Lake Whatcom Water & Sewer District

Board Meeting Access Information

Meeting Schedule	6:30 pm - 2nd Wed of each month
	8:00 am - Last Wed of each month

Meeting Access

Meetings are held in person at our Administrative offices at 1220 Lakeway Drive in Bellingham. If you prefer to attend remotely, access information is below.

Join the meeting from your computer, tablet smartphone:

https://meet.goto.com/lwwsd/boardmeeting

You can also dial in using your phone.

Call: +1 (224) 501-3412 **Access Code:** 596-307-141
*Press *6 to mute/unmute your microphone*

New to GoToMeeting? Get the app now and be ready when the meeting starts:

https://meet.goto.com/install

Attending a Meeting

Lake Whatcom Water & Sewer District's regular Board meetings take place on the second Wednesday of each month at 6:30 pm and the last Wednesday of each month at 8:00 am.

Meetings are open to the public per the Open Public Meetings Act.

All meetings are hybrid, available in person or online. If you wish to observe a meeting, but do not plan to actively participate, you may attend anonymously. Turn off your mic & camera, and change your display name to "Observation Only."

Public Comment Periods

Public comment periods are built in to the agenda, one near the beginning of the meeting and one near the end.

Commissioners will listen, but will not respond or engage in dialogue during the comment period. Direct questions or re-quests are noted by staff for follow-up.

For the sake of time, and to leave plenty of time for scheduled agenda items, public comments are limited to 3 minutes per person and 45 minutes per comment period.

Comments may be submitted at any time through mail, email, our online contact form, or by phone.

For more information about communicating with the Board of Commissioners, please visit our website!

Questions?

If you have questions about attending an upcoming meeting, please contact Administrative Assistant Rachael Hope at rachael.hope@lwwsd.org or 360-734-9224.

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

REGULAR MEETING OF THE BOARD OF COMMISSIONERS

AGENDA

August 26, 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. Draft 2027-28 Biennial Budget Presentation

7. OTHER BUSINESS

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

9. PUBLIC COMMENT OPPORTUNITY

10. EXECUTIVE SESSION
    Executive Session per RCW 42.30.110(1)(g): To review the performance of a public employee (General Manager performance evaluation) – *15 minutes*

11. ADJOURNMENT

AGENDA BILL Item 5	Consent Agenda	

DATE SUBMITTED:	August 20, 2026	MEETING DATE:	August 26, 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 08.25.2026****

BACKGROUND / EXPLANATION OF IMPACT

- Minutes for the 08.12.26 Regular Board Meeting
- Payroll for Pay Period #17 (08.01.2026 through 08.14.2026) totaling $49,995.06
- Benefits for Pay Period #17 totaling $57,584.22
- 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

August 12, 2026

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

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

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

Consent Agenda

Action Taken
Greif moved, Knakal seconded, approval of:
- **Minutes for the 07.29.2026 Regular Board Meeting**
- **Payroll for Pay Period #16 (07.18.2026 through 07.31.2026) totaling $53,001.52**
- **Benefits for Pay Period #16 totaling $58,173.27**
- **Accounts Payable Vouchers totaling $91,089.11**

Motion passed.

Recognition of Abatement of Emergency Associated with Sewage Release
Clary recalled that at the Regular Board Meeting on July 29, the Board adopted Resolution No. 907 to affirm the emergency declaration of the general manager resulting from a sewage release into the stormwater system in the Agate Heights Neighborhood. Since then, the emergency has been abated. District crews connected the home to the District's sewer main, capped the existing stormwater service lateral, and remediated the stormwater system on July 29-30; with a permanent patch of the asphalt removed for excavation to be completed under the District's on-call pavement patching contract. Section 3, Timing and Effect, of Resolution No. 907 requires that the emergency declaration remain in effect until a subsequent Board determination that the emergency has been adequately abated.

Action Taken
Greif moved, Knakal seconded, to determine that the emergency associated with the sewage release at 3368 Coral Lane has been abated, thus terminating the effectiveness of Resolution No. 907. Motion passed.

General Manager's Report

Clary updated the Board on several topics, including current open positions, Governor Fergusen's Washington Water Futures Initiative, the Lake Whatcom Management Program's climate vulnerabilities assessment on the Lake Whatcom watershed status, and Operations Manager Jason Dahlstrom's upcoming presentation at the Washington Association of Water & Sewer Districts Fall Conference.

With no further business, Citron adjourned the regular session at 6:48 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: 11:32:02 Date: 08/17/2026

08/20/2026 To: 08/20/2026

Page: 1

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
2236	08/20/2026	Payroll	5	EFT		839.36	08/01/2026 - 08/14/2026 PP17
2237	08/20/2026	Payroll	5	EFT		4,134.79	08/01/2026 - 08/14/2026 PP17
2238	08/20/2026	Payroll	5	EFT		3,407.39	08/01/2026 - 08/14/2026 PP17
2239	08/20/2026	Payroll	5	EFT		4,131.87	08/01/2026 - 08/14/2026 PP17
2240	08/20/2026	Payroll	5	EFT		2,090.90	08/01/2026 - 08/14/2026 PP17
2242	08/20/2026	Payroll	5	EFT		2,205.60	08/01/2026 - 08/14/2026 PP17
2243	08/20/2026	Payroll	5	EFT		2,713.92	08/01/2026 - 08/14/2026 PP17
2244	08/20/2026	Payroll	5	EFT		2,617.43	08/01/2026 - 08/14/2026 PP17
2245	08/20/2026	Payroll	5	EFT		3,124.31	08/01/2026 - 08/14/2026 PP17
2246	08/20/2026	Payroll	5	EFT		3,006.65	08/01/2026 - 08/14/2026 PP17
2247	08/20/2026	Payroll	5	EFT		3,091.85	08/01/2026 - 08/14/2026 PP17
2248	08/20/2026	Payroll	5	EFT		4,515.73	08/01/2026 - 08/14/2026 PP17
2249	08/20/2026	Payroll	5	EFT		1,788.38	08/01/2026 - 08/14/2026 PP17
2250	08/20/2026	Payroll	5	EFT		4,568.43	08/01/2026 - 08/14/2026 PP17
2251	08/20/2026	Payroll	5	EFT		2,672.32	08/01/2026 - 08/14/2026 PP17
2252	08/20/2026	Payroll	5	EFT		3,175.65	08/01/2026 - 08/14/2026 PP17
2241	08/20/2026	Payroll	5	17751		1,910.48	08/01/2026 - 08/14/2026 PP17
		401 Water Fund				12,899.00	
		402 Sewer Fund				37,096.06	
						49,995.06	Payroll: 49,995.06

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** 08.17.2026

General Manager, Justin Clary

Board Authorization - The duly elected board for this district has reviewed the claims listed and approved the payment by motion at the meeting listed below:

____

Board President, Todd Citron

Attest : ______________________

Recording Secretary, Rachael Hope

Approved by motion at _____ **Regular** ____ **Special Board Meeting on** ______________________

Date Approved

CHECK REGISTER

BENEFITS

Lake Whatcom W-S District

Time: 11:38:53 Date: 08/17/2026

08/01/2026 To: 08/31/2026

Page: 1

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
2253	08/20/2026	Payroll	5	EFT	DEPARTMENT OF RETIREMENT SYSTEMS	7,587.00	Pay Cycle(s) 08/20/2026 To 08/20/2026 - DCP; Pay Cycle(s) 08/20/2026 To 08/20/2026 - ROTH DCP
2254	08/20/2026	Payroll	5	EFT	UNITED STATES TREASURY	19,873.60	941 Deposit for Pay Cycle(s) 08/20/2026 - 08/20/2026
2255	08/20/2026	Payroll	5	EFT	WA ST PUBLIC EMP RET PLAN 2	7,027.55	Pay Cycle(s) 08/20/2026 To 08/20/2026 - PERS 2
2256	08/20/2026	Payroll	5	EFT	WA ST PUBLIC EMP RET PLAN 3	2,424.64	Pay Cycle(s) 08/20/2026 To 08/20/2026 - PERS 3
2257	08/20/2026	Payroll	5	EFT	WA ST SUPPORT ENFORCEMENT REGISTERY	888.77	Pay Cycle(s) 08/20/2026 To 08/20/2026 - SUP ENF
2258	08/20/2026	Payroll	5	17752	AFLAC	296.36	Pay Cycle(s) 08/20/2026 To 08/20/2026 - AFLAC PRE-TAX; Pay Cycle(s) 08/20/2026 To 08/20/2026 - AFLAC POST-TAX
2259	08/20/2026	Payroll	5	17753	AFSCME LOCAL	324.45	Pay Cycle(s) 08/20/2026 To 08/20/2026 - UNION DUES; Pay Cycle(s) 08/20/2026 To 08/20/2026 - UNION FUND
2260	08/20/2026	Payroll	5	17754	HRA VEBA TRUST (PAYEE)	530.00	Pay Cycle(s) 08/20/2026 To 08/20/2026 - VEBA
2261	08/20/2026	Payroll	5	17755	WA ST HEALTH CARE AUTHORITY	18,631.85	Pay Cycle(s) 08/20/2026 To 08/20/2026 - PEBB MEDICAL; Pay Cycle(s) 08/20/2026 To 08/20/2026 - PEBB ADD LTD

401 Water Fund	43,576.30	
402 Sewer Fund	14,007.92	
	57,584.22	Payroll: 57,584.22

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** 08.17.2026

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

<table>
<tr><td colspan="2">AGENDA BILL
Item 6.A</td><td colspan="2">Draft 2027-2028 Biennial Budget Presentation</td></tr>
<tr><td>DATE SUBMITTED:</td><td>August 19, 2026</td><td>MEETING DATE:</td><td>August 26, 2026</td></tr>
<tr><td colspan="2">TO: BOARD OF COMMISSIONERS</td><td colspan="2">FROM: Jenny Signs, Finance Manager/ Treasurer</td></tr>
<tr><td colspan="2">GENERAL MANAGER APPROVAL</td><td colspan="2"></td></tr>
<tr><td colspan="2">ATTACHED DOCUMENTS</td><td colspan="2">1. Draft 2027-2028 Budget & Capital Improvement Program</td></tr>
<tr><td colspan="2">TYPE OF ACTION REQUESTED</td><td colspan="2">RESOLUTION ☐ | FORMAL ACTION/ MOTION ☐ | INFORMATIONAL/ OTHER ☒</td></tr>
</table>

BACKGROUND / EXPLANATION OF IMPACT

Through the powers granted under Revised Code of Washington Title 57 (Water-Sewer Districts) and codified under the District's Administrative Code Title 2, Chapter 2.2 (1):

> *The General Manager shall develop an operating and capital improvement budget biennially for both the water and sewer systems. The biennial budget shall provide for the forecasting of revenues and expenditures for the following two fiscal years. The biennial fiscal period shall start on January 1 of an odd-numbered year and end on December 31 of the following even-numbered year. The budget shall be presented to the Board of Commissioners for review and approval prior to the end of December in advance of the next biennium.*

Using projected revenues based upon rate increases established in the Master Fees & Charges Schedule 30 (4.75% water and 0% sewer) and projected 2026 operating expenses and projects defined in the District's water and sewer capital improvement plans, District staff have developed the attached 2027-2028 preliminary draft budget for Board discussion.

