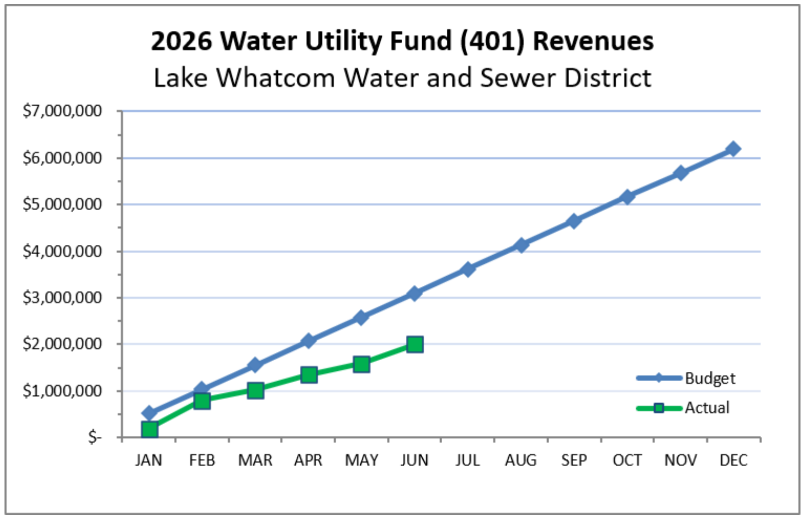
During the second quarter of 2026, Lake Whatcom Water and Sewer District (District) continued to maintain a strong financial position while advancing several key organizational initiatives. Most notably, the District completed all three audits conducted by the Washington State Auditor's Office for fiscal year 2025. These audits included the financial statement audit, the accountability audit, and the federal single audit. The District received an unmodified opinion ("clean") on its financial statements and no findings or deficiencies were identified in either the accountability audit or the federal single audit.

Each audit serves a distinct purpose in evaluating the District's financial stewardship and compliance. The financial statement audit provides independent assurance that the District's financial statements are presented fairly in accordance with Generally Accepted Accounting Principles (GAAP). The accountability audit evaluated the District's internal controls and compliance with applicable laws and regulations, with this year's review on payroll processes and related internal controls. The federal single audit examines the District's administration of federal grant funding for fiscal year 2025. This audit is conducted when funds exceed $1 million, ensuring grant funds are expended in compliance with applicable federal requirements. Collectively, these results demonstrate the District's continued commitment to strong internal controls, sound financial management, regulatory compliance, and responsible stewardship of public resources.

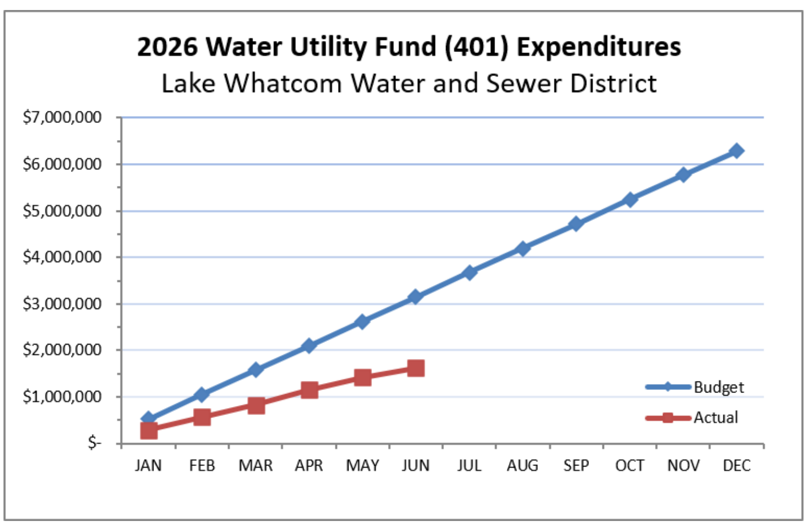
During the second quarter, the District also launched a comprehensive utility rate study and long-term financial plan review. The study evaluated projected operating costs, capital investment needs, debt obligations, reserve funding, and long-term revenue requirements to ensure continued financial sustainability of both utility systems. It is anticipated that the District will adopt a five-year financial plan that provides stable, predictable utility rates while supporting continued investment in critical infrastructure during the third quarter of 2026 paving the way for work to begin on the 2027-2028 Biennial Budget.

