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

September 9, 2026
6:30 p.m. – Regular Session

1. CALL TO ORDER

2. ROLL CALL

3. PUBLIC COMMENT OPPORTUNITY
   At this time, members of the public may address the Board of Commissioners. Please state your name and address prior to making comments, and limit your comments to three minutes. For the sake of time, each public comment period will be limited to 45 minutes.

4. ADDITIONS, DELETIONS, OR CHANGES TO THE AGENDA

5. CONSENT AGENDA

6. SPECIFIC ITEMS OF BUSINESS
   A. Draft 2027-28 Biennial Budget Discussion

7. OTHER BUSINESS

8. STAFF REPORTS
   A. General Manager

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) – *10 minutes*

11. ADJOURNMENT

AGENDA BILL Item 5

Consent Agenda

DATE SUBMITTED:	September 3, 2026	MEETING DATE:	September 9, 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 09.08.2026****

BACKGROUND / EXPLANATION OF IMPACT

- Minutes for the 08.26.2026 Regular Board Meeting
- Payroll for Pay Period #18 (08.15.2026 through 08.28.2026) totaling $52,307.00
- Benefits for Pay Period #18 totaling $56,675.14
- 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 26, 2026

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

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

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

Consent Agenda

Action Taken
Carter moved, Knakal seconded, approval of:

- **Minutes for the 08.12.2026 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 totaling $313,290.76**

Motion passed.

Draft 2027-2028 Biennial Budget Presentation
Per RCW and the District's Administrative Code Title 2, the District's budget is approved by the Board of Commissioners on a biennial basis, with the fiscal period running from January 1 of an odd-numbered year and ending on December 31 of the following even-numbered year. Budgets are generally developed in the second half of the year leading up to the next biennium, with approval before December 31.

District staff developed the first draft budget for 2027-2028 using projected revenues based upon rate increases established in the Master Fees & Charges Schedule 30 and projected operating expenses and projects defined in the District's water and sewer capital improvement plans. The draft 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. Signs highlighted various aspects of the proposed budget, including revenue and expenditure assumptions, operating reserves, staffing, and anticipated capital projects. Nicoll provided further details on several capital improvement projects. Discussion followed.

General Manager's Report

Clary updated the Board on several topics, including work with the Department of Ecology, Whatcom County Emergency Management, and other local organizations to create a current hazmat spill response plan for Lake Whatcom, progress on the 5-year update to the District's vulnerability assessment and emergency response plan in accordance with the American Water Infrastructure Act, and an upcoming planned emergency response exercise at the District.

Commissioner Greif left the meeting at 8:38 a.m. due to a prior commitment.

Engineering Department Report

Nicoll highlighted FEMA funded projects, staff are still waiting on Phase 2 funding agreements, currently projecting receipt in November, and upcoming projects going out for bid, including the Security Systems update and Force Main Pigging Project. Discussion followed.

Finance Department Report

Signs' report covered the July financial report and budget position for water and sewer funds, with expenses and revenue tracking to budget, progress toward the expected number of permits sold in 2026, and receipt of the District's reimbursement for 2022-2025 from the Washington Association of Sewer and Water Districts L&I Retro program.

Operations & Maintenance Department Report

Dahlstrom reported on the District's continued excellent safety record, the crew's work in August addressing multiple water leaks, noting that it is typical for the dry season to allow for water leaks becoming more visible, final interviews and job offer for the new Maintenance Worker, and receipt of the District's L&I Hazard Assessment report with only minor notes.

Executive Session Per RCW 42.30.110(1)(g)

Citron recessed the Regular Session to Executive Session at 8:56 a.m. It was estimated that the Executive Session would take 9 minutes and end at 9:05 a.m. The purpose of the Executive Session was to review the performance of a public employee (General Manager performance evaluation). Citron recessed the Executive Session and reconvened the Regular Meeting at 9:05 a.m. No action was taken.

With no further business, Citron adjourned the regular session at 9:05 a.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: 10:53:46 Date: 08/31/2026

09/03/2026 To: 09/03/2026 Page: 1

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
2359	09/03/2026	Payroll	5	EFT		438.72	08/15/2026 - 08/28/2026 PP18
2360	09/03/2026	Payroll	5	EFT		438.72	08/15/2026 - 08/28/2026 PP18
2361	09/03/2026	Payroll	5	EFT		4,133.95	08/15/2026 - 08/28/2026 PP18
2362	09/03/2026	Payroll	5	EFT		3,370.20	08/15/2026 - 08/28/2026 PP18
2363	09/03/2026	Payroll	5	EFT		4,129.97	08/15/2026 - 08/28/2026 PP18
2364	09/03/2026	Payroll	5	EFT		2,093.01	08/15/2026 - 08/28/2026 PP18
2366	09/03/2026	Payroll	5	EFT		2,208.77	08/15/2026 - 08/28/2026 PP18
2367	09/03/2026	Payroll	5	EFT		438.72	08/15/2026 - 08/28/2026 PP18
2368	09/03/2026	Payroll	5	EFT		588.69	08/15/2026 - 08/28/2026 PP18
2369	09/03/2026	Payroll	5	EFT		2,693.71	08/15/2026 - 08/28/2026 PP18
2370	09/03/2026	Payroll	5	EFT		2,859.72	08/15/2026 - 08/28/2026 PP18
2371	09/03/2026	Payroll	5	EFT		438.72	08/15/2026 - 08/28/2026 PP18
2372	09/03/2026	Payroll	5	EFT		3,133.24	08/15/2026 - 08/28/2026 PP18
2373	09/03/2026	Payroll	5	EFT		3,006.42	08/15/2026 - 08/28/2026 PP18
2374	09/03/2026	Payroll	5	EFT		3,091.85	08/15/2026 - 08/28/2026 PP18
2375	09/03/2026	Payroll	5	EFT		2,023.53	08/15/2026 - 08/28/2026 PP18
2376	09/03/2026	Payroll	5	EFT		1,789.58	08/15/2026 - 08/28/2026 PP18
2377	09/03/2026	Payroll	5	EFT		5,138.19	08/15/2026 - 08/28/2026 PP18
2378	09/03/2026	Payroll	5	EFT		4,416.21	08/15/2026 - 08/28/2026 PP18
2379	09/03/2026	Payroll	5	EFT		3,964.60	08/15/2026 - 08/28/2026 PP18
2365	09/03/2026	Payroll	5	17778		1,910.48	08/15/2026 - 08/28/2026 PP18
		401 Water Fund				14,400.05	
		402 Sewer Fund				37,906.95	
						52,307.00	Payroll: 52,307.00