FISCAL IMPACT

The preliminary budget, for the biennium 2027 – 2028, proposes a budget of approximately $17.5 million for the water utility and a budget of approximately $11 million for the sewer utility, resulting in a total budget of approximately $28.5 million.

APPLICABLE EFFECTIVE UTILITY MANAGEMENT ATTRIBUTE(S)

Financial Viability

RECOMMENDED BOARD ACTION

No action is recommended at this time.

PROPOSED MOTION

Not applicable.

Lake Whatcom
Water & Sewer District

2027-2028 Draft Biennial Budget Narrative

August 26, 2026
Jennifer Signs, CPFIM
Finance Manager

2027–2028 Draft Biennial Budget & Narrative

Lake Whatcom Water & Sewer District (District) is a special purpose local government authorized under Title 57 of the Revised Code of Washington. Although the District is not legally required to adopt a budget, it follows established financial management best practices and adopts a formal budget every two years. The biennial budget establishes the District's operational and capital improvement programs for each year of the biennium. It also provides for financing of debt service obligations and maintaining operating, contingency, and capital reserves necessary to respond to unanticipated expenditures, interruptions in revenue collection, and future infrastructure needs. The following narrative outlines the budget calendar and the principal assumptions used in preparing a draft 2027–2028 Biennial Budget.

Budget Calendar

- August 26, 2026
  - Review budget process, assumptions, and narrative for draft budget.
- September 9, 2026
  - Board of Commissioners to review draft budget proposal.
- September 15, 2026
  - Seattle CPI-U published for cost-of-living-adjustment (COLA) increases.
- October 28, 2026
  - Draft 2027-2028 Biennial Budget discussion.
- November 2026
  - Draft 2027-2028 Biennial Budget discussion/adoption.
- December 9, 2026
  - If needed, Draft 2027-2028 Biennial Budget discussion/adoption.

District Wide Budget Assumptions

Revenue Assumptions

Water Utility Fund

- Implementation of rate increases of 4.75% (per recently adopted rate structure) will generate approximately $3.6 million in 2027 and $3.8 million in 2028 in sales revenue.
- Grant funding to total approximately $6.3 million in 2027.
- Loan proceeds of approximately $3.1 million in 2027.
- All other revenue to increase at standard inflationary rate of 4% of previous year's budget.

- Sewer Utility Fund
  - With no rate increase per the recently adopted rate structure, service revenue remains at $5.2 million per year (i.e., consistent with 2026 revenues).
  - All other revenue to increase at standard inflationary rate of 4% of previous year's budget.

Expenditure Assumptions

- Payroll & Benefits
  - Payroll expenditures were developed using current staffing levels, anticipated personnel changes, and the terms of applicable employment and collective bargaining agreements.
  - The proposed budget assumes a 4% COLA in both 2027 and 2028. Individual personnel costs will be adjusted as necessary to account for step increases, promotions, retirements, vacancies, or other anticipated staffing changes.
  - Employee benefit expenditures were budgeted using an estimated 5% annual increase to account for projected changes in medical insurance premiums, retirement contributions, payroll taxes, and other employer-paid benefits.
- Operating expenditures were reviewed at the individual line-item level using historical expenditures, current contractual obligations, known operational needs, and anticipated inflation.
  - Professional and contracted service expenditures were reviewed separately from general operating costs. This review considered:
    - Current and anticipated service agreements;
    - The continued need for each service;
    - Known or estimated contract increases;
    - Services associated with regulatory compliance, engineering, legal, financial, information technology, and operational needs; and
    - Opportunities to eliminate, consolidate, defer, or identify recurring services.
  - Unless more specific information was available, ongoing operating costs were increased by:
    - 4% in 2027
    - 4% in 2028
  - These inflationary assumptions were not applied automatically to every account. Historical spending, current service levels, actual contractual costs, and known operational changes were considered when developing each budget line.

- Software subscriptions, licensing agreements, hosting services, cybersecurity services, and other technology related expenditures were reviewed in detail and budgeted at known subscription or licensing costs whenever available. Estimated increases were used only when future pricing was unknown.
- Debt Service
  - All debt schedules were reviewed for outstanding debt and annual costs were budgeted accordingly.
- System Reinvestment Capital Expenditures
  - The District's capital improvement program was thoroughly reviewed as part of the process. A summary of those projects has been included.

Reserves

- Operating reserves were increased to maintain 90 days of annual operational expenses at the anticipated inflationary budgeted numbers in the Water Utility Fund and 60 days in the Sewer Utility Fund.
- Increases to contingencies were implemented consistent with the rate study completed in July of 2026.

LAKE WHATCOM WATER AND SEWER FUND SUMMARIES 2027-2028

DRAFT

	401 WATER	402 SEWER	TOTAL	460 BOND RESERVE (RESTRICTED)
2027 Projected Beginning Fund Balance	$2,548,560	$6,799,919	$9,348,479	$646,125
2027 - 2028 Revenues	$17,471,505	$11,006,464	$28,477,969	-
2027 - 2028 Expenditures	$ (17,614,701)	$ (13,470,082)	$ (31,084,783)	$ (6,925)
Net Surplus/(Deficit)	$ (143,196)	$ (2,463,618)	$ (2,606,814)	$639,200
2028 Projected Ending Fund Balance	$2,405,364	$4,336,301	$6,741,665	$639,200
2027 - 2028 Allocated to Operating Reserve	$829,988	$636,019	$1,466,007	
*2027 - 2028 Rate Study Capital Surplus**	$0	$1,124,000	$1,124,000	
2027 - 2028 Projected Year End Fund Balance	$ 1,575,377	$2,576,282	$4,151,658	

	426 Water	425 Sewer	Total
2027 Contingency Reserve Funds	$1,210,500	$1,689,450	$2,899,950
2028 Contingency Reserve Funds	$1,234,700	$1,723,250	$2,957,950

**Aggregate Rate Study Surplus 2027 through 2028*
Reduced in 2027/2028

Lake Whatcom Water and Sewer District
2027 - 2028 Biennial Budget -DRAFT
Water Utility Fund (401)