Financial performance through the first six months of 2026 remained strong. Utility operating revenues generally tracked budgeted expectations, with seasonal increases anticipated in the third quarter. Investment earnings remained strong through June, exceeding annual budget projections due to favorable interest rates and continued performance of the District's long-term investment portfolio. Capital expenditures remained below budgeted levels, primarily reflecting timing of planned capital projects and timing of funding from FEMA Hazard Mitigation Grants. Overall, the District remains in a strong financial position entering the second half of 2026. Healthy fund balances, positive operating performance, successful completion of the annual audit process, and the work completed on the utility rate study and long-term financial plan position the District to continue providing reliable utility services.

Water Utility Fund (Fund 401)

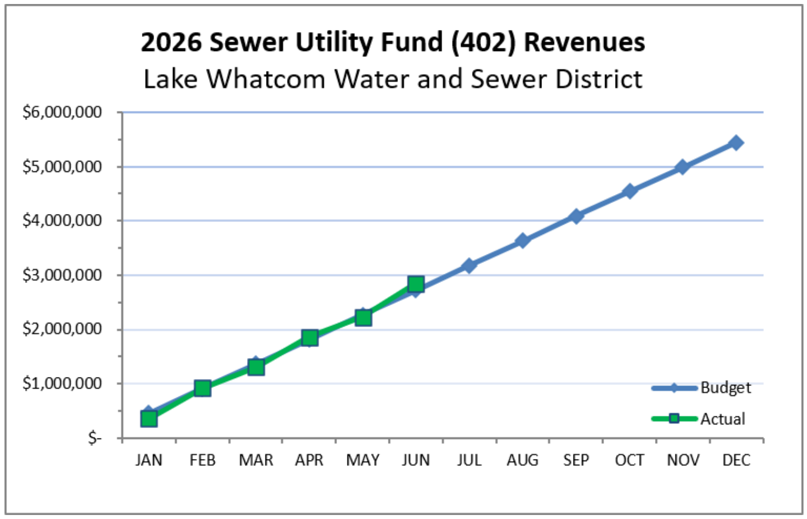


Through the second quarter of 2026, revneues in the Water Utility Fund totaled approximately $2 million. Water sales continued to follow expected seasonal trends, with customer demand anticipated to increase during the warmer months to allow for service revenue to align more closely with budgeted projections. Year-to-date water sales totaled approximately $1.56 million or 46% of the annual budget. General Facilities Charges (GFC) revenue also remained consistent with development acticity through the first half of the year and is anticipated to slightly increase during the Lake Whatcom Watershed land disturbance window which closes September 30, 2026. Miscellaneous revenues exceeded budgeted projections due primarily to strong investment performance. Investement earnings totaled approximately $98,300 through June, representing 140% of the annual budget. Due to a revised implementation schedule of several federally funded capital projects, the District no longer expects to receive revenue associated with those projects. It is antipated that the related grant revenue and capital expense budget for those projects will be carried forward into the 2027-2028 biennium through the District's budget process.

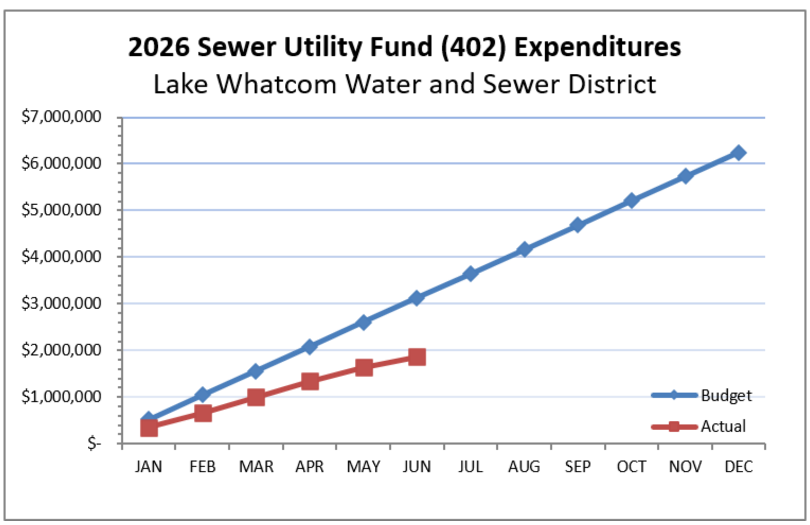


Water Utility Fund expneses totaled approximately $1.62 million through the second quarter. This represents approximately 26% of the annual budget. Operating expenses fell slightly below budgeted projections while capital expenditures were significantly below budget. This variance is primarily due to the timing of capital construction due to grant funding. Serveral captial projects remain in various stages of design, permitting, and procurement and are expected to continue progress. Debt service obligations remained consistent with scheduled repayment requiremenets and the District continues to maintain enough liquidity to meet those financial obligations.