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** 08.31.2026

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: 11:01:36 Date: 09/03/2026

09/03/2026 To: 09/03/2026

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
2380	09/03/2026	Payroll	5	EFT	DEPARTMENT OF RETIREMENT SYSTEMS	7,587.00	Pay Cycle(s) 09/03/2026 To 09/03/2026 - DCP; Pay Cycle(s) 09/03/2026 To 09/03/2026 - ROTH DCP
2381	09/03/2026	Payroll	5	EFT	UNITED STATES TREASURY	19,304.44	941 Deposit for Pay Cycle(s) 09/03/2026 - 09/03/2026
2382	09/03/2026	Payroll	5	EFT	WA ST PUBLIC EMP RET PLAN 2	6,916.48	Pay Cycle(s) 09/03/2026 To 09/03/2026 - PERS 2
2383	09/03/2026	Payroll	5	EFT	WA ST PUBLIC EMP RET PLAN 3	2,424.64	Pay Cycle(s) 09/03/2026 To 09/03/2026 - PERS 3
2384	09/03/2026	Payroll	5	EFT	WA ST SUPPORT ENFORCEMENT REGISTERY	888.77	Pay Cycle(s) 09/03/2026 To 09/03/2026 - SUP ENF
2385	09/03/2026	Payroll	5	17779	AFLAC	296.36	Pay Cycle(s) 09/03/2026 To 09/03/2026 - AFLAC PRE-TAX; Pay Cycle(s) 09/03/2026 To 09/03/2026 - AFLAC POST-TAX
2386	09/03/2026	Payroll	5	17780	AFSCME LOCAL	324.45	Pay Cycle(s) 09/03/2026 To 09/03/2026 - UNION DUES; Pay Cycle(s) 09/03/2026 To 09/03/2026 - UNION FUND
2387	09/03/2026	Payroll	5	17781	HRA VEBA TRUST (PAYEE)	530.00	Pay Cycle(s) 09/03/2026 To 09/03/2026 - VEBA
2388	09/03/2026	Payroll	5	17782	WA ST HEALTH CARE AUTHORITY	18,403.00	Pay Cycle(s) 09/03/2026 To 09/03/2026 - PEBB MEDICAL; Pay Cycle(s) 09/03/2026 To 09/03/2026 - PEBB ADD LTD
		401 Water Fund				42,738.96	
		402 Sewer Fund				13,936.18	
						56,675.14	Payroll: 56,675.14

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** 08.31.2026

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	Draft 2027-2028 Biennial Budget Discussion		
DATE SUBMITTED:	September 1, 2026	MEETING DATE:	September 9, 2026	
TO: BOARD OF COMMISSIONERS		FROM: Jenny Signs, Finance Manager/ Treasurer		
GENERAL MANAGER APPROVAL				
ATTACHED DOCUMENTS		1. Draft 2027-2028 Budget & Capital Improvement Program		
TYPE OF ACTION REQUESTED		RESOLUTION ☐	FORMAL ACTION/ MOTION ☐	INFORMATIONAL/ OTHER ☒

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 annual 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. The attached document includes one change from the version presented on August 26, 2026. District staff added $50,000 to the operating budget, allocated equally between the Water and Sewer Utility Funds, to provide funding for a compensation study in fiscal year 2028, which is the final year of the current collective bargaining agreement. The District's most recent study was completed in 2024. Additionally, an error was identified on the Fund Summaries page of the previously presented document related to the projected fund balance of the Water Utility Fund. This has been corrected in the attached document to accurately reflect the anticipated fund balance.

For reference, the following two graphs illustrate the projected budget and cash positions of the Water Utility Fund (Figure 1) and Sewer Utility Fund (Figure 2), as modeled in Waterworth using the proposed budget. These projections closely align with the financial data presented as part of the District's Utility Rate Study completed earlier this year.

Figure 1: Water Utility Fund Summary

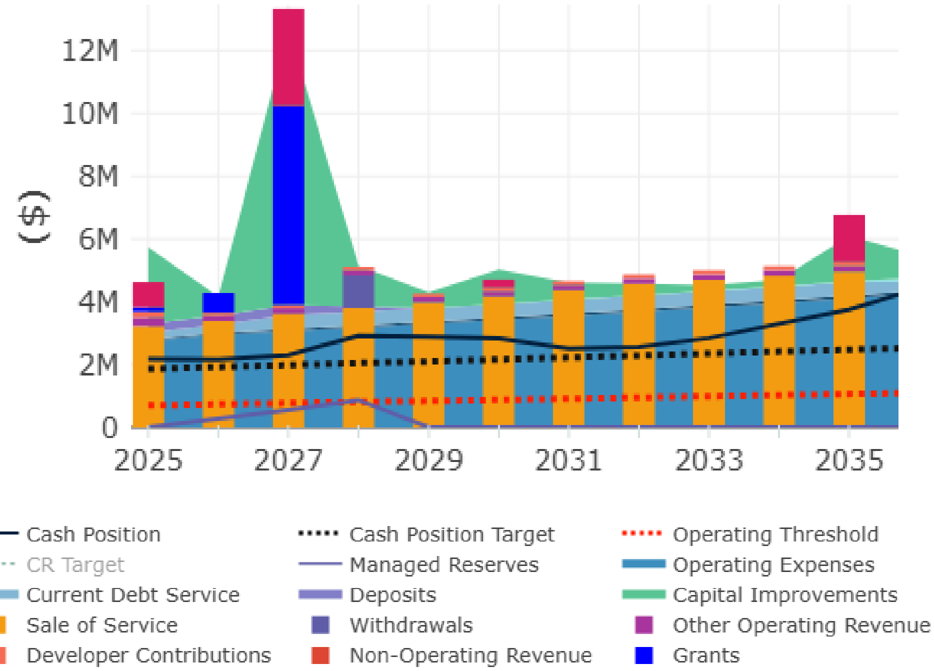
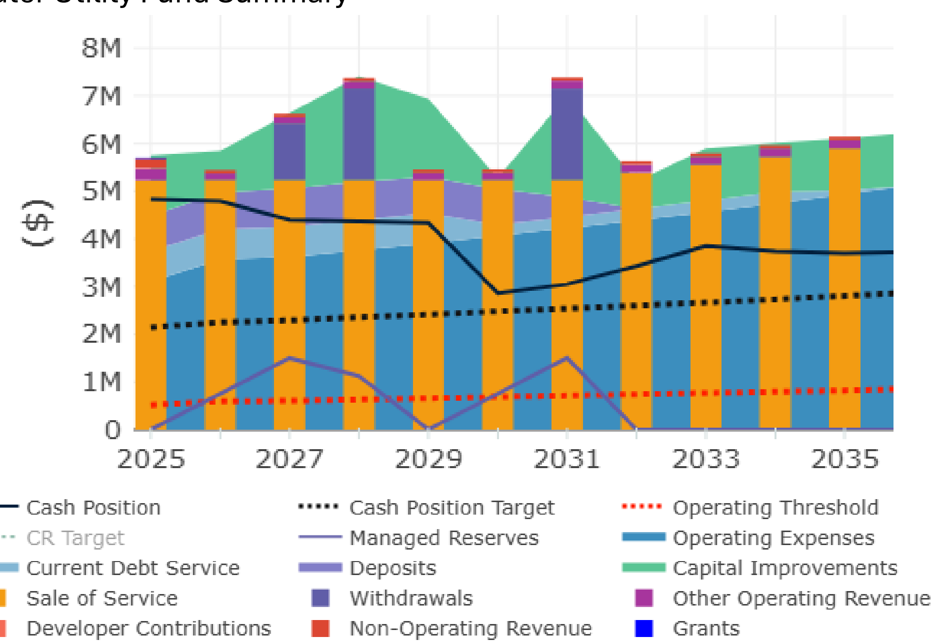