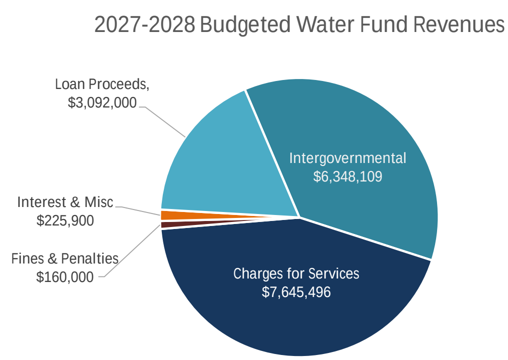
Fund	Dept.	Account	Title	2025 Acutal	2026 Budget	2026 Projected 8.1.2026	2027 Proposed	2028 Proposed	2027-2028 Combined Proposed
			Intergovernmental Revenue						
401	330	331 66 00 01	Envrionmental Protection Agency			$ 220,000	$ 700,000	$ -	$ 700,000
401	330	333 97 00 02	Federal Indirect Grant Homeland Security	$ 847,741	$ 2,287,825	$ -	$ 5,000,809	$ -	$ 5,000,809
401	330	334 01 80 01	State Grant From Military Department	$ 131,932	$ 266,134	$ -	$ 647,300	$ -	$ 647,300
			Charges For Services						
401	340	343 40 10 00	Water Sales Metered	$ 3,225,281	$ 3,385,455	$ 3,385,455	$ 3,625,812	$ 3,798,038	$ 7,423,850
401	340	343 40 20 01	DEA Permits - Water	$ -	$ -	$ -	$ -	$ -	$ -
401	340	343 41 10 01	General Facilities Charges - Water	$ 177,156	$ 107,540	$ 107,540	$ 108,650	$ 112,996	$ 221,646
			Fines & Penalties						
401	350	359 81 10 00	Combined Fees	$ 8,202	$ 12,500	$ 16,700	$ 14,000	$ 14,000	$ 28,000
401	350	359 90 00 00	Late Fees	$ 80,698	$ 65,000	$ 65,923	$ 66,000	$ 66,000	$ 132,000
			Miscellaneous Revenues						
401	360	361 11 00 00	Investment Interest	$ 182,466	$ 70,000	$ 160,820	$ 100,000	$ 123,900	$ 223,900
401	360	369 10 00 00	Sale Of Surplus	$ -	$ -	$ -	$ -	$ -	$ -
401	360	369 10 01 00	Miscellaneous	$ 7,627	$ 1,000	$ 21,900	$ 1,000	$ 1,000	$ 2,000
401	360	369 40 00 00	Project Reimbursement	$ 1,897	$ -	$ -	$ -	$ -	$ -
401	360	369 80 00 00	Over/Under	$ -	$ -	$ -	$ -	$ -	$ -
			Other Financing Sources						
401	390	391 80 00 01	Intergovernmental Loans	$ 800,000	$ -	$ -	$ 3,092,000	$ -	$ 3,092,000
401	390	395 10 00 00	Sale Of Capital Assets	$ -	$ -	$ -	$ -	$ -	$ -
401	390	395 20 00 00	Deposits	$ -	$ -	$ -	$ -	$ -	$ -
401	390	395 20 00 01	Compensation For Loss/Impairment (Formerly Ins. Recovery)	$ -	$ -	$ -	$ -	$ -	$ -
Total Water Fund Revenues				$ 5,463,000	$ 6,195,454	$ 3,978,338	$ 13,355,571	$ 4,115,934	$ 17,471,505
			Water Fund Expenditures						
401	534	534 10 10 00	Water - Gen Admin Payroll	$ 401,403	$ 410,405	$ 418,117	$ 433,865	$ 451,220	$ 885,085
401	534	534 10 20 00	Water - Gen Admin Personnel Benefits	$ 151,064	$ 168,206	$ 153,846	$ 173,914	$ 182,610	$ 356,524
401	534	534 10 31 00	Water - Gen Admin Supplies	$ 5,394	$ 12,500	$ 7,100	$ 7,500	$ 7,500	$ 15,000
401	534	534 10 31 01	Water - Meetings/Team building	$ 2,537	$ 3,200	$ 3,150	$ 3,300	$ 3,400	$ 6,700
401	534	534 10 40 00	Water - Merchant Services Fees	$ 23,466	$ 20,300	$ 26,700	$ 27,000	$ 28,000	$ 55,000
401	534	534 10 40 01	Water - Bank Fees	$ 376	$ 750	$ 950	$ 1,000	$ 1,000	$ 2,000
401	534	534 10 41 00	Water - Quality Assurance Programs	$ 81,135	$ 87,800	$ 87,800	$ 90,450	$ 93,150	$ 183,600
401	534	534 10 41 01	Water - Gen Admin Prof Srvc	$ 112,374	$ 110,915	$ 115,000	$ 137,871	$ 148,386	$ 286,257
401	534	534 10 41 02	Water - Engineering Srvc	$ 9,949	$ 9,000	$ 3,272	$ 9,270	$ 9,500	$ 18,770
401	534	534 10 41 03	Water - Legal Srvc	$ 40,848	$ 31,900	$ 43,908	$ 45,700	$ 47,500	$ 93,200
401	534	534 10 41 04	Water - DEA Expenditures	$ -	$ -	$ -	$ -	$ -	$ -
401	534	534 10 42 00	Water - Admin Communication	$ 37,813	$ 35,400	$ 27,200	$ 28,300	$ 29,500	$ 57,800
401	534	534 10 43 00	Water - Software/IT Subscriptions	$ 61,130	$ 73,010	$ 73,010	$ 52,136	$ 86,700	$ 138,836
401	534	534 10 46 00	Water - Gen Admin Insurance	$ 107,617	$ 93,450	$ 115,000	$ 120,750	$ 126,800	$ 247,550
401	534	534 10 49 00	Water - Gen Admin Misc.	$ -	$ 200	$ -	$ 200	$ 200	$ 400
401	534	534 10 49 01	Water - Memberships/Dues/Permits	$ 16,578	$ 21,750	$ 21,750	$ 22,400	$ 23,000	$ 45,400
401	534	534 10 49 02	Water - Taxes	$ 167,925	$ 185,800	$ 175,481	$ 183,800	$ 192,550	$ 376,350
401	534	534 40 43 00	Water - Admin Training &Travel	$ 8,641	$ 13,000	$ 6,500	$ 13,000	$ 13,000	$ 26,000
401	534	534 40 43 01	Water - Tuition Reimbursement	$ 965	$ 500	$ 1,000	$ 1,000	$ 1,000	$ 2,000
401	534	534 50 31 00	Water - Maintenance Supplies	$ 120,384	$ 120,500	$ 123,500	$ 128,440	$ 133,600	$ 262,040
401	534	534 50 31 01	Water - Small Assets	$ 31,974	$ 48,000	$ 52,000	$ 49,500	$ 51,000	$ 100,500
401	534	534 50 48 00	Water - Repair & Maint	$ 95,131	$ 150,800	$ 150,800	$ 155,300	$ 160,000	$ 315,300
401	534	534 50 49 00	Water - Insurance Claims	$ -	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 10,000
401	534	534 60 41 00	Water - Operations Contracted (Edge Analytical)	$ 14,706	$ 12,900	$ 12,900	$ 13,300	$ 13,700	$ 27,000
401	534	534 60 47 00	Water - City of Bellingham	$ 55,523	$ 62,920	$ 61,000	$ 64,800	$ 66,800	$ 131,600
401	534	534 80 10 00	Water - Operations Payroll	$ 747,608	$ 756,778	$ 733,372	$ 834,077	$ 867,440	$ 1,701,517
401	534	534 80 20 00	Water - Operations Personnel Benefits	$ 302,759	$ 350,964	$ 279,760	$ 338,672	$ 355,606	$ 694,278
401	534	534 80 32 00	Water - Operations Fuel	$ 21,441	$ 33,200	$ 28,171	$ 34,200	$ 35,200	$ 69,400
401	534	534 80 35 00	Water - Safety Supplies	$ 4,104	$ 10,000	$ 6,300	$ 10,000	$ 10,000	$ 20,000
401	534	534 80 35 01	Water - Safety Boots	$ 1,175	$ 1,400	$ 1,100	$ 1,400	$ 1,400	$ 2,800
401	534	534 80 35 02	Water - Emergency Preparedness	$ 813	$ 3,000	$ 1,000	$ 3,000	$ 3,000	$ 6,000
401	534	534 80 43 00	Water - Operation Training/Travel/Certifications	$ 10,675	$ 13,000	$ 10,500	$ 16,000	$ 13,000	$ 29,000
401	534	534 80 47 00	Water - Ops Utilities	$ 162,516	$ 162,500	$ 187,904	$ 195,420	$ 203,200	$ 398,620
401	534	534 80 49 00	Water - Operations Laundry	$ 1,447	$ 2,000	$ 1,500	$ 2,000	$ 2,100	$ 4,100
Total Water Fund Expenditures				$ 2,799,471	$ 3,011,048	$ 2,934,591	$ 3,202,565	$ 3,366,061	$ 6,568,626
			Debt Service						
401	591	591 34 77 01	Geneva AC Mains Principal	$ 119,938	$ 119,938	$ 119,938	$ 119,938	$ 119,938	$ 239,876
401	591	591 34 77 02	Div. 22 Reservoir Principal	$ 65,475	$ 65,475	$ 65,475	$ 65,475	$ 65,475	$ 130,950
401	591	591 34 77 03	PWB Loan for Division 7 Reservoir Principal	$ 8,268	$ 33,854	$ 33,854	$ 33,854	$ 33,854	$ 67,708
401	591	592 34 83 01	Geneva AC Mains Interest	$ 19,790	$ 17,991	$ 17,991	$ 16,192	$ 14,393	$ 30,585
401	591	592 34 83 02	Div. 22 Reservoir Interest	$ 12,768	$ 11,785	$ 11,785	$ 10,803	$ 9,821	$ 20,624
401	591	592 34 83 03	PWB Loan for Division 7 Reservoir Interest	$ 600	$ 13,760	$ 13,760	$ 13,760	$ 13,760	$ 27,520
401	591	591 34 77 04	Proposed Debt for CIP Projects	$ -	$ -	$ -	$ 193,406	$ 193,406	$ 386,812
Total Water Fund Debt Service				$ 226,839	$ 262,803	$ 262,803	$ 453,428	$ 450,647	$ 904,075

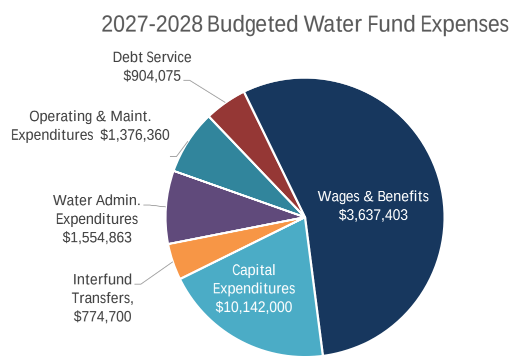
Lake Whatcom Water and Sewer District
2027 - 2028 Biennial Budget -DRAFT
Water Utility Fund (401)

Fund	Dept.	Account	Title	2025 Acutal	2026 Budget	2026 Projected 8.1.2026	2027 Proposed	2028 Proposed	2027-2028 Combined Proposed
			Capital Expenditures						
401	594	594 34 60 01	Capital Outlay - Budget Only		$ 3,016,000	$ -	$ 8,850,000	$ 1,292,000	$ 10,142,000
401	594	594 34 62 01	Capital Projects - Water Structures	$ 2,347,607		$ 394,000			$ -
401	594	594 34 63 01	Capital Projects - Water System	$ 8,874					$ -
401	594	594 34 64 01	Capital Outlay - Water Equipment	$ 88,058					$ -
401	594	594 34 65 01	Capital Outlay - Small Water Projects	$ 104		$ 1,400			$ -
			Capital Outlay Carryover Projects/Additional Funding						$ -
Total Water Fund Capital Expenditures				$ 2,444,643	$ 3,016,000	$ 395,400	$ 8,850,000	$ 1,292,000	$ 10,142,000
			Other Financing Sources						
401	597	597 10 00 26	Transfers Out To Fund 426	$ -	$ -	$ -	$ 750,500	$ 24,200	$ 774,700
Total Water Fund Other Financing Sources				$ -	$ -	$ -	$ 750,500	$ 24,200	$ 774,700
Total Water Fund Expenditures				$ 5,470,953	$ 6,289,851	$ 3,592,794	$ 13,256,493	$ 5,132,908	$ 18,389,401
Fund Gain/Loss				$ (7,953)	$ (94,397)	$ 385,544	$ 99,078	$ (1,016,974)	$ (917,896)

Fund Balance Summary	
2026 Beginning Fund Balance	$ 2,163,016
2026 Projected Gain/Loss	$ 385,544
2026 Projected Ending Fund Balance	$ 2,548,560
2027 Projected Gain/Loss	$ 99,078
2027 Projected Ending Fund Balance	$ 2,647,638
2028 Projected Gain/Loss	$ (1,016,974)
2028 Projected Ending Fund Balance	$ 1,630,664

Water Contingency Reserve Fund Balance Summary	
2026 Beginning Fund Balance	$ 460,000
2026 Projected Gain/Loss	$ -
2026 Projected Ending Fund Balance	$ 460,000
2027 Projected Gain/Loss	$ 750,500
2027 Projected Ending Fund Balance	$ 1,210,500
2028 Projected Gain/Loss	$ 24,200
2028 Projected Ending Fund Balance	$ 1,234,700





Lake Whatcom Water and Sewer District
2027-2028 Biennial Budget DRAFT
Sewer Utility Fund (402)