Sewer Utility Fund (Fund 402)



Revenues in the Sewer Utility Fund totaled approximately $2.84 million through the second quarter which followed budgeted projections closely. Because sewer rates are fixed charges, sewer service revenues continue to provide a stable and predictable funding source through the year. General Facilities Charge revneue continued to reflect ongoing development activity, while investment earnings significantly exceeded budget through June. Like the Water Utility Fund, the Sewer Utility Fund benefited from favorable interest rates, generating approximately $98,300 in investment earnings through the first six months of the year. These earnings continue to strengthen the District's financial position while helping offset operating costs. Overall, the Sewer Utility Fund revenues remain consistent with the District's fianncial plan and continue to provide reliable funding for ongoing oepraitons, capital investment, and debt obligations.



Through June 30, 2026, Sewer Utility Fund expenses remained below budgeted projections while continuing to support normal utility operations. Operating expenses generally tracked anticipated spending levels across personnel maintenance, utilities, and contractual obligations. Similar to the Water Utility Fund, capital expenses remained below budget primarily due to project timing. Several planned capital improvements are expected to occur later in the construction season. With that being said, Sewer Utility Fund expenses remain well within budget while mainting the District's long-term commitment to system reliability and infrastructure revinvestement.

District Fund Balances

The District manages its monies within five funds: Water Utility Fund (401), Sewer Utility Fund (402), Sewer Contingency Reserve Fund (425), Water Contingency Reserve Fund (426), and Bond Reserve Fund (460). Within the Water Utility and Sewer Utility funds are system reinvestment funds (i.e., funds dedicated to capital projects) and debt service funds associated with the respective utility. The following discussion summarizes the activity associated with each fund through the second quarter of 2026.

Water Utility Fund (Fund 401)
The Water Utility Fund, which serves as the primary operating fund for the District's water utility, derives most of its revenue from rates charged to water customers. Fund expenditures are comprised of general operating expenses (personnel salary and benefits, professional services, utilities, etc.), payments relative to debt service on past capital improvement projects, and expenditures on water system reinvestment-defined equipment and projects. Also managed within the Water Utility Fund are monies allocated towards an operating reserve, which is equal to the cost of operating the water utility for 90 days ($742,450). The fund entered 2026 with a balance of $2,163,016 and closed the quarter with a balance of $2,539,987.