Figure 2: Water Utility Fund Summary



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 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	$ (18,414,401)	$ (13,495,082)	$ (31,909,483)	$ (6,925)
Net Surplus/(Deficit)	$ (942,896)	$ (2,488,618)	$ (3,431,514)	$639,200
2028 Projected Ending Fund Balance	$1,605,664	$4,311,301	$5,916,965	$639,200
2027 - 2028 Allocated to Operating Reserve	$836,152	$640,129	$1,476,281	
*2027 - 2028 Rate Study Capital Surplus**	$0	$1,124,000	$1,124,000	
2027 - 2028 Projected Year End Fund Balance	$ 769,512	$2,547,172	$3,316,684	

	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)

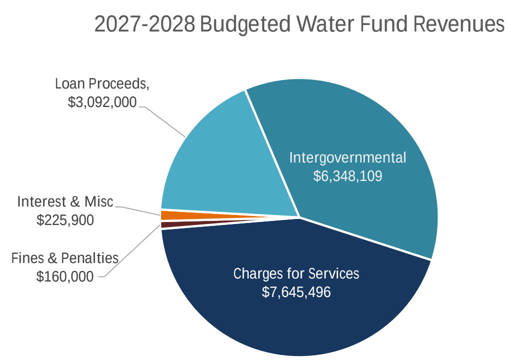
Fund	Dept.	Account	Title	2025 Acutal	2026 Budget	2026 Projected 8.1.2026	2027 Proposed	2028 Proposed	2027-2028 Combined Proposed
			Intergovernmental Revenue						
401	330	331 66 00 01	Envrionmental Protection Agency			$ 220,000	$ 700,000	$ -	$ 700,000
401	330	333 97 00 02	Federal Indirect Grant Homeland 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	$ 173,386	$ 311,257
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	$ 3,391,061	$ 6,593,626
			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

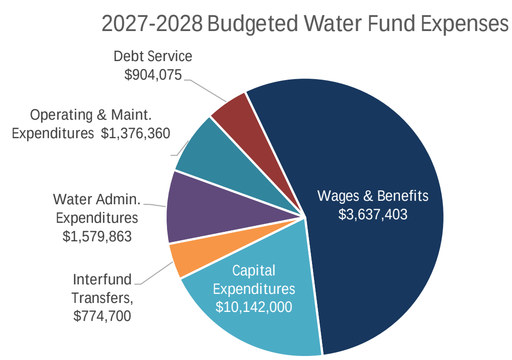
Lake Whatcom Water and Sewer District
2027 - 2028 Biennial Budget -DRAFT
Water Utility Fund (401)

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	$ 5,157,908	$ 18,414,401
Fund Gain/Loss				$ (7,953)	$ (94,397)	$ 385,544	$ 99,078	$ (1,041,974)	$ (942,896)

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	$ (1,041,974)
2028 Projected Ending Fund Balance	$ 1,605,664

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	$ 166,017	$ 296,803
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	$ 3,894,115	$ 7,592,707
			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

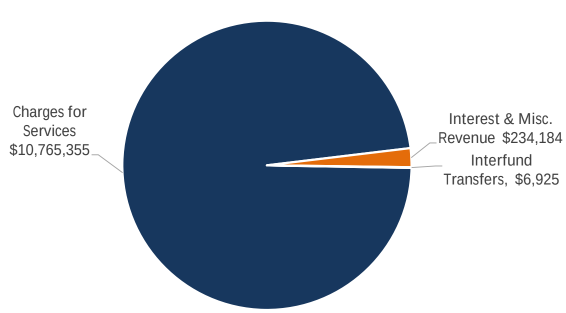
Lake Whatcom Water and Sewer District
2027-2028 Biennial Budget DRAFT
Sewer Utility Fund (402)

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	$ 6,777,115	$ 13,495,082
Fund Gain/Loss				$ 703,810	$ (801,777)	$ 1,260,815	$ (1,229,690)	$ (1,258,928)	$ (2,488,618)

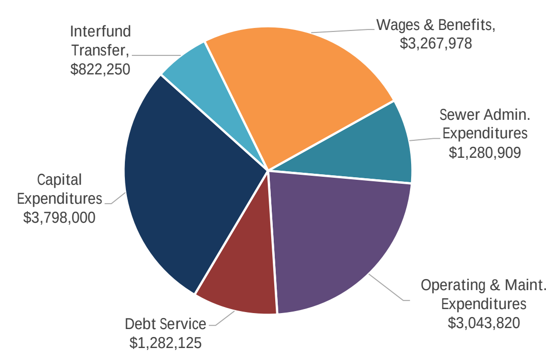
Fund Balance Summary	
2026 Beginning Fund Balance	$ 5,539,104
2026 Projected Gain/Loss	$ 1,260,815
2026 Projected Ending Fund Balance	$ 6,799,919
2027 Projected Gain/Loss	$ (1,229,690)
2027 Projected Ending Fund Balance	$ 5,570,229
2028 Projected Gain/Loss	$ (1,258,928)
2028 Projected Ending Fund Balance	$ 4,311,301

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

2027-2028 Budgeted Sewer Fund Revenues



2027-2028 Budgeted Sewer Fund Expenses



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

CAPITAL PROJECT NARRATIVE

Project Name:	Replace Sudden Valley WTP Chlorine Contact Basin (CCB)
CIP #:	25-05

PURPOSE and DESCRIPTION OF THE PROJECT

The purpose of this project is to replace the Sudden Valley Water Treatment Plant Chlorine Contact Basin (CCB) to address the deficiencies identified in the 2016 Seismic Evaluation produced by BHC Consultants, Inc., the 2016 tracer study completed by Gray & Osborne, Inc. and the 2020 coatings assessment completed by Evergreen Coatings Engineers.

In the past 10 years, multiple evaluations have been completed that have identified deficiencies with the existing CCB that need to be addressed to ensure that the water treatment system continues to operate reliably and efficiently now and into the future. The identified deficiencies include:

- A seismic vulnerability assessment was completed in 2016 and determined that the Chlorine Contact Basin did not meet current seismic design standards and would be unlikely to survive a significant earthquake. First, the report stated that the concrete ring wall foundation did not provide sufficient uplift resistance and, secondly, the existing rigid piping connections present a risk of damage that would result in emptying of the reservoir.

- The CCB was originally designed to provide sufficient chlorine contact time for the design water treatment capacity of 2 million gallons per day (MGD). This sizing was based on an estimated baffling factor of 0.7. In 2016, Gray & Osborne, Inc. completed a tracer study on behalf of the Washington State Department of Health to determine the actual baffling factor. Based on the results of this evaluation, the baffling factor was revised from 0.7 to 0.3. As a result, the capacity of the CCB is less than the rated capacity of the plant of 2.0 MGD.

- In 2020, Evergreen Coatings Engineers completed an assessment of the interior and exterior coating system that revealed that the coating system is nearing the ends of its useful service life.

In light of these deficiencies, the District submitted a FEMA Hazard Mitigation Grant application to replace the existing CCB with a new CCB designed to meet seismic design standards and to provide sufficient chlorine contact time to treat the plant design capacity of 2.0 MGD. The grant application was developed in conjunction with Washington State Emergency Management Division (WA-EMD) of the Washington State Military Department and the Federal Emergency Management Agency (FEMA) as a hazard mitigation project in 2022. In 2024, the District received approval for the application with cost sharing as follows: FEMA 75% ($1,472,250), WA-EMD 12.5% ($245,375), and Lake Whatcom Water and Sewer District 12.5% ($245,375).