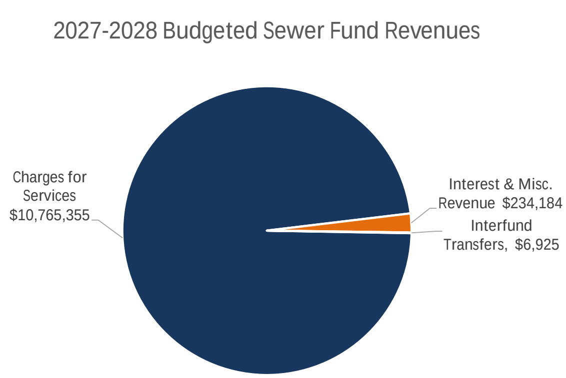
Fund	Dept.	Account	Title	2025 Actual	2026 Budget	2026 Projected 8.1.2026	2027 Proposed	2028 Proposed	2027-2028 Combined Proposed
			Intergovernmental Revenue						
402	334	334 01 80 00	State Grant from EMD	$ 18,290	$ -	$ -	$ -	$ -	$ -
			Charges For Services						
402	340	343 50 11 00	Sewer Service Residential	$ 5,229,379	$ 5,236,856	$ 5,203,942	$ 5,236,856	$ 5,236,856	$ 10,473,712
402	340	343 50 19 00	Sewer Service Other	$ 5,947	$ 5,950	$ 6,030	$ 5,950	$ 5,950	$ 11,900
402	340	343 50 30 02	DEA Cost Reimbursement	$ -	$ -	$ -	$ -	$ -	
402	340	343 50 80 00	Latecomers ULID Fee	$ 19,519	$ -	$ -	$ -	$ -	
402	340	343 51 10 02	General Facilities Charges - Sewer	$ 238,107	$ 128,520	$ 128,520	$ 137,129	$ 142,614	$ 279,743
			Miscellaneous Revenues						
402	360	361 11 00 02	Investment Interest	$ 182,466	$ 70,000	$ 160,820	$ 100,000	$ 123,900	$ 223,900
402	360	361 40 00 02	ULID 18 Interest/Penalties	$ -	$ -	$ -	$ -	$ -	$ -
402	360	368 10 00 02	ULID 18 Principal Payments	$ -	$ -	$ -	$ -	$ -	$ -
402	360	369 10 00 02	Sale Of Surplus	$ -	$ -	$ -	$ -	$ -	$ -
402	360	369 40 00 02	Project Reimbursement	$ 4,142	$ 4,142	$ 4,142	$ 4,142	$ 4,142	$ 8,284
402	360	369 91 01 02	Miscellaneous	$ 7,412	$ 1,000	$ 3,700	$ 1,000	$ 1,000	$ 2,000
			Other Financing Sources						
402	390	395 10 00 02	Sale Of Capital Assets	$ -	$ -	$ -	$ -	$ -	$ -
402	395	395 20 00 02	Compensation for Loss/Impairment of Capital Asset	$ -	$ -	$ -	$ -	$ -	$ -
402	397	397 10 00 02	Transfers In	$ -	$ -	$ -	$ 3,200	$ 3,725	$ 6,925
Total Sewer Fund Revenues				$ 5,705,262	$ 5,446,468	$ 5,507,154	$ 5,488,277	$ 5,518,187	$ 11,006,464
			Sewer Fund Expenditures						
402	535	535 10 10 00	Sewer - Admin Payroll	$ 401,402	$ 410,405	$ 418,117	$ 433,865	$ 451,220	$ 885,085
402	535	535 10 20 00	Sewer - Gen Admin Personnel Benefits	$ 150,855	$ 168,206	$ 153,841	$ 173,914	$ 180,871	$ 354,785
402	535	535 10 31 00	Sewer - Gen Admin Supplies	$ 5,016	$ 12,500	$ 6,855	$ 7,500	$ 7,500	$ 15,000
402	535	535 10 31 01	Sewer - Meetings/Team Building	$ 2,679	$ 3,200	$ 3,150	$ 3,300	$ 3,400	$ 6,700
402	535	535 10 40 00	Sewer - Merchant Services Fees	$ 23,466	$ 18,000	$ 26,690	$ 27,000	$ 28,000	$ 55,000
402	535	535 10 40 01	Sewer - Bank Fees	$ 376	$ 750	$ 1,548	$ 1,000	$ 1,000	$ 2,000
402	535	535 10 41 01	Sewer - Gen Admin Prof Srvc	$ 105,454	$ 110,915	$ 110,915	$ 130,786	$ 141,017	$ 271,803
402	535	535 10 41 02	Sewer - Engineering Srvc	$ -	$ 9,000	$ 2,000	$ 9,270	$ 9,500	$ 18,770
402	535	535 10 41 03	Sewer - Legal Srvc	$ 23,437	$ 31,900	$ 26,925	$ 31,900	$ 31,900	$ 63,800
402	535	535 10 41 04	Sewer - DEA Expenditures	$ -	$ -	$ -	$ -	$ -	$ -
402	535	535 10 42 00	Sewer - Admin Communication	$ 35,990	$ 35,400	$ 27,091	$ 35,400	$ 35,400	$ 70,800
402	535	535 10 43 00	Sewer - Software/IT Subscriptions	$ 69,740	$ 82,660	$ 84,051	$ 63,336	$ 98,350	$ 161,686
402	535	535 10 46 00	Sewer - Gen Admin Insurance	$ 107,617	$ 93,450	$ 93,450	$ 120,750	$ 126,800	$ 247,550
402	535	535 10 49 00	Sewer - Gen Admin Misc.	$ -	$ 200	$ -	$ 200	$ 200	$ 400
402	535	535 10 49 01	Sewer - Memberships/Dues/Permits	$ 10,998	$ 16,700	$ 16,700	$ 22,400	$ 23,000	$ 45,400
402	535	535 10 49 02	Sewer - Taxes	$ 122,748	$ 134,500	$ 122,851	$ 134,500	$ 134,500	$ 269,000
402	535	535 40 43 00	Sewer - Gen Admin Training &Travel	$ 8,684	$ 13,000	$ 3,900	$ 13,000	$ 13,000	$ 26,000
402	535	535 40 43 01	Sewer - Tuition Reimbursement	$ 965	$ 500	$ 1,000	$ 1,000	$ 1,000	$ 2,000
402	535	535 50 31 00	Sewer - Maintenance Supplies	$ 31,576	$ 46,800	$ 38,137	$ 48,700	$ 50,600	$ 99,300
402	535	535 50 31 01	Sewer - Small Assets	$ 33,890	$ 43,700	$ 35,000	$ 45,500	$ 47,320	$ 92,820
402	535	535 50 48 00	Sewer - Repair & Maint	$ 187,956	$ 150,000	$ 118,835	$ 156,000	$ 162,200	$ 318,200
402	535	535 50 49 00	Sewer - Insurance Claims	$ -	$ 2,500	$ 5,000	$ 5,000	$ 5,000	$ 10,000
402	535	535 60 47 00	Sewer - City of Bellingham	$ 701,986	$ 926,000	$ 921,548	$ 963,000	$ 1,000,000	$ 1,963,000
402	535	535 80 10 00	Sewer - Operations Payroll	$ 641,078	$ 644,639	$ 608,934	$ 705,756	$ 733,986	$ 1,439,742
402	535	535 80 20 00	Sewer - Operations Personnel Benefits	$ 252,357	$ 293,495	$ 238,571	$ 288,415	$ 299,952	$ 588,367
402	535	535 80 32 00	Sewer - Operations Fuel	$ 20,604	$ 33,200	$ 27,281	$ 34,200	$ 35,200	$ 69,400
402	535	535 80 35 00	Sewer - Safety Supplies	$ 4,269	$ 10,000	$ 3,800	$ 10,000	$ 10,000	$ 20,000
402	535	535 80 35 01	Sewer - Safety Boots	$ 1,175	$ 1,400	$ 1,100	$ 1,400	$ 1,400	$ 2,800
402	535	535 80 35 02	Sewer - Emergency Preparedness	$ 813	$ 5,000	$ 3,000	$ 5,000	$ 5,000	$ 10,000
402	535	535 80 43 00	Sewer - Operations Training/Travel/Certification	$ 12,016	$ 13,000	$ 9,814	$ 16,000	$ 13,000	$ 29,000
402	535	535 80 47 00	Sewer - Ops Utilities	$ 145,338	$ 164,800	$ 201,786	$ 208,000	$ 216,300	$ 424,300
402	535	535 80 49 00	Sewer - Operations Laundry	$ 1,463	$ 2,500	$ 1,536	$ 2,500	$ 2,500	$ 5,000
Total Sewer Fund Expenditures				$ 3,103,948	$ 3,478,320	$ 3,313,426	$ 3,698,592	$ 3,869,115	$ 7,567,707
			Debt Service						
402	591	591 35 77 02	Bond 2016 Principal	$ 490,000	$ 520,000	$ 520,000	$ 535,000	$ 550,000	$ 1,085,000
402	591	591 35 83 02	Bond 2016 Interest	$ 145,725	$ 107,925	$ 107,925	$ 107,925	$ 89,200	$ 197,125
Total Sewer Fund Debt Service				$ 635,725	$ 627,925	$ 627,925	$ 642,925	$ 639,200	$ 1,282,125
			Capital Expenditures						
402	594	594 35 60 02	Capital Outlay - Budget Only		$ 2,056,000		$ 1,588,000	$ 2,210,000	$ 3,798,000
402	594	594 35 62 02	Capital Projects - Sewer Structures	$ 886,829		$ 88,988			$ -
402	594	594 35 63 02	Capital Projects - Sewer System	$ 289,383		$ 130,000			$ -
402	594	594 35 64 02	Capital Outlay - Sewer Equipment	$ 85,567					$ -
402	594	594 35 65 02	Capital Outlay - Small Sewer Projects	$ -					$ -
402	594	594 35 65 02	Capital Outlay - Carry Over Projects/Additional Funding	$ -					$ -
Total Sewer Fund Capital Expenditures				$ 1,261,779	$ 2,056,000	$ 218,988	$ 1,588,000	$ 2,210,000	$ 3,798,000
			Other Financing Sources						
402	597	597 10 00 25	Transfer Out To Sewer Contingency	$ -	$ 86,000	$ 86,000	$ 788,450	$ 33,800	$ 822,250
Total Other Financing Sources				$ -	$ 86,000	$ 86,000	$ 788,450	$ 33,800	$ 822,250

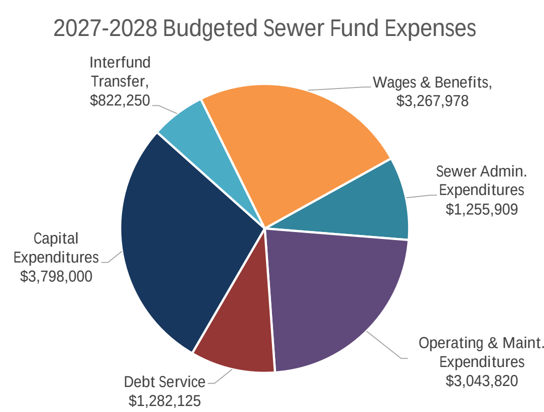
Lake Whatcom Water and Sewer District
2027-2028 Biennial Budget DRAFT
Sewer Utility Fund (402)

Fund	Dept.	Account	Title	2025 Actual	2026 Budget	2026 Projected 8.1.2026	2027 Proposed	2028 Proposed	2027-2028 Combined Proposed
Total Sewer Fund Expenditures				$ 5,001,452	$ 6,248,245	$ 4,246,339	$ 6,717,967	$ 6,752,115	$ 13,470,082
Fund Gain/Loss				$ 703,810	$ (801,777)	$ 1,260,815	$ (1,229,690)	$ (1,233,928)	$ (2,463,618)

Fund Balance Summary	
2026 Beginning Fund Balance	$ 5,539,104
2026 Projected Gain/Loss	$ 1,260,815
2026 Projected Ending Fund Balance	$ 6,799,919
2027 Projected Gain/Loss	$ (1,229,690)
2027 Projected Ending Fund Balance	$ 5,570,229
2028 Projected Gain/Loss	$ (1,233,928)
2028 Projected Ending Fund Balance	$ 4,336,301

Sewer Contingency Reserve Fund Balance Summary	
2026 Beginning Fund Balance	$ 815,000
2026 Projected Gain/Loss	$ 86,000
2026 Projected Ending Fund Balance	$ 901,000
2027 Projected Gain/Loss	$ 788,450
2027 Projected Ending Fund Balance	$ 1,689,450
2028 Projected Gain/Loss	$ 33,800
2028 Projected Ending Fund Balance	$ 1,723,250