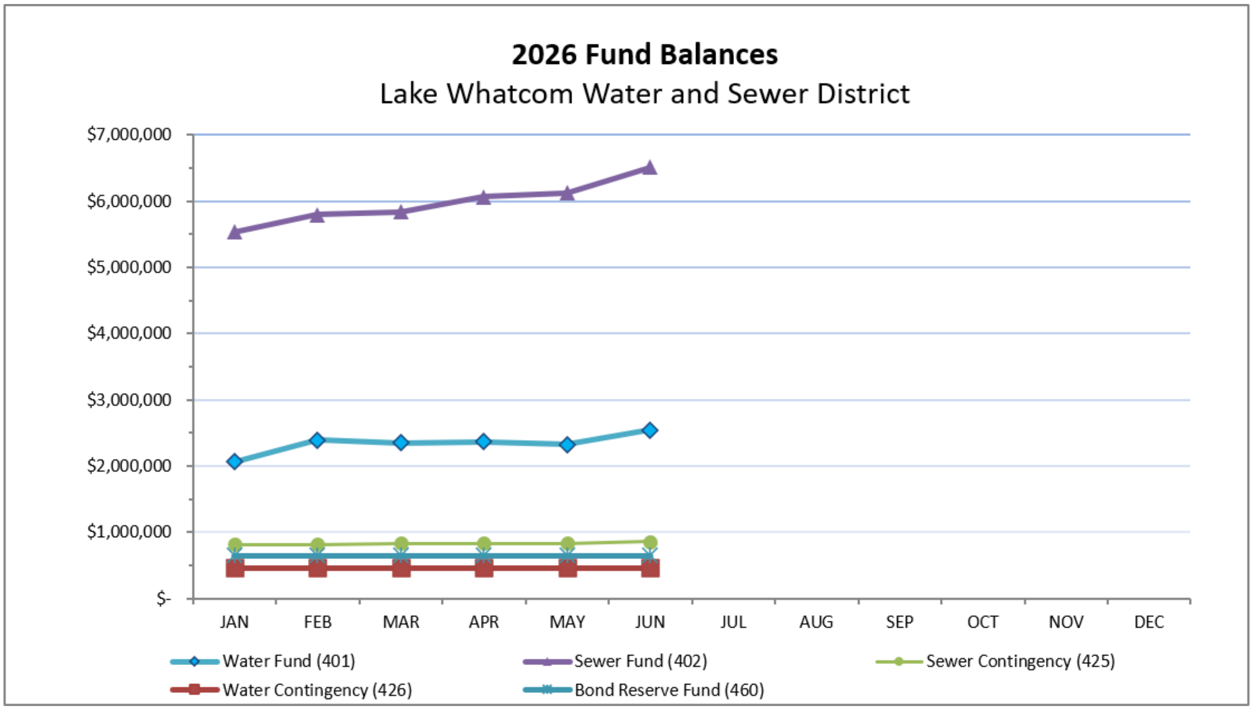
Sewer Utility Fund (Fund 402)
Like the Water Utility Fund, the Sewer Utility Fund serves as the primary operating fund for the District's sewer utility. Revenues are comprised primarily of rates charged to sewer customers, and expenditures consist of general operating expenses (personnel salary and benefits, professional services, utilities, etc.), payments relative to debt service on past capital improvement projects, and expenditures on sewer system reinvestment-defined equipment and projects. Also managed within the fund are monies allocated towards an operating reserve, which is equal to the cost of operating the sewer utility for 60 days ($571,778). The fund entered 2026 with a balance of $5,531,395 and closed the quarter with a balance of $6,513,295.

Sewer Contingency Reserve (Fund 425)
A sewer contingency reserve is maintained in accordance with District financial policies at one percent of the sewer utility infrastructure replacement cost ($858,000). This fund provides for paying for unanticipated costs that may be incurred by the Sewer Utility. The Sewer Contingency Reserve was fully funded through the end of the quarter.

Water Contingency Reserve (Fund 426)
A water contingency reserve is maintained in accordance with District financial policies at one percent of the water utility infrastructure replacement cost ($460,000). This fund provides for paying for unanticipated costs that may be incurred by the Water Utility. The Water Contingency Reserve was fully funded through the end of the quarter.

Bond Reserve Fund (Fund 460)

The District's Bond Reserve Fund is a restricted fund associated with covenants of the 2016 bond sale. It was fully funded at $646,125 through the end of the quarter. As the District moves closer to paying this debt in full, the balance within this fund will be reduced in the coming years to maintain the Maximum Amount Due (MAD).



District Cash and Investments

In accordance with its financial policies, the District invests its funds in a manner that provides the highest return with maximum security while meeting daily cash flow demands. As illustrated in the following cash and investment summary, the District remains well positioned to meet its current financial obligations while maintaining adequate resources for future capital and unforeseen needs. The following is a summary of the District's cash and investments through June 30, 2026

LAKE WHATCOM WATER AND SEWER

INVESTMENTS/CASH AS OF 6/30/2026

Petty Cash	$	1,600	
Cash	$	1,524,293	
Debt Service Account	$	646,125	
Public Funds Account	$	32,166	2.030%
WA Federal	**$**	**2,204,184**	
Local Gov't Investment Pool	**$**	**4,216,614**	3.670%

			PRINCIPAL COST		MARKET VALUE	MATURITY DATE	YIELD
US Treasury Note	Non-callable	$	499,508	$	510,000	Oct-26	3.707%
US Treasury Note	Non-callable	$	497,683	$	515,000	Feb-27	3.470%
US Treasury Note	Non-callable	$	534,034	$	515,000	Jun-27	3.724%
US Treasury Note	Non-callable	$	496,879	$	525,000	Sep-27	3.410%
US Treasury Note	Non-callable	$	950,654	$	1,000,000	Dec-27	3.290%
US Treasury Note	Non-callable	$	479,300	$	500,000	Feb-28	3.280%
US Treasury Note	Non-callable	$	471,309	$	500,000	Jul-28	4.000%
US Treasury Note	Non-callable	$	470,925	$	500,000	Nov-28	4.020%
US Bank Short-Term Money Market	Holding Account	$	196,319				3.360%
US Bank Trust		**$**	**4,596,610**	**$**	**4,565,000**		
TOTAL			**$11,017,408**				