The project will construct a new rectangular concrete chlorine contact basin immediately west of the existing pump house building. The new basin will have capacity to treat the plant capacity of 2.0 MGD. If additional grant funding is awarded (which has been requested), the basin will be separated into two treatment trains, allowing the District to take one half of the basin out of service while continuing to treat up to 700 gallons per minute.

For further information about this project contact Greg Nicoll.

Revision History

- Created 10/27/2021 by KPS (G&O).
- 10/21/2024 – Scope, schedule and budget updated (GN)
- 8/12/2026 – Updated (GN)

CAPITAL PROJECT NARRATIVE

Project Name:	Geneva Reservoir and Sudden Valley WTP Pump House Seismic Improvements
CIP #:	25-06

PURPOSE and DESCRIPTION OF THE PROJECT

The purpose of this project is to complete seismic upgrades recommended by the 2016 Seismic Deficiency Report produced by BHC Consultants, Inc. and the 2022 SV WTP Improvements Master Plan to ensure the facilities can survive a design level earthquake.

The District provides potable water to its South Shore water system, which includes the Sudden Valley and Geneva communities, wholly by water treated at its Sudden Valley Water Treatment Plant (SVWTP). Finished water from the SVWTP is conveyed to the South Shore water distribution system by four pumps that are housed within the SVWTP Booster Station. In 2022, as part of the Sudden Valley Water Treatment Plan Improvements Master Plan, Gray & Osborne Engineers completed a seismic evaluation of the SVWTP Booster Station and identified non-structural improvements that are required to ensure that the building can survive a significant earthquake.

Storage and system pressure is maintained in the South Shore distribution system by five reservoirs, which includes the Geneva Reservoir, a 500,000-gallon welded steel reservoir. The Geneva Reservoir serves most of the Geneva community, which includes approximately 1,136 connections. In 2016, BHC Consultants performed a seismic vulnerability assessment of the District’s steel reservoirs, including the Geneva Reservoir. The assessment identified two structural deficiencies with the Geneva Reservoir (inadequate uplift resistance of the foundation and insufficient anchorage) that would prohibit the Geneva Reservoir from surviving a significant earthquake.

As a result of these findings, the District identified the need to complete upgrades to ensure that both structures meet current seismic standards. This project will construct a new concrete ring wall around the reservoir and improve the anchorage system for the reservoir. The project will also construct seismic improvements at the SV WTP Pump House building to ensure it will remain in service following a significant earthquake.

In 2022, the Evergreen Coatings Engineers completed a coatings evaluation of the District’s coated steel reservoirs. The evaluation determined that the coatings on the Geneva reservoir are nearing the end of their useful life. In addition, the structural improvements that will be completed as part of this project, will damage the interior and exterior coatings. As a result, complete recoating of the interior and exterior of the reservoir will be completed as part of this project.

In 2022, the District submitted a FEMA Hazard Mitigation Grant application to complete seismic retrofits to the Geneva Reservoir and the SVWTP Booster Station. The grant application was developed in conjunction with Washington State Emergency Management Division (WA-EMD) of the Washington State Military Department and the Federal Emergency Management Agency (FEMA) as a hazard mitigation project which was approved in 2024. The grant will fund 95% of the design and construction costs for this project.

CAPITAL PROJECT NARRATIVE

Design of the project is 90% complete and building permits are ready to issue once the contractor is selected. The project is on schedule to advertise for bids in early 2027. It is currently planned to combine this project with the Division 22-1 reservoir replacement project into a single project for construction. The projects will be included in separate schedules of work to ensure proper accounting of costs.

For further information about this project, contact Greg Nicoll.

Revision History

- Created 10/21/2024 by GN
- Updated 8/12/2026 by GN

CAPITAL PROJECT NARRATIVE

Project Name:	Agate Bay Lift Station Retrofit
CIP #:	C2510

PURPOSE and DESCRIPTION OF THE PROJECT

Project includes retrofitting an existing Smith & Loveless underground, dry-pit duplex pump station with new pumps, controls, telemetry, pressure transducers for monitoring the wet well level, backup high and low floats and a pole mounted work light manually switched at control panel. The retrofit is part of a District wide pump station plan to replace all 30+ year old equipment.

The existing lift station was installed in the 1977 and a new stationary generator was added to the site in 2011. The site is located adjacent to Lake Whatcom.

The station has two existing 15 HP pumps; each has a design point of 350 GPM at 72-feet TDH. The wet well diameter is 6-feet, and the power service is currently 3-phase / 230V. Check valves are inaccessible for maintenance and cleaning. If a check valve ever jams it would be a major project to access the check valves for service.

In 2025, District staff completed an alternative analysis which evaluated three alternatives for rehabilitation and reconfiguration of the lift station. The recommended alternative will replace the below grade top mounted package lift station with new submersible pumps and valves. The valves will be installed in a new below grade vault. The existing wet well will be reused and extended to grade and new controls and motor starters will be installed in new cabinets covered by an awning. The existing power service will be reused and existing piping will be revised as needed to accommodate the reconfiguration.

In 2026, the District Engineer completed mechanical and civil design of the lift station renovation. The District contracted with K Engineers for electrical design and Kingworks Engineers for design of the awning over the control panels. The project is scheduled

For further information about this project contact Greg Nicoll.

Revision History

- Created 8/1/2006.
- Revised 8/2/2006 by MMM: Revised project scope, added budget.
- Revised 8/3/2006 by BH: Added to purpose.
- Revised 8/6/2007 by BH: Adjusted budget estimate to reflect recent Plum/Strawberry Canyon PS project costs.
- Revised 8/6/2009 by BH: Adjusted budget to reflect recent Tomb PS project.
- Revised 1/4/2010 by BH: Removed stationary generator – broke out as separate 2010 project.
- Revised 10/4/2011 by BH. Adjusted budget numbers slightly.
- Revised 10/24/17 by KH. Updated narrative and updated budget numbers based on recent pump station projects.
- Revised 8/22/24 by GN: Revised cost estimate.
- Revised 8/11/26 by GN: Updated project status and scope of construction.

CAPITAL PROJECT NARRATIVE

Project Name:	Replace Division 22-1 Reservoir
CIP #:	C2517

PURPOSE and DESCRIPTION OF THE PROJECT

The purpose of this project is to replace the Division 22-1 Reservoir to address the deficiencies identified in the 2016 Seismic Evaluation produced by BHC Consultants, Inc., the 2016 tracer study completed by Gray & Osborne, Inc. and the 2020 coatings assessment completed by Evergreen Coatings Engineers.

In the past 10 years, multiple evaluations have been completed that have identified deficiencies with the existing Division 22-1 Reservoir that need to be addressed to ensure that the District's water storage and distribution system continues to operate reliably and efficiently now and into the future. The identified deficiencies include:

- A seismic vulnerability assessment was completed in 2016 and determined that the Division 22-1 Reservoir did not meet current seismic design standards and would be unlikely to survive a significant earthquake. First, the report stated that the concrete ring wall foundation did not provide sufficient uplift resistance and, secondly, the existing rigid piping connections present a risk of damage that would result in emptying of the reservoir.