Lake Whatcom Water and Sewer District
2027 - 2028 Biennial Budget DRAFT
Sewer Contingency Reserve Fund (425)

Fund	Dept.	Account	Title	2025 Actual	2026 Budget	2026 Projected	2027 Proposed	2028 Proposed	2027-2028 Combined Proposed
			Other Financing Sources						
425	397	397 10 00 25	Transfer In From Sewer Fund	$ -	$ 86,000	$ 86,000	$ 788,450	$ 33,800	$ 822,250
Total Fund Revenue				$ -	$ 86,000	$ 86,000	$ 788,450	$ 33,800	$ 822,250
			Other Financing Sources						
425	597	597 10 20 00	Transfers Out To Fund 420	$ -	$ -	$ -	$ -	$ -	
Total Fund Expenditures				$ -	$ -	$ -	$ -	$ -	$ -
Fund Gain/Loss				$ -	$ 86,000	$ 86,000	$ 788,450	$ 33,800	$ 822,250

Sewer Contingency Reserve Fund Balance Summary	
2026 Beginning Fund Balance	$ 815,000
2026 Projected Gain/Loss	$ 86,000
2026 Projected Ending Fund Balance	$ 901,000
2027 Projected Gain/Loss	$ 788,450
2027 Projected Ending Fund Balance	$ 1,689,450
2028 Projected Gain/Loss	$ 33,800
2028 Projected Ending Fund Balance	$ 1,723,250

Lake Whatcom Water and Sewer District
2027 - 2028 Biennial Budget DRAFT
Water Contingency Reserve Fund (426)

Fund	Dept.	Account	Title	2025 Actual	2026 Budget	2026 Projected	2027 Proposed	2028 Proposed	2027-2028 Combined Proposed
		Other Financing Sources							
426	397	397 10 00 26	Transfers In From Fund 401	$ -	$ -	$ -	$ 750,500	$ 24,200	$ 774,700
Total Fund Revenue				$ -	$ -	$ -	$ 750,500	$ 24,200	$ 774,700
Total Fund Expenditures				$ -	$ -	$ -	$ -	$ -	$ -
Fund Gain/Loss				$ -	$ -	$ -	$ 750,500	$ 24,200	$ 774,700

Water Contingency Reserve Fund Balance Summary	
2026 Beginning Fund Balance	$ 460,000
2026 Projected Gain/Loss	$ -
2026 Projected Ending Fund Balance	$ 460,000
2027 Projected Gain/Loss	$ 750,500
2027 Projected Ending Fund Balance	$ 1,210,500
2028 Projected Gain/Loss	$ 24,200
2028 Projected Ending Fund Balance	$ 1,234,700

Lake Whatcom Water and Sewer District
2027 - 2028 Biennial Budget DRAFT
Bond Reserve Fund (460)

Fund	Program	Dept.	Sub Dept.	Account	Title	2025 Actual	2026 Budget	2026 Projected	2027 Proposed	2028 Proposed	2027-2028 Combined Proposed
				Other Financing Sources							
Total Fund Revenue						$ -	$ -	$ -	$ -	$ -	$ -
				Other Financing Sources							
425		597		597 10 20 00	Transfers Out To Fund 402	$ -	$ -	$ -	$ 3,200	$ 3,725	$ 6,925
Total Fund Expenditures						$ -	$ -	$ -	$ 3,200	$ 3,725	$ 6,925
Fund Gain/Loss						$ -	$ -	$ -	$ (3,200)	$ (3,725)	$ (6,925)

Bond Reserve Fund Balance Summary

2026 Beginning Fund Balance	$ 646,125
2026 Projected Gain/Loss	$ -
2026 Projected Ending Fund Balance	$ 646,125
2027 Projected Gain/Loss	$ (3,200)
2027 Projected Ending Fund Balance	$ 642,925
2028 Projected Gain/Loss	$ (3,725)
2028 Projected Ending Fund Balance	$ 639,200

Water System Reinvestment Plan 2027 through 2032

Project #		2027	2028	2029	2030	2031	2032
Capital Outlay - General (Water Share)							
G2801	IT Infrastructure (Shared)	$ -	$ 30,000.00	$ -	$ -	$ -	$ -
	5-Yard Dump Truck (Shared)	$ -	$ -	$ 99,000.00	$ -	$ -	$ -
	Mini Excavator (Shared)	$ -	$ -	$ -	$ -	$ -	$ 59,000.00
	Management Staff Vehicles (Shared)	$ -	$ -	$ -	$ 23,000.00	$ -	$ -
	Tool Truck Replacement Schedule (Shared)	$ -	$ -	$ -	$ 60,000.00	$ -	$ 64,000.00
	O&M Building - Windows (Shared)	$ -	$ -	$ -	$ -	$ 47,000.00	$ -
	Subtotal - Capital Outlay - General (Water Share)	$ -	$ 30,000.00	$ 99,000.00	$ 83,000.00	$ 47,000.00	$ 123,000.00
Capital Outlay - Water Only							
W2701	Misc. Water Capital Outlay	$ 11,000.00	$ 11,000.00	$ 12,000.00	$ 12,000.00	$ 12,000.00	$ 13,000.00
	Replace Locator/Meter Reading Van	$ -	$ -	$ 58,000.00	$ -	$ -	$ -
	Reservoirs - Inspection & Maintenance	$ -	$ -	$ 48,000.00	$ -	$ -	$ -
W2702	Water System Plan Update	$ 147,000.00	$ -	$ -	$ -	$ -	$ -
W2703	Water Use Efficiency Plan Update	$ 18,000.00	$ -	$ -	$ -	$ -	$ -
	Subtotal - Capital Outlay - Water Only	$ 176,000.00	$ 11,000.00	$ 118,000.00	$ 12,000.00	$ 12,000.00	$ 13,000.00
Capital Projects - Water Only							
W2801	SVWTP - Replace 2 Cholorine Analyzers	$ -	$ 15,000.00	$ -	$ -	$ -	$ -
C2402	Geneva Reservoir & SVWTP Pump House - Construction	$ 1,820,000.00	$ -	$ -	$ -	$ -	$ -
C2316	Sudden Valley Water Treatment Plant CCB - Construction	$ 3,339,000.00	$ -	$ -	$ -	$ -	$ -
	Eagleridge - Replace all Pumps & Controls	$ -	$ -	$ -	$ 359,000.00	$ -	$ -
W2802	Physical Safety Improvements (Locks, Ladders and Fencing)	$ -	$ 46,000.00	$ -	$ 48,000.00	$ -	$ -
	Johnson Well Pumps	$ -	$ -	$ -	$ 36,000.00	$ -	$ -
W2704	Replace Fire Hydrants	$ 50,000.00	$ -	$ 54,000.00	$ -	$ 62,000.00	$ -
W2705	PRV Replacement	$ 30,000.00	$ -	$ 32,000.00	$ -	$ 37,000.00	$ -
W2803	Sudden Valley Water Treatment Plant - Replace Finished Water Pumps	$ -	$ 1,140,000.00	$ -	$ -	$ -	$ -
	Sudden Valley Water Treatment Plant - Replace Transfer Pumps - Design & Construction	$ -	$ -	$ -	$ 559,000.00	$ -	$ -
W2804	Sudden Valley Water Treatment Plant - Floculation Tank Rehabilitation	$ -	$ 50,000.00	$ 200,000.00	$ -	$ -	$ -
	Sudden Valley Water Treatment Plant - Replace Raw Water Pumps	$ -	$ -	$ -	$ -	$ 389,000.00	$ -
	Sudden Valley Water Treatment Plant - Auto Backwash & Startup Mods	$ -	$ -	$ -	$ -	$ -	$ 191,000.00
	Sudden Valley Water Treatment Plant - Soda Ash Dosing Pumps	$ -	$ -	$ -	$ -	$ -	$ 45,000.00
C2517	Division 22-1 Reservoir Replacement	$ 3,200,000.00	$ -	$ -	$ -	$ -	$ -
W2706	Division 7 Transmission Main	$ 185,000.00	$ -	$ -	$ -	$ -	$ -
W2707	Pressure Monitors	$ 50,000.00	$ -	$ -	$ -	$ -	$ -
	Subtotal - Capital Projects - Water Only	$ 8,674,000.00	$ 1,251,000.00	$ 286,000.00	$ 1,002,000.00	$ 488,000.00	$ 236,000.00
	GRAND TOTAL	$ 8,850,000.00	$ 1,292,000.00	$ 503,000.00	$ 1,097,000.00	$ 547,000.00	$ 372,000.00

Sewer System Reinvestment Plan 2027 through 2032

Project #		2027	2028	2029	2030	2031	2032
Capital Outlay - General (Sewer Share)							
G2801	IT Infrastructure (Shared)	$ -	$ 30,000.00	$ -	$ -	$ -	$ -
	5-Yard Dump Truck (Shared)	$ -	$ -	$ 99,000.00	$ -	$ -	$ -
	Mini Excavator (Shared)	$ -	$ -	$ -	$ -	$ -	$ 59,000.00
	Management Staff Vehicles (Shared)	$ -	$ -	$ -	$ 23,000.00	$ -	$ -
	Tool Truck Replacement Schedule (Shared)	$ -	$ -	$ -	$ 60,000.00	$ -	$ 64,000.00
	O&M Building Windows (Shared)	$ -	$ -	$ -	$ -	$ 47,000.00	$ -
	Subtotal - Capital Outlay - General (Sewer Share)	$ -	$ 30,000.00	$ 99,000.00	$ 83,000.00	$ 47,000.00	$ 123,000.00
Capital Outlay - Sewer Only							
	Update Sewer Comp Plan	$ -	$ -	$ 124,000.00	$ -	$ -	$ -
S2701	Towable Sewer Pump	$ 200,000.00	$ -	$ -	$ -	$ -	$ -
	Subtotal - Capital Outlay - Sewer Only	$ 200,000.00	$ -	$ 124,000.00	$ -	$ -	$ -
Capital Projects - Sewer Only							
S2702	Sewer Sytstem Rehab & Replacement Projects	$ 39,000.00	$ 40,000.00	$ 65,000.00	$ 76,000.00	$ 78,000.00	$ 80,000.00
C2510	Agate Bay Sewer Lift Station Construction	$ 947,000.00	$ -	$ -	$ -	$ -	$ -
S2801	Flatcar, SV and Beaver Lift Station - Recondition Electrical Controls	$ -	$ 750,000.00	$ -	$ -	$ -	$ -
	Flatcar Sewer Lift Station Building Roof	$ -	$ -	$ -	$ 24,000.00	$ -	$ -
	Sudden Valley Sewer Lift Station - Building Roof	$ -	$ -	$ -	$ 24,000.00	$ -	$ -
	Sudden Valley Sewer Lift Station - (Wet Well)	$ -	$ -	$ -	$ -	$ 91,679.00	$ -
	Beaver Sewer Sewer Lift Station - Building Roof	$ -	$ -	$ -	$ 24,000.00	$ -	$ -
S2802	Northshore Flow Meter - Revise Flow Meter Piping	$ -	$ 23,000.00	$ -	$ -	$ -	$ -
S2703	Airport Sewer Crossing Gravity Pipeline Sag - Reinstall 250LF to Remove Sag	$ 52,000.00	$ -	$ -	$ -	$ -	$ -
S2704	City of Bellingham Waste Treatment Plant Improvements	$ 310,000.00	$ 960,000.00	$ -	$ -	$ 1,920,000.00	$ -
S2705	Lowe Sewer Lift Station to Glen Cove Lane HDD Gravity Sewer	$ 40,000.00	$ 407,000.00	$ 1,353,000.00	$ -	$ -	$ -
	Subtotal - Capital Projects - Sewer Only	$ 1,388,000.00	$ 2,180,000.00	$ 1,418,000.00	$ 148,000.00	$ 2,089,679.00	$ 80,000.00
	GRAND TOTAL	$ 1,588,000.00	$ 2,210,000.00	$ 1,641,000.00	$ 231,000.00	$ 2,136,679.00	$ 203,000.00

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

DATE SUBMITTED:	August 20, 2026	MEETING DATE:	August 26, 2026

TO: BOARD OF COMMISSIONERS	FROM: Justin Clary, General Manager		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. General Manager's Report 2.		
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, August 26, 2026 – 8:00 a.m.