USE OF FUNDS:

Bond Reserve - Restricted	$	646,125	
Contingency - Assigned	$	1,296,500	
Operating Reserves	$	1,185,000	
Operating Assigned	$	7,889,783	
			$11,017,408

Fund Balance Summary			
Water Utility Fund (401)	$	2,539,987	
Sewer Utility Fund (402)	$	6,513,296	
Sewer Contingency Fund (425)	$	858,000	
Water Contingency Fund (426)	$	460,000	
Bond Reserve Fund (460)	$	646,125	
			$11,017,408

LAKE WHATCOM WATER AND SEWER DISTRICT
June 2026 Utility Account Adjustments

		Year to Date	Notes
Sudden Valley Adjustments			
Late Fee Credits	$ 164.75	$ 1,507.07	
High Use/Leak Credits	$ 991.46	$ 2,563.27	6 Clear Lake; 13 Hawks Hill
North Shore/Geneva			
Late Fee Credits	$ 99.55	$ 829.14	
High Use/Leak Credits	$ -	$ 2,710.89	
Total Account Adjustments	$ 1,255.76	$ 7,610.37	

Lake Whatcom Water & Sewer District
2027 - 2028 Biennial Budget Calendar

Date	Phase	Goal/Task
July 1, 2026	Preparation	Staff budget request forms provided to all District staff; coordination w/ Managers on operational needs and capital projects
July 31, 2026	Preparation	Staff budget requests due to managers for review
August 4, 2026	Review	Management's first review of budget
August 11, 2026	Review	Management's second review of budget
August 19, 2026	Preparation	Board packet material due
August 26, 2026	Presentation	Budget process, assumptions, and narrative reviewed with Board
September 1, 2026	Review	Management's third review of budget
September 2, 2026	Preparation	Board packet material due
September 9, 2026	Presentation	First Review of budget document with Board
September 15, 2026	Preparation	Seattle CPI-U published for COLA increases in 2027; budget update as necessary
September 22, 2026	Review	Management's fourth review of budget
October 14, 2026	Preparation	Board packet material due
October 28, 2026	Presentation	Second review of budget document with Board
November 2026	Adoption	2027-2028 Biennial Budget is finalized and adopted

AGENDA BILL Item 8.D

Operations Department Report

DATE SUBMITTED:	July 23, 2026	MEETING DATE:	July 29, 2026	
TO: BOARD OF COMMISSIONERS		FROM: Jason Dahlstrom, Operations & Maintenance Manager		
GENERAL MANAGER APPROVAL				
ATTACHED DOCUMENTS		1. Operations Department Report		
		2. Status of District Water & Sewer Systems		
TYPE OF ACTION REQUESTED		RESOLUTION ☐	FORMAL ACTION/ MOTION ☐	INFORMATIONAL /OTHER ☒

BACKGROUND / EXPLANATION OF IMPACT

Updated information regarding District operations in advance of the Board meeting.

FISCAL IMPACT

None.

RECOMMENDED BOARD ACTION

None required.

PROPOSED MOTION

None.