- In 2020, Evergreen Coatings Engineers completed an assessment of the interior and exterior coating system that revealed that the coating system is nearing the ends of its useful service life and significant corrosion has compromised the structural integrity of the reservoir roof.

In light of these deficiencies, the District submitted a FEMA Hazard Mitigation Grant (HMG) application to replace the existing reservoir with a new reservoir designed to meet seismic design standards. The grant application was developed in conjunction with Washington State Emergency Management Division (WA-EMD) of the Washington State Military Department and the Federal Emergency Management Agency (FEMA) as a hazard mitigation project in 2024. In 2025, the District received approval for the application with cost sharing as follows: FEMA 75% ($2,125,500), WA-EMD 12.5% ($358,750), and Lake Whatcom Water and Sewer District 12.5% ($358,750).

Because the funding was awarded following adoption of the 2025-26 biennial budget, this project was not included in the budget. As a result, to fund the District cost share, the District applied for and was awarded a Public Works Board loan in the amount of $365,000 with an interest rate of 2.12% with a loan repayment period of 20 years.

In 2025, following award of the HMG, the District solicited for design and construction administration services for the project and selected Gray & Osborne. To date, design is approximately 90% complete and the project is scheduled to be advertised for bids in early 2027.

For further information about this project contact Greg Nicoll.

Revision History

- Created 7/29/2026 (GN).

CAPITAL PROJECT NARRATIVE

Project Name:	IT Infrastructure – Replace/Update Hardware, Network Security, & OS
Project #:	C2801

PURPOSE and DESCRIPTION OF THE PROJECT

Replace/update accounting and administrative server, and operating systems. Information technology professionals typically recommend a server hardware refresh cycle every 7 years as best practice.

At the administrative office and the maintenance facility, the District currently utilizes a single server running several virtualized servers. The servers are essential to daily operations including accounting and customer service (Springbrook), electronic document management of district archive files (LaserFiche), computerize maintenance management system (OpenGov), geographic information system (GIS), data files, and shared calendars.

District customers, Board of Commissioners, and management expect a very high level of service delivered by the servers. Continuous service with no more than one 4-hour or longer unplanned outage during business hours per year is management's level of service goal. To meet this level of service, replacement of server hardware should follow industry best practice of a 7-year replacement cycle.

Most recent server replacement project was C2007 which replaced the admin server and reallocated the older server to shop in early 2022.

For further information about this project call Jason Dahlstrom.

Revision History

- Created 7/19/2006.
- Update 8/2/2006.
- Update description 11/7/2012. Bill Hunter.
- Updated 12/5/2016 by BH. Updated budget estimate.
- Updated 11/4/2019 by BH. Updated description and budget estimate.
- Updated 9/28/2022 by BH. Updated description and budget estimate.

CAPITAL PROJECT NARRATIVE

Project Name:	High-Head, High-Flow Towable Sewer Pump
CIP #:	S2701

PURPOSE and DESCRIPTION OF THE PROJECT

Background Information
The District currently operates a single towable bypass pump to support routine maintenance and emergency response across its sewer infrastructure. However, several key lift stations within the system are characterized by high dynamic head requirements and higher peak flow volumes that exceed the operational capacity and head curve of our existing unit.
Relying on a single towable pump presents significant operational limitations:

- **Capacity Mismatch:** High-head, high-flow lift stations require specialized pump performance to convey wastewater efficiently against steep elevation gains or during peak demand.
- **Lack of Redundancy:** If a primary pump fails at a high-head station while our sole towable pump is deployed elsewhere, undergoing maintenance, or inadequate for the operating conditions, emergency response options are severely constrained.
- **Severe Weather Vulnerability:** Extended power outages or major inflow and infiltration (I&I) events can require simultaneous pumping support across multiple critical lift stations.

Purchase of an additional, purpose-built, towable sewer pump specifically configured for high-flow and high-head conditions would substantially mitigate these vulnerabilities.

Project Benefits

- **Enhanced System Redundancy & Reliability:** Guarantees dedicated backup pumping capabilities capable of meeting the heavy flow and high head demands of our most challenging lift stations during primary equipment failures or power outages.
- **Prevention of Sanitary Sewer Overflows (SSOs):** Significantly reduces the risk of wastewater surcharging, backups, and environmental contamination at high-elevation, high-risk lift station sites.
- **Improved Operational & Maintenance Flexibility:** Enables planned, offline maintenance, wet-well cleanouts, and major station overhauls without compromising system capacity or relying on temporary third-party rentals.
- **Regulatory Compliance & Environmental Protection:** Aligns with Department of Ecology and Department of Health standards for utility disaster resiliency while safeguarding Lake Whatcom watershed.
- **Long-Term Cost Efficiency:** Eliminates recurring emergency equipment rental fees and mitigates potential liabilities and cleanup costs associated with sewer overflows.

For further information about this project contact Jason Dahlstrom.

Revision History

- Created 7/30/2026 (JD)

CAPITAL PROJECT NARRATIVE

Project Name:	Sewer System Rehabilitation and Replacement Projects
CIP #:	S2702

PURPOSE and DESCRIPTION OF THE PROJECT

This project combines several separate District projects into one annual project. The goals of this project include finding and repairing inflow and infiltration (I&I) sources, rehabilitating degraded pipelines, and increasing capacity where needed to provide for planned growth and future flow rates.

The annual project scope and focus will vary based on the type of high-priority items identified during the previous year. Types of work include sewer main slip lining (spot repairs and full lengths), pressure grouting service tees, pressure grouting manhole leaks/voids, rebuild/seal manholes, smoke testing, and other efforts to reduce I&I, rehabilitate pipelines, and increase capacity where needed.

For further information about this project call Greg Nicoll.

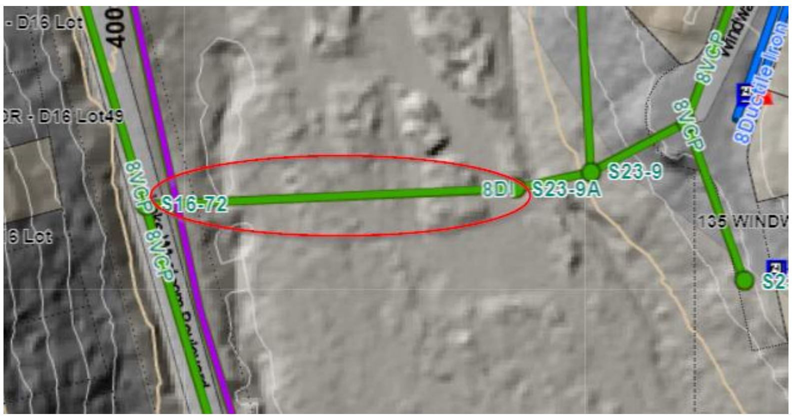
Revision History

- 10/26/2011. Combined separate I&I related projects into one annual project budget. Bill Hunter. Footnote: October 2011 Pro-Vac Estimate (Hank) for Smoke Testing: $0.65/LF and can test approximately 10,000 LF per day.
- 11/18/2013. Minor budget updates. Bill Hunter.
- 12/6/2016. Updated budget for year 2017. BH.
- 11/6/2018. Updated budget for year 2019. BH.
- 11/4/2019. Updated budget for year 2020. BH.
- 12/1/2020. Updated budget and cost estimates for year 2021, edited project description. BH & KH.
- 11/30/2021. Updated budget and cost estimates for year 2022, edited project description. BH.
- 8/22/24: Updated budget for 2025-26 budget. GN.
- 8/12/2026: Updated (GN)

Project Name:	Airport Sewer Crossing Gravity Pipeline Sag – Reinstall to Remove Sag
CIP #:	S2703

PURPOSE and DESCRIPTION OF THE PROJECT

Camera inspection in 2022 of Sewer Main #23-010 installed in 1973 crossing the Sudden Valley airport showed pipe has 275 ft of sag that is more than 100% of pipe diameter (Task #T22-0522). The total length of main in Cartegraph is approximately 310 LF and is 8" ductile iron pipe.