Important Upcoming Dates

Lake Whatcom Water & Sewer District			
Regular Board Meeting	Wed Sep 9, 2026	6:30 p.m.	Board Room/Hybrid
Employee Staff Meeting	Thu Sep 10, 2026	8:00 a.m.	Board Room/Hybrid Commissioner Citron assigned
Investment Comm. Meeting	Wed Oct 28, 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 Sep 30, 2026	7:00 a.m.	WASWD Fall Conference Wenatchee, 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:

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

Investment Committee:

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

Upcoming Board Meeting Topics

- 2027-28 biennial budget development
- Washington State Department of Health Treatment Optimization Program (TOP) Quarter Century Award presentation
- FEMA hazard mitigation grants amendments approval (authorizing Phase 2—construction)
- Geneva-Division 22-1 Reservoirs Improvements public works contract award
- SVWTP Chlorine Contact Basin Replacement public works contract award
- Community Assistance Program enhancement

2026 Initiatives Status

Administration and Operations

Water Right Adjudication

- Represent the District in the Water Resource Inventory Area (WRIA) 1 water right adjudication to ensure that its certificated and permitted rights are protected.
  The District received the adjudication claim documents in March 2025. District staff and legal counsel have finalized claim form responses specific to each water right for submittal to the Whatcom County Superior Court (June 1, 2027 deadline).

Water and Sewer Rates Analysis

- With the current multi-year rate structure adopted through 2026, lead the District through a comprehensive review of water and sewer rates with the goal of adopting a new 5-year rate structure prior to development of the 2027-28 biennial budget.
  The Board adopted the 2027-31 rate structure via Resolution No. 906 during its July 29 meeting.

2027-28 Biennial Budget

- Develop a balanced budget for the 2027-28 biennium.
  The preliminary draft budget scheduled for presentation during August 26 board meeting.

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.
  The 2026 emergency response exercise is scheduled for November 18.

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 nearing completion.

Safety Program Update

- 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 and hand & power tools programs.

L&I START Program

- 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 (report received on July 21).

Community/Public Relations

General

- 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).

Intergovernmental Relations

- *J Clary attended the Washington's Water Future Initiative local governments roundtable on August 13*.
- *J Clary is scheduled to attend a Lake Whatcom hazardous materials response planning meeting on August 24*.

Lake Whatcom Water Quality

Lake Whatcom Management Program

- Participate in meetings of Lake Whatcom Management Program partners.
  J Clary attended the data group meeting on August 13, the climate vulnerability assessment kickoff meeting on August 17, the leadership team meeting on August 18, and interjurisdictional coordinating team meeting on August 20.

<table>
<tr><td></td><td colspan="2">AGENDA BILL
Item 8.B</td><td colspan="3">Engineering Department Report</td></tr>
<tr><td>DATE SUBMITTED:</td><td>August 20, 2026</td><td>MEETING DATE:</td><td colspan="3">August 26, 2026</td></tr>
<tr><td colspan="2">TO: BOARD OF COMMISSIONERS</td><td colspan="4">FROM: Greg Nicoll, Engineering Manager/District Engineer</td></tr>
<tr><td colspan="2">GENERAL MANAGER APPROVAL</td><td colspan="4"></td></tr>
<tr><td colspan="2">ATTACHED DOCUMENTS</td><td colspan="4">1. Summary of Capital Improvement Projects</td></tr>
<tr><td colspan="2">TYPE OF ACTION REQUESTED</td><td colspan="2">RESOLUTION
☐</td><td>FORMAL ACTION/ MOTION
☐</td><td>INFORMATIONAL /OTHER
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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: 8/19/2026

Prepared by: G. Nicoll

LEGEND: WATER | SEWER | SHARED

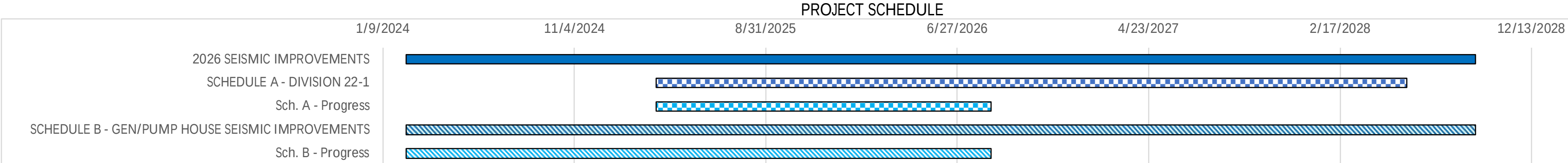
MAJOR PROJECTS IN CONSTRUCTION: No Capital Projects Currently in Construction

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.

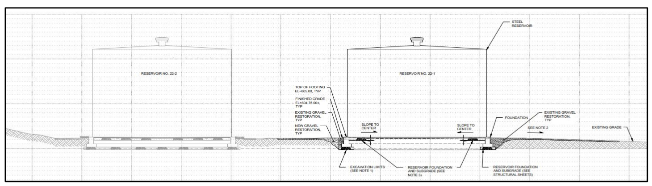
PROJECT SCHEDULE



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:	Staff have submitted a revised permit application to the County which addresses the County's comments regarding stormwater treatment and detention. Once this application has been reviewed and approved by the County, 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	*87.5% grant funded*
Spent to Date:	$ 187,726.45	
Balance:	$ 2,682,273.55	
Budget Years:	2025-2027	

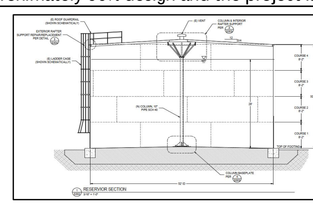


SCHEDULE B: C2402 - SVWTP PUMPHOUSE AND GENEVA RESERVOIR SEISMIC UPGRADES

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	*95% grant funded*
Spent to Date:	$ 260,830.98	
Balance:	$ 1,168,064.02	
Budget Year:	2025-2026	

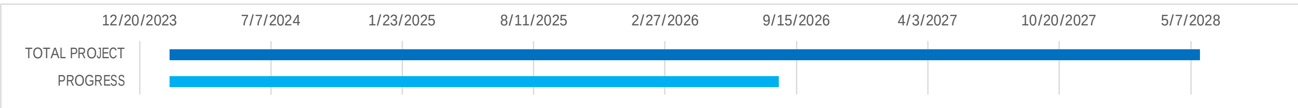
Budget Summary - C2518	
Budget:	$ -
Spent to Date:	$ 6,181.05
Balance:	$ (6,181.05)

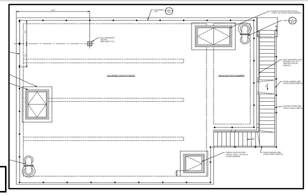


C2316 - SUDDEN VALLEY WTP CHLORINE CONTACT BASIN REPLACEMENT

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 finalizing revised permit application documents so that permitting can proceed. This project is currently scheduled to be advertised for bids in early 2027.

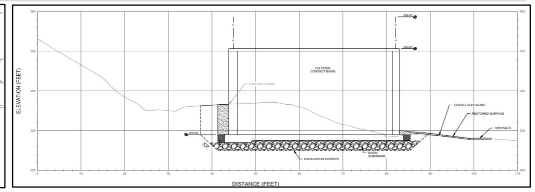
PROJECT SCHEDULE

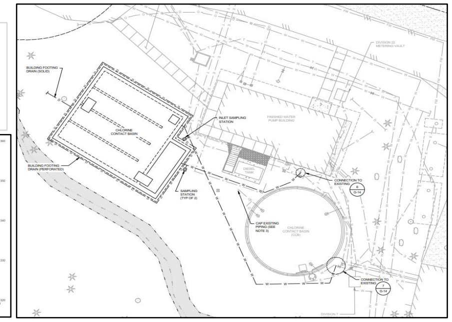




Budget Summary		
Budget:	$	1,963,000.00
Spent to Date:	$	248,485.51
Balance:	$	1,714,514.49
Budget Year:	2024-2026	

87.5% grant funded

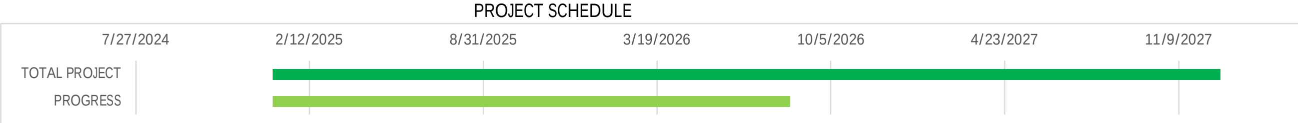




C2510 - AGATE BAY SEWER LIFT STATION REHABILITATION

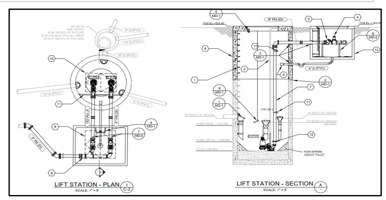
Project Summary:	Agate Bay Lift Station is one of the last remaining original sewer lift stations that has not been rehabilitated and this project will renovate this station. The preferred alternative for rehabilitation of this lift station is reconfiguration of the existing wet pit/dry pit configuration 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).