Lake Whatcom Water & Sewer District
Operations & Maintenance Department Report

Prepared for the July 29, 2026 Board Meeting
Data Compiled 7/23/2026

<table>
<tr><th colspan="14">State Required Report Status</th></tr>
<tr><th colspan="14">Monthly Reports</th></tr>
<tr><th>Name Of Report</th><th></th><th colspan="12">Completed</th></tr>
<tr><td rowspan="2">Chlorination Report Agate Heights
Prepared by: K Cook</td><td rowspan="2">Postmarked by the 10th of month</td><td>Jan</td><td>Feb</td><td>Mar</td><td>Apr</td><td>May</td><td>June</td><td>July</td><td>Aug</td><td>Sept</td><td>Oct</td><td>Nov</td><td>Dec</td></tr>
<tr><td>x</td><td>x</td><td>x</td><td>x</td><td>x</td><td>x</td><td>x</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td rowspan="2">Surface Water Treatment Rule Report (SVWTP)
Prepared by: K Cook</td><td rowspan="2">Postmarked by the 10th of month</td><td>Jan</td><td>Feb</td><td>Mar</td><td>Apr</td><td>May</td><td>June</td><td>July</td><td>Aug</td><td>Sept</td><td>Oct</td><td>Nov</td><td>Dec</td></tr>
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<tr><th colspan="14">Annual Reports</th></tr>
<tr><th>Name Of Report</th><th>Deadline</th><th colspan="12">Completed</th></tr>
<tr><td>WA State Cross Connection Report
Prepared by: R Munson</td><td>May</td><td colspan="12">February 25, 2026</td></tr>
<tr><td>OSHA 300 Log
Prepared by: R Munson</td><td>February 1</td><td colspan="12">January 13, 2026</td></tr>
<tr><td>Water Use Efficiency Performance Report
Prepared by: K Cook</td><td>July 1</td><td colspan="12">January 12, 2026</td></tr>
<tr><td>Community Right to Know (Hazardous Materials)
Prepared by: R Munson</td><td>March 31</td><td colspan="12">January 13, 2026</td></tr>
<tr><td>Northwest Clean Air Emissions Report</td><td>February 1</td><td colspan="12">January 14, 2026</td></tr>
<tr><td rowspan="2">Consumer Confidence Reports
Prepared by: K Cook</td><td rowspan="2">June 30</td><td colspan="3">Geneva</td><td colspan="3">SV</td><td colspan="3">EagleR</td><td colspan="3">Agate Ht</td></tr>
<tr><td colspan="12">6/17/2026</td></tr>
<tr><th colspan="14">Other Reports</th></tr>
<tr><th>Name Of Report</th><th>Deadline</th><th colspan="12">Last Completed</th></tr>
<tr><td>CPR/First Aid Training
Coordinated by: R Munson</td><td>Due Biennially
Next Due 2027</td><td colspan="12">February 27, 2025</td></tr>
<tr><td>Flagging Card Training
Coordinated by: R Munson</td><td>Due Triennially
Next Due 2025</td><td colspan="12">All complete as of 10/22/25</td></tr>
</table>

Safety Program Summary

Completed by Rich Munson

Summary of Annual Safety Training

2025/26 Testing Period - Dec 2025 to April 4, 2026

	% Complete
Engineering - Managers	100%
Engineering - Staff	100%
Field Crew - Managers	100%
Field Crew - Staff	100%
Office - Managers	100%
Office - Staff	100%
Overall	**100%**

Safety meetings for the field crew take place every Thursday at 8 a.m.

Dates of Completed Safety Committee Meetings

1/23/2026	5/28/2026	
2/26/2026	6/25/2026	
3/26/2026	7/23/2026	
4/23/2026	8/27/2026 (scheduled)	

Summary of Work-Related Injuries & Illnesses

	Current Month	2026	2025	2024	2023	2022
Total Number of Work Related Injuries Defined as a work related injury or illness that results in: Death Medical treatment beyond first aid Loss of consciousness Significant injury or illness diagnosed by a licensed health care professional Days away from work (off work) Restricted work or job transfer	0	0	0	0	0	0
Total Number of Days of Job Transfer or Restriction (light duty or other medical restriction)	0	0	0	0	0	0
Total Number of Days Away from Work (at home, in hospital, not at work)	0	0	0	0	0	0
Near Misses	0	0	0	0	0	0

Safety Coordinator Update

Status of District Water and Sewer Systems
Prepared by Jason Dahlstrom - Operations and Maintenance Manager
7/29/2026 Board Meeting

Safety Activities	
• No time-loss injuries or near misses. • Daily safety reminders directly relevant to the day's tasks. Weekly safety trainings based on District specific safety programs. • Jobsite tailgate meetings by project lead.	
Water Utility Activities	

Water Treatment Plants
• Sudden Valley
  ○ Plant is operating well, averaging 0.6 million gallons per day (MGD) at 700 GPM.
  ○ Water use is consistent with typical seasonal usage.
• Agate Heights
  ○ Plant is operating well.
  ○ Water use is less than typical seasonal usage.
Distribution System
• 4 water leaks repaired this month	

Sewer Utility Activities	
Lift Stations • Nothing new to report *Collection System* • Sewer camera inspections focused on maintenance issues	
Fleet	
Vehicles • VEH47 repairs ongoing *Equipment* • Standby generator maintenance and load testing completed with no issues found	
Facilities	
• Nothing new to report	
Training	
• O&M Staff training on new SCADA SOPs	
Development	
• There are 11 permits currently in stages of development • There has been 1 water/sewer availability inquiries	