For further information about this project contact Greg Nicoll.

Revision History

- Created 9/28/22 by BH.
- Updated 8/12/2026 (GN)

CAPITAL PROJECT NARRATIVE

Project Name:	City of Bellingham Post Point WWTP Capital Improvements
CIP #:	S2704

PURPOSE and DESCRIPTION OF THE PROJECT

Per the Interlocal Agreement (ILA) between the District and the City of Bellingham (City) dated March 27, 2014, the City agrees to accept, convey, treat and dispose of the District's sewage for a fee. Section 6.2 of the ILA stipulates that "[t]he District shall reimburse the City for the District's proportionate share of the costs of Major Improvements…to the Post Point Treatment Facility in an amount equal to 4.8% of Eligible Project Costs." Section 6.2.2 of the ILA defines "Major Improvements" as "…individual projects that meet both of the following criteria: (a) the project is for the purpose of maintaining, repairing, replacing, improving or expanding the Post Point Treatment Plant or any component thereof; and (b) the actual cost of the project is greater than or equal to Five Million Dollars ($5,000,000).

Based on discussions with City of Bellingham staff, a recently received Notice of Upcoming Capital Contribution Charges, and the City's capital improvement plan, the City has three major capital projects at the Post Point WWTP scheduled between 2027 and 2031 that will trigger reimbursement of costs by the District as noted above:

Project	Year of Construction	Total Project Cost*	District-Responsible Cost*
Emergency Generator Replacement	2027	$6,400,000	$310,000
Sludge Tank Replacement	2027	$20,000,000	$960,000
Emission Control Upgrades	2031	$40,000,000	$1,920,000

** all costs are estimated based on information provided by the City of Bellingham. District-responsible costs will be based on the actual construction costs.*

For further information about this project contact Greg Nicoll.

Revision History

- Created 10/23/2024 by GN.
- Update 8/12/22026 (GN)

CAPITAL PROJECT NARRATIVE

Project Name:	Sudden Valley, Flat Car and Beaver Lift Stations – Replace Motor Starters
CIP #:	S2801

PURPOSE and DESCRIPTION OF THE PROJECT

The pump motor starters at Flat Car (SPFLA), Beaver (SPBEA) and Sudden Valley (SPSUD) Lift Stations, which are critical components to the reliable operation of sewer lift stations, were installed in 2003 and have not been significantly rehabilitated since that time. These three stations pump nearly all of the sewage from the Sudden Valley service area and failure of any of these stations would severely limit the ability to convey sewage from the service area to the City of Bellingham's collection system.

The typical useful life of a motor starter is typically between 25 and 30 years and the motor starters installed at these three stations are no longer made and support for these units is no longer available. As a result, the motor starters in these three stations present a significant business risk to the District.

This project will replace the three starters in SPBEA, three starters in SPFLA and four starters in SPSUD. All of the existing motor starters are "soft-start" motor starters which slowly speed up and slow down the motor when starting and stopping but the full running speed of the motors (and thereby the pumping capacity) cannot be lowered. The soft-start capability prevents abrupt changes in flow during start up and shut down that can result in "water hammer", which can cause significant damage to piping and infrastructure.

This project will replace the soft-start motor starters in SPBEA and SPSUD in kind as flow capacity reduction through the use of a variable frequency drive (VFD) is not needed for these two stations. The Flat Car Lift Station, however, is configured to either pump through a 12" force main that discharges to Beaver Lift Station (normal operation) or through an 8" force main to the Sudden Valley Detention basin (emergency operation, also known as "reverse flow"). When pumping in the "reverse flow" configuration, the velocity in the 8" force main can be as high as 9 feet per second, which is above the recommended maximum flow velocity of 8 feet per second. When the pumps are operating normally, the soft starts provide sufficient protection to the system. However, in the event of sudden power loss while the pumps are running, this high velocity could result in significant pressure spikes that could exceed the pressure rating of the force main piping.

This project will include a complete evaluation of hydraulics and potential benefits and challenges of replacing the SPFLA motor starters with VFDs.

Because the scope of this project is not yet fully understood, the actual project cost is not fully known. As a result, the current budget may not be sufficient to complete starter replacement at all three lift stations and the project may need to be phased with additional budget included in future biennial budgets.

Revision History

- Created 8/19/2026 (GN)

CAPITAL PROJECT NARRATIVE

Project Name:	Misc. Water Capital Outlay
CIP #:	W0001

PURPOSE and DESCRIPTION OF THE PROJECT

Annual budget line item to fund emergent issues and minor improvements associated with water system infrastructure. This may include minor improvements such as new valves, small pipe replacements, leak repairs, and other minor improvements to the water system not anticipated at the time of budgeting.

Past projects funded by this annual budget include emergency replacement of a check valve on the raw water intake at the Sudden Valley WTP, installation of PRV vault drains, and emergency replacement of a 6-inch broken water main.

For further information about this project call Greg Nicoll.

Revision History

- 11/20/24 – Project Narrative Creation – GN

CAPITAL PROJECT NARRATIVE

Project Name:	Update Water System Comprehensive Plan
CIP #:	W2702

PURPOSE and DESCRIPTION OF THE PROJECT

RCW 57.16.010 states that the District “shall adopt a general comprehensive plan for the type or types of facilities the district proposes to provide”. The current Water System Plan Update was adopted by the District Board of Commissioners on June 27, 2018 and approved by Washington State Department of Health on October 3, 2018. The District updates the plan every 10 years.

The purpose of the water system comprehensive plan is to provide an overview of the existing water installations and treatment facilities operated and maintained by Lake Whatcom Water and Sewer District. In addition, it addresses potential future facilities development and projected population growth. The plan covers the following topics:

- system owner/operator information,
- sewer system layout including a description of the existing system boundaries, description of existing facilities including recently completed improvements,
- discussion of development trends within District boundaries,
- discussion of existing and future distribution and treatment issues such as existing and future water demand,
- discussion of water rate structure and revenue planning,
- discussion of present and future development alternatives within the district boundaries,
- outline of future improvement projects within the District.