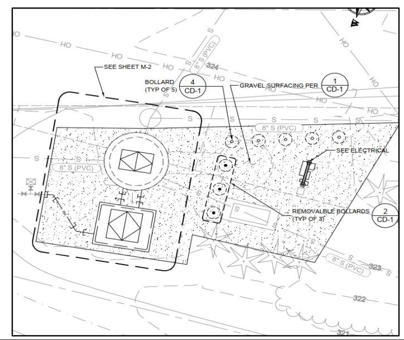
PROJECT SCHEDULE



Budget Summary		
Budget:	$	334,000.00
Spent to Date:	$	24,820.25
Balance:	$	309,179.75
Budget Year:	2025-2027	

Design & Pre-Design

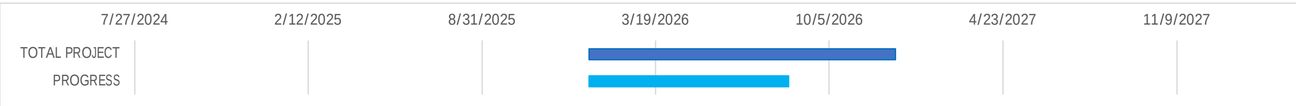


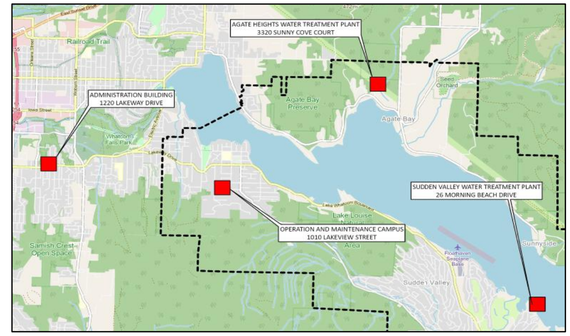


C2602 - SURVEILLANCE CAMERAS AND ACCESS CONTROL IMPROVEMENTS

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.

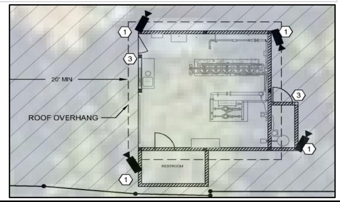
PROJECT SCHEDULE





Budget Summary

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



OTHER CAPITAL PROJEC TS

C2608: Afternoon Beach and Cable Street Force Main Pigging

Status: Project will clean and remove any blockages from and restore capcity of the force mains from the Afternoon Beach and Cable Lift Stations. Staff is currently preparing bid documents and intends to advertise the project for bids in mid to late September. This is an emergent project that was not included in the biennial budget and is being funded from underruns of other budgeted projects.

Budget Year: 2026 | Projected Completion: December 2026

Budget Summary

Budget:	Spent to Date:	Balance:
See Comments	$ -	N/A

C2609: SVWTP Flocculation Tank Assessment

Status: During a recent visual inspection of the welded steel flocculation tank in the Sudden Valley WTP, District staff noted moderate coatings failure and corrosion. In addition, the coatings are nearing the end of their useful life. To plan and budget for rehabilitation of this tank, the District is contracting with Evergreen Coating Engineers to complete an assessment of the steel and coatings and provide a recommendation for rehabilitation. This is an emergent project that was not included in the biennial budget and is being funded from underruns of other budgeted projects.

Budget Year: 2026 | Projected Completion: December 2026

Budget Summary

Budget:	Spent to Date:	Balance:
See Comments	$ -	N/A

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:	August 12, 2026	MEETING DATE:	August 26, 2026	
TO: BOARD OF COMMISSIONERS		FROM: Jennifer Signs, Finance Manager		
GENERAL MANAGER APPROVAL				
ATTACHED DOCUMENTS		1. July Financial Report 2. July Cash & Investments 3. July Utility Account Adjustments		
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

2026 BUDGET POSITION

401 Water Fund

Revenues		Amt Budgeted	July	YTD	Remaining	
330 State Generated Revenues						
333 97 00 02	Federal Indirect Grant Homeland Security	2,287,825.00	0.00	0.00	2,287,825.00	100.0%
334 01 80 01	State Grant From Military Department	266,134.00	0.00	0.00	266,134.00	100.0%
330 State Generated Revenues		2,553,959.00	0.00	0.00	2,553,959.00	100.0%
340 Charges For Services						
343 40 10 00	Water Sales Metered	3,385,455.00	239,345.33	239,345.33	3,146,109.67	92.9%
343 41 10 01	General Facilities Charges - Water	107,540.00	42,616.84	42,616.84	64,923.16	60.4%
340 Charges For Services		3,492,995.00	281,962.17	281,962.17	3,211,032.83	91.9%
350 Fines & Forfeitures						
359 81 10 00	Combined Fees	12,500.00	1,431.98	1,431.98	11,068.02	88.5%
359 90 00 00	Late Fees	65,000.00	4,927.85	4,927.85	60,072.15	92.4%
350 Fines & Forfeitures		77,500.00	6,359.83	6,359.83	71,140.17	91.8%
360 Misc Revenues						
361 11 00 00	Investment Interest	70,000.00	8,282.82	8,282.82	61,717.18	88.2%
369 91 01 00	Miscellaneous	1,000.00	0.00	0.00	1,000.00	100.0%
360 Misc Revenues		71,000.00	8,282.82	8,282.82	62,717.18	88.3%
Fund Revenues:		6,195,454.00	296,604.82	296,604.82	5,898,849.18	95.2%

Expenditures		Amt Budgeted	July	YTD	Remaining	
534 Water Utilities						
534 10 10 00	Water - Gen Admin Payroll	410,405.00	32,900.96	32,900.96	377,504.04	92.0%
534 10 20 00	Water - Gen Admin Personnel Benefits	168,206.00	12,977.19	12,977.19	155,228.81	92.3%
534 10 31 00	Water - Gen Admin Supplies	12,500.00	581.75	581.75	11,918.25	95.3%
534 10 31 01	Water - Meetings/Team building	3,200.00	90.18	90.18	3,109.82	97.2%
534 10 40 00	Water - Merchant Serivces Fees	20,300.00	2,875.49	2,875.49	17,424.51	85.8%
534 10 40 01	Water - Bank Fees	750.00	62.50	62.50	687.50	91.7%
534 10 41 00	Water - Quality Assurance Programs	87,800.00	0.00	0.00	87,800.00	100.0%
534 10 41 01	Water - Gen Admin Prof Srvc	110,915.00	10,519.63	10,519.63	100,395.37	90.5%
534 10 41 02	Water- Engineering Srvc	9,000.00	1,032.00	1,032.00	7,968.00	88.5%
534 10 41 03	Water - Legal Srvc	31,900.00	0.00	0.00	31,900.00	100.0%
534 10 42 00	Water - Admin Communication	35,400.00	3,593.10	3,593.10	31,806.90	89.9%
534 10 43 00	Water - Software/IT Subscriptions	73,010.00	2,326.00	2,326.00	70,684.00	96.8%
534 10 46 00	Water - Gen Admin Insurance	93,450.00	71.00	71.00	93,379.00	99.9%
534 10 49 00	Water - Gen Admin Misc	200.00	0.00	0.00	200.00	100.0%
534 10 49 01	Water- Memberships/Dues/Permits	21,750.00	393.37	393.37	21,356.63	98.2%
534 10 49 02	Water - Taxes	185,800.00	17,791.03	17,791.03	168,008.97	90.4%
534 40 43 00	Water - Admin Training &Travel	13,000.00	334.29	334.29	12,665.71	97.4%
534 40 43 01	Water- Tuition Reimbursement	500.00	0.00	0.00	500.00	100.0%
534 50 31 00	Water - Maintenance Supplies	120,500.00	14,447.07	14,447.07	106,052.93	88.0%

401 Water Fund

Expenditures		Amt Budgeted	July	YTD	Remaining	
534 Water Utilities						
534 50 31 01	Water- Small Assets	48,000.00	15,842.76	15,842.76	32,157.24	67.0%
534 50 48 00	Water - Repair & Maint	150,800.00	4,786.04	4,786.04	146,013.96	96.8%
534 50 49 00	Water - Insurance Claims	5,000.00	0.00	0.00	5,000.00	100.0%
534 60 41 00	Water - Operations Contracted (Edge Analytical)	12,900.00	726.00	726.00	12,174.00	94.4%
534 60 47 00	Water - City of Bellingham	62,920.00	6,481.93	6,481.93	56,438.07	89.7%
534 80 10 00	Water - Operations Payroll	756,778.00	55,037.35	55,037.35	701,740.65	92.7%
534 80 20 00	Water - Operations Personnel Benefits	350,964.00	22,469.42	22,469.42	328,494.58	93.6%
534 80 32 00	Water - Operations Fuel	33,200.00	3,086.73	3,086.73	30,113.27	90.7%
534 80 35 00	Water - Safety Supplies	10,000.00	279.29	279.29	9,720.71	97.2%
534 80 35 01	Water - Safety Boots	1,400.00	78.55	78.55	1,321.45	94.4%
534 80 35 02	Water - Emergency Preparedness	3,000.00	118.98	118.98	2,881.02	96.0%
534 80 43 00	Water - Operation Training/Travel/Certifications	13,000.00	267.88	267.88	12,732.12	97.9%
534 80 47 00	Water - Ops Utilities	162,500.00	14,842.08	14,842.08	147,657.92	90.9%
534 80 49 00	Water - Operations Laundry	2,000.00	143.89	143.89	1,856.11	92.8%
	534 Water Utilities	3,011,048.00	224,156.46	224,156.46	2,786,891.54	92.6%
580 Non Expeditures						
589 99 99 99	Payroll Benefit Liabilities	0.00	6,546.85	6,546.85	(6,546.85)	0.0%
	580 Non Expeditures	0.00	6,546.85	6,546.85	(6,546.85)	0.0%
591 Debt Service						
591 34 77 01	Geneva AC Mains Principal	119,938.00	0.00	0.00	119,938.00	100.0%
591 34 77 02	Div 22 Reservoir Principal	65,475.00	0.00	0.00	65,475.00	100.0%
591 34 77 03	Public Works Board Loan - Division 7 Principal	33,854.00	0.00	0.00	33,854.00	100.0%
592 34 83 01	Geneva AC Mains Interest	17,991.00	0.00	0.00	17,991.00	100.0%
592 34 83 02	Div 22 Reservoir Interest	11,785.00	0.00	0.00	11,785.00	100.0%
592 34 83 03	Public Works Board Loan - Division 7 Interest	13,760.00	0.00	0.00	13,760.00	100.0%
	591 Debt Service	262,803.00	0.00	0.00	262,803.00	100.0%
594 Capital Expenditures						
594 34 60 01	Capital Outlay - Budget Only	3,016,000.00	0.00	0.00	3,016,000.00	100.0%
594 34 62 01	Capital Projects - Water Structures	0.00	32,492.22	32,492.22	(32,492.22)	0.0%
	594 Capital Expenditures	3,016,000.00	32,492.22	32,492.22	2,983,507.78	98.9%
Fund Expenditures:		6,289,851.00	263,195.53	263,195.53	6,026,655.47	95.8%
Fund Excess/(Deficit):		(94,397.00)	33,409.29	33,409.29		

402 Sewer Fund

Revenues		Amt Budgeted	July	YTD	Remaining	
340 Charges For Services						
343 50 11 00	Sewer Service Residential	5,236,856.00	362,485.65	362,485.65	4,874,370.35	93.1%
343 50 19 00	Sewer Service Other	5,950.00	437.80	437.80	5,512.20	92.6%
343 51 10 02	General Facilities Charges - Sewer	128,520.00	41,139.83	41,139.83	87,380.17	68.0%
340 Charges For Services		5,371,326.00	404,063.28	404,063.28	4,967,262.72	92.5%
360 Misc Revenues						
361 11 00 02	Investment Interest	70,000.00	8,282.83	8,282.83	61,717.17	88.2%
369 40 00 02	Project Reimbuirsement	4,142.00	3,000.00	3,000.00	1,142.00	27.6%
369 91 01 02	Miscellaneous	1,000.00	0.00	0.00	1,000.00	100.0%
360 Misc Revenues		75,142.00	11,282.83	11,282.83	63,859.17	85.0%
Fund Revenues:		5,446,468.00	415,346.11	415,346.11	5,031,121.89	92.4%

Expenditures		Amt Budgeted	July	YTD	Remaining	
535 Sewer						
535 10 10 00	Sewer - Admin Payroll	410,405.00	32,900.93	32,900.93	377,504.07	92.0%
535 10 20 00	Sewer - Gen Admin Personnel Benefits	168,206.00	12,976.53	12,976.53	155,229.47	92.3%
535 10 31 00	Sewer - Gen Admin Supplies	12,500.00	581.75	581.75	11,918.25	95.3%
535 10 31 01	Sewer - Meetings/Team Building	3,200.00	90.19	90.19	3,109.81	97.2%
535 10 40 00	Sewer -Merchant Services Fees	18,000.00	2,875.49	2,875.49	15,124.51	84.0%
535 10 40 01	Sewer - Bank Fees	750.00	62.50	62.50	687.50	91.7%
535 10 41 01	Sewer - Gen Admin Prof Srvc	110,915.00	9,138.58	9,138.58	101,776.42	91.8%
535 10 41 02	Sewer - Engineering Srvc	9,000.00	0.00	0.00	9,000.00	100.0%
535 10 41 03	Sewer - Legal Srvc	31,900.00	0.00	0.00	31,900.00	100.0%
535 10 42 00	Sewer - Admin Communication	35,400.00	3,627.32	3,627.32	31,772.68	89.8%
535 10 43 00	Sewer - Software/IT Subscriptions	82,660.00	2,013.29	2,013.29	80,646.71	97.6%
535 10 46 00	Sewer - Gen Admin Insurance	93,450.00	71.00	71.00	93,379.00	99.9%
535 10 49 00	Sewer - Gen Admin Misc	200.00	0.00	0.00	200.00	100.0%
535 10 49 01	Sewer - Memberships/Dues/Permits	16,700.00	195.37	195.37	16,504.63	98.8%
535 10 49 02	Sewer - Taxes	134,500.00	13,472.38	13,472.38	121,027.62	90.0%
535 40 43 00	Sewer - Gen Admin TrainIng &Travel	13,000.00	334.29	334.29	12,665.71	97.4%
535 40 43 01	Sewer - Tuition Reimbursement	500.00	0.00	0.00	500.00	100.0%
535 50 31 00	Sewer - Maintenance Supplies	46,800.00	2,746.35	2,746.35	44,053.65	94.1%
535 50 31 01	Sewer - Small Assets	43,700.00	121.36	121.36	43,578.64	99.7%
535 50 48 00	Sewer - Repair & Maint	150,000.00	6,381.71	6,381.71	143,618.29	95.7%
535 50 49 00	Sewer - Insurance Claims	2,500.00	5,000.00	5,000.00	(2,500.00)	0.0%
535 60 47 00	Sewer - City of Bellingham	926,000.00	56,626.56	56,626.56	869,373.44	93.9%
535 80 10 00	Sewer - Operations Payroll	644,639.00	42,993.89	42,993.89	601,645.11	93.3%
535 80 20 00	Sewer - Operations Personnel Benefits	293,495.00	18,118.55	18,118.55	275,376.45	93.8%
535 80 32 00	Sewer - Operations Fuel	33,200.00	3,086.79	3,086.79	30,113.21	90.7%
535 80 35 00	Sewer - Safety Supplies	10,000.00	279.29	279.29	9,720.71	97.2%
535 80 35 01	Sewer - Safety Boots	1,400.00	78.55	78.55	1,321.45	94.4%
535 80 35 02	Sewer - Emergency Preparedness	5,000.00	118.97	118.97	4,881.03	97.6%
535 80 43 00	Sewer - Operations Training/Travel/Certification	13,000.00	267.89	267.89	12,732.11	97.9%
535 80 47 00	Sewer - Ops Utilities	164,800.00	12,344.24	12,344.24	152,455.76	92.5%

402 Sewer Fund

Expenditures		Amt Budgeted	July	YTD	Remaining	
535 Sewer						
535 80 49 00	Sewer - Operations Laundry	2,500.00	143.84	143.84	2,356.16	94.2%
535 Sewer		3,478,320.00	226,647.61	226,647.61	3,251,672.39	93.5%
591 Debt Service						
591 35 77 02	Bond 2016 Principal	520,000.00	0.00	0.00	520,000.00	100.0%
591 35 83 02	Bond 2016 Interest	107,925.00	0.00	0.00	107,925.00	100.0%
591 Debt Service		627,925.00	0.00	0.00	627,925.00	100.0%
594 Capital Expenditures						
594 35 60 02	Capital Outlay - Budget Only	2,056,000.00	0.00	0.00	2,056,000.00	100.0%
594 35 62 02	Capital Projects - Sewer Structures	0.00	8,419.73	8,419.73	(8,419.73)	0.0%
594 35 63 02	Capital Projects- Sewer System	0.00	18,396.83	18,396.83	(18,396.83)	0.0%
594 Capital Expenditures		2,056,000.00	26,816.56	26,816.56	2,029,183.44	98.7%
597 Interfund Transfers						
597 10 00 25	Transfer Out	86,000.00	0.00	0.00	86,000.00	100.0%
597 Interfund Transfers		86,000.00	0.00	0.00	86,000.00	100.0%
Fund Expenditures:		6,248,245.00	253,464.17	253,464.17	5,994,780.83	95.9%
Fund Excess/(Deficit):		(801,777.00)	161,881.94	161,881.94		

425 Sewer Contingency Reserve Fund

Revenues		Amt Budgeted	July	YTD	Remaining	
397 Interfund Transfers						
397 10 00 25	Transfer In	86,000.00	0.00	0.00	86,000.00	100.0%
397 Interfund Transfers		86,000.00	0.00	0.00	86,000.00	100.0%
Fund Revenues:		86,000.00	0.00	0.00	86,000.00	100.0%
Fund Excess/(Deficit):		86,000.00	0.00	0.00		

LAKE WHATCOM WATER AND SEWER

INVESTMENTS/CASH AS OF 7/31/2026

Petty Cash	$	1,600	
Cash	$	1,703,143	
Debt Service Account	$	646,125	
Public Funds Account	$	32,222	2.030%
WA Federal	$	2,383,090	
Local Gov't Investment Pool	$	4,229,892	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	$ 199,425			3.360%
US Bank Trust		$ 4,599,717	$ 4,565,000		
TOTAL		$ 11,212,699			

USE OF FUNDS:

Bond Reserve - Restricted	$ 646,125	
Contingency - Assigned	$ 1,296,500	
Operating Reserves	$ 1,185,000	
Operating Assigned	$ 8,085,074	
		$ 11,212,699

Fund Balance Summary		
Water Utility Fund (401)	$ 2,573,397	
Sewer Utility Fund (402)	$ 6,675,177	
Sewer Contingency Fund (425)	$ 858,000	
Water Contingency Fund (426)	$ 460,000	
Bond Reserve Fund (460)	$ 646,125	
		$ 11,212,699

LAKE WHATCOM WATER AND SEWER DISTRICT
July 2026 Utility Account Adjustments

		Year to Date	Notes
Sudden Valley Adjustments			
Late Fee Credits	$ 423.54	$ 1,930.61	
High Use/Leak Credits	$ -	$ 2,563.27	
North Shore/Geneva			
Late Fee Credits	$ 324.51	$ 1,153.65	
High Use/Leak Credits	$ 100.33	$ 2,811.22	1467 Glen Cove Ln.
Total Account Adjustments	$ 848.38	$ 8,458.75	

AGENDA BILL Item 8.D	**Operations Department Report**

DATE SUBMITTED:	August 20, 2026	MEETING DATE:	August 26, 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 August 26, 2026 Board Meeting
Data Compiled 8/19/2026

State Required Report Status

Monthly Reports

Name Of Report		Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Chlorination Report Agate Heights Prepared by: K Cook	Postmarked by the 10th of month	x	x	x	x	x	x	x	x				
Surface Water Treatment Rule Report (SVWTP) Prepared by: K Cook	Postmarked by the 10th of month	x	x	x	x	x	x	x	x				

Annual Reports

Name Of Report	Deadline	Completed
WA State Cross Connection Report Prepared by: R Munson	May	February 25, 2026
OSHA 300 Log Prepared by: R Munson	February 1	January 13, 2026
Water Use Efficiency Performance Report Prepared by: K Cook	July 1	January 12, 2026
Community Right to Know (Hazardous Materials) Prepared by: R Munson	March 31	January 13, 2026
Northwest Clean Air Emissions Report	February 1	January 14, 2026
Consumer Confidence Reports Prepared by: K Cook	June 30	Geneva, SV, EagleR, Agate Ht 6/17/2026

Other Reports

Name Of Report	Deadline	Last Completed
CPR/First Aid Training Coordinated by: R Munson	Due Biennially Next Due 2027	February 27, 2025
Flagging Card Training Coordinated by: R Munson	Due Triennially Next Due 2025	All complete as of 10/22/25

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
8/26/2026 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 demand.
- Agate Heights
  - Plant is operating well.
  - Water use is less than typical seasonal usage with Lake Whatcom Residential & Treatment Center currently vacant.

Distribution System

- 5 water leaks repaired over the past month.

Sewer Utility Activities

Lift Stations

- Euclid and North Point backup generators were repaired.

Collection System

- Sewer camera inspections focused on maintenance issues.

Fleet

Vehicles

- VEH47 repairs ongoing.

Equipment

- All equipment is functioning properly.

Facilities

- Nothing new to report.

Training

- Upcoming training for programmable logic controls (PLCs).

Development

- There are 9 permits currently in stages of development.
- There have been 0 water/sewer availability inquiries during the reporting period.