Additional guidance is provided in Title 57 RCW Water-Sewer Districts:

> **RCW 57.16.010** - Before ordering any improvements or submitting to vote any proposition for incurring any indebtedness, the district commissioners shall adopt a general comprehensive plan for the type or types of facilities the district proposes to provide. A district may prepare a separate general comprehensive plan for each of these services and other services that districts are permitted to provide, or the district may combine any or all of its comprehensive plans into a single general comprehensive plan.
>
> **RCW 57.16.010 (1)** - For a general comprehensive plan of a water supply system, the commissioners shall investigate the several portions and sections of the district for the purpose of determining the present and reasonably foreseeable future needs thereof; shall examine and investigate, determine, and select a water supply or water supplies for such district suitable and adequate for present and reasonably foreseeable future needs thereof; and shall consider and determine a general system or plan for acquiring such water supply or water supplies, and the lands, waters, and water rights and easements necessary therefor, and for retaining and storing any such waters, and erecting dams, reservoirs, aqueducts, and pipe lines to convey the same throughout such district. There may be included as part of the system the installation of fire hydrants at suitable places throughout the district. The commissioners shall determine a general comprehensive plan for distributing such water throughout such portion of the district as may then

reasonably be served by means of subsidiary aqueducts and pipe lines, and a long-term plan for financing the planned projects and the method of distributing the cost and expense thereof, including the creation of local improvement districts or utility local improvement districts, and shall determine whether the whole or part of the cost and expenses shall be paid from revenue or general obligation bonds.

For further information about this project call Greg Nicoll.

Revision History

- Created 8/12/2026 (GN).

CAPITAL PROJECT NARRATIVE

Project Name:	Update Water Use Efficiency Plan
CIP #:	W2703

PURPOSE and DESCRIPTION OF THE PROJECT

The Washington State Department of Health-administered Water Use Efficiency (WUE) Program and WAC 246-290-810 require the District to describe and implement a water use conservation and system reliability measures with the goal of ensuring long-term safe and reliable drinking water.

The WUE Plan (Plan) summarizes progress to date and updates the goals and measures adopted by the District since the last Plan revision (2021) to ensure that all DOH requirements are met. The Plan includes:

- compilation and analysis of water use data collected during the reporting period;
- demand forecasting;
- evaluation of system leakage;
- a summary of water efficiency goals; and,
- proposed measures to achieve those goals.

The WUE Plan will updated as part of the Comprehensive Water System Plan Update.

For further information about this project call Greg Nicoll.

Revision History

- Created 8/12/2026 (GN).

CAPITAL PROJECT NARRATIVE

Project Name:	Replace Fire Hydrants
CIP #:	C2704

PURPOSE and DESCRIPTION OF THE PROJECT

This project is a recurring project (currently biennial) to programmatically replace aging fire hydrants in the District system.

The District owns and operates 522 fire hydrants throughout the District service areas. 71% of the District hydrants were installed in the early 1970s and are nearing 60 years of continuous service. Reliable operation of these hydrants is critical for fire protection throughout the system. As the hydrants near their useful life, a well-established program for programmatic replacement of the hydrants is needed for system reliability. Because many of the hydrants will reach the end of their useful lives near the same time, without a programmatic approach to hydrant replacement, a significant number of hydrants will require replacement near the same time, significantly burdening the District's limited budget.

To strategically manage these aging assets, the District has developed a Targeted Asset Management Plan (TAMP) for fire hydrants. This plan provides a summary of the assets, describes the District's processes for inspecting and maintaining the assets, and describing the current condition of the assets. In addition, OpenGov, the District's asset management software tracks and calculates the current condition of the assets based on inspections completed by District staff. The information provided in the TAMP and OpenGov are used to identify the hydrants that present the most risk to the District and assist in prioritizing the hydrants for replacement.

This recurring budget includes funds for replacement of up to 5 hydrants every two years. As more hydrants get closer to the end of their useful life (typically 80 years), the number of hydrants replaced each year will increase accordingly as budget allows.

For further information about this project contact Greg Nicoll.

Revision History

- Created 8/12/2026 by GN.

CAPITAL PROJECT NARRATIVE

Project Name:	Replace Water Pressure Reducing Valves (PRVs)
CIP #:	C2705

PURPOSE and DESCRIPTION OF THE PROJECT

This project is a recurring project (currently biennial) to programmatically replace aging water PRVs in the District system.

The District owns and operates 105 PRVs throughout the District water distribution system. 75% of the District PRVs were installed in the early 1970s and are nearing 60 years of continuous service. Reliable operation of these PRVs is critical for managing the water pressure delivered to each connection as well as how water is distributed through the distribution system. Failure of a PRV could impact the ability of the District to provide continuous water service, result in excess pressure to service connections or result in release of substantial quantities of treated water to the environment. As the PRVs near the end of their useful life, a well-established program for programmatic replacement of the PRVs is needed for system reliability. Because many of the PRVs will reach the end of their useful lives near the same time, without a programmatic approach to PRV replacement, a significant number of PRVs will require replacement near the same time, significantly burdening the District's limited budget.

To strategically manage these aging assets, the District has developed a Targeted Asset Management Plan (TAMP) for PRVs. This plan provides a summary of the assets, describes the District's processes for inspecting and maintaining the assets, and describing the current condition of the assets. In addition, OpenGov, the District's asset management software tracks and calculates the current condition of the assets based on inspections completed by District staff. The information provided in the TAMP and OpenGov are used to identify the PRVs that present the most risk to the District and assist in prioritizing the PRVs for replacement.

This recurring budget includes funds for replacement of up to 5 PRVs every two years. As more PRVs get closer to the end of their useful life (typically 50 years), the number of PRVs replaced each year will increase accordingly as budget allows.

For further information about this project contact Greg Nicoll.

Revision History

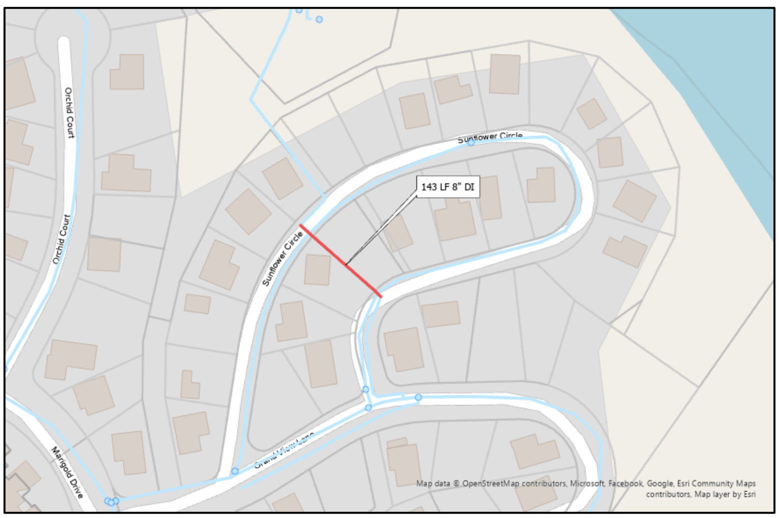
- Created 8/12/2026 by GN.

CAPITAL PROJECT NARRATIVE

Project Name:	Replace Division 7 Transmission Main
CIP #:	W2706

PURPOSE and DESCRIPTION OF THE PROJECT

All treated water that is conveyed to the Division 7 reservoirs flows through a 775 linear foot, 8-inch diameter ductile iron transmission main (Water Main SVT51) that runs from the Sudden Valley WTP Pump House to a connection to the water distribution system at the intersection of Grand View Lane and Sunflower Circle in Gate 1 of the Sudden Valley community. The main was installed in 1974 and no significant replacement or rehabilitation has been completed since that time. District Operations has identified and repaired a total of four leaking bell joints in a 143 linear foot section of this main that extends along a property line from the lower section of Sunflower Circle to the upper section of Sunflower Circle. All four of these repairs have been the result of failed bell joints between pipe segments, suggesting that the original installation may have been substandard.



To correct the deficient installation and eliminate water leakage from the system, the portion of the main shown above will be replaced with high-density polyethylene or restrained joint ductile iron pipe. It is planned to install this section of pipe using open-cut methods. However, during design, horizontal directional drilling, which will minimize disturbance to the adjacent properties will be evaluated for cost and feasibility.

It should be noted that the parcel on the northeast side of the alignment is currently undeveloped and replacement of the pipe prior to development of that lot would make installation much easier than if the work is completed after the lot is developed (timing for development of that lot, if ever, is not known).

For further information about this project contact Greg Nicoll.

Revision History

- Created 8/12/2026 by GN.

CAPITAL PROJECT NARRATIVE

Project Name:	Install Water Pressure Monitors
CIP #:	W2707

PURPOSE and DESCRIPTION OF THE PROJECT

Executive Summary

This project aims to modernize and expand smart water infrastructure by integrating automated pressure monitoring and logging capabilities across existing pressure zones. Building on successful initial data gathered from two pilot pressure monitors, this initiative will transition the District from reactive maintenance to proactive, data-driven pressure management. The primary goals are to safeguard infrastructure, maintain reliable service levels, and significantly reduce system water loss.

Background and Context

Pressure Reducing Valves (PRVs) are critical components of our distribution network, tasked with maintaining safe, manageable hydraulic pressure across eighteen pressure zones and demand periods. While existing PRVs function mechanically to reduce pressure, operating them without real-time telemetry leaves blind spots regarding instantaneous transient pressures, equipment wear, and unexpected zone fluctuations.

Project Scope and Implementation

Building on the success of the pilot installations, this project will retrofit one PRV station in each pressure zone with industrial-grade, battery- or solar-powered pressure monitoring and logging devices equipped with cellular telemetry.

Project Purpose and Expected Benefits

1. Immediate Alerting for High and Low Pressure Events

The central operational objective of installing these monitors is to establish instantaneous event notifications. The telemetry system will automatically generate high-priority alerts when line pressure crosses predefined safe operating thresholds:

- **High-Pressure Spikes:** Immediate alerts allow operators to isolate surges before they rupture aging mains, damage customer service connections, or cause catastrophic infrastructure failures.
- **Low-Pressure Drops:** Rapid alerts for unexpected pressure drops enable immediate dispatch of field crews to identify water system leaks, backflow risks, or valve malfunctions, minimizing service downtime.

2. Reduction of System Water Loss

Pressure management is one of the most cost-effective strategies for non-revenue water (NRW) reduction. Unmanaged high pressure—especially during low-demand nighttime hours—

accelerates leak rates and stress on pipe walls. By combining continuous logging with active pressure monitoring, this project directly supports water loss reduction by:

- **Mitigating Background Leakage:** Optimizing pressure zones reduces the volume of water lost through existing leaks.
- **Preventing Main Breaks:** Eliminating severe transient pressure spikes lowers overall stress on pipe networks, significantly reducing the frequency of burst pipes.
- **Accelerating Leak Detection:** Logged pressure drops during low-flow periods serve as an early indicator of emerging leaks, allowing crews to fix issues long before surfacing water is reported.

3. Monitoring Flow between Sudden Valley and Geneva service areas

The District currently tracks bulk water transfers from the Sudden Valley service area into the Geneva service area using a mechanical flowmeter. Requiring manual, in-person flow data capturing creates data lags and delays awareness of unexpected flow variations. Installing a combined real-time pressure and flow monitoring device upgrades this transfer point with automated telemetry, delivering three key benefits:

- **Automated Data Capture:** Replaces manual reads with continuous logging for effortless compliance tracking and hydraulic balancing.
- **Instant Anomaly Alerts:** Generates immediate notifications for unexpected flow surges or pressure drops, signaling potential main breaks or major leaks.
- **Water Loss Mitigation:** Enables early detection of subtle, long-term flow discrepancies, preventing non-revenue water loss before significant volume is wasted.

For further information about this project contact Jason Dahlstrom.

Revision History
- 7/30/2026– Project Narrative Creation – Jason Dahlstrom

CAPITAL PROJECT NARRATIVE

Project Name:	Replace SVWTP Chlorine Analyzers
CIP #:	C2801

PURPOSE and DESCRIPTION OF THE PROJECT

Background Information

The current chlorine analyzers at Sudden Valley Water Treatment Plant (SVWTP) have been in continuous service for more than 10 years and are approaching the end of their useful life. Continued reliance on aging analyzer equipment increases the risk of downtime, inaccurate readings, and escalating maintenance requirements for a critical water quality monitoring function. The existing analyzers require buffer solution as part of their operation. These consumables create recurring costs, require staff time for ordering and replacement, and add routine maintenance tasks that can be reduced through newer analyzer technology. As the equipment continues to age, the likelihood of component failures and additional maintenance increases, which could affect operational reliability and staff efficiency.

Proposed Improvements

The project will install two new online chlorine analyzers that do not require buffer solutions for operation. Reagentless analyzer designs can support continuous chlorine monitoring while eliminating routine reagent replacement and reducing associated waste stream and maintenance requirements. The new analyzers will provide reliable monitoring of chlorine residuals while simplifying day-to-day operation for plant staff.

For further information about this project contact Jason Dahlstrom.

Revision History

- Created 8/12/2026 (JD)

CAPITAL PROJECT NARRATIVE

Project Name:	Physical Security Improvements – Phase 2
CIP #:	W2802

PURPOSE and DESCRIPTION OF THE PROJECT

The District owns and operates buildings and infrastructure throughout the service area that are susceptible to security breaches that could damage facilities and compromise the ability of the District to maintain service to the District customers. In 2022, the District contracted with BHC Consultants to complete a facility security assessment to evaluate existing security systems and provide recommendations for improvements to further secure the District facilities. Based on this evaluation, District staff have developed a preliminary plan for implementing the proposed improvements. Staff have separated the improvements into “system improvements”, such as access controls, security cameras, intrusion alarms, and “physical improvements”, such as fencing, reservoir ladder security and locks.

This phased project will focuses on physical improvements including installing cages around existing reservoir access ladders, constructing fencing and installing new, more secure locks on access hatches and ladders at locations identified by the Facility Security Assessment.

The first phase of work was completed in 2025 and included installation of intrusion switches, ladder cages and new locks at the facilities identified by both BHC and District staff as being the most critical assets, including drinking water reservoirs and the Sudden Valley Water Treatment Plant. Phase 2 of this project will install security fencing around the Division 30 and Agate Heights reservoirs, which are the only two unfenced District drinking water reservoirs (note that the Division 22 reservoirs will be fenced during the project to replace the Division 22-1 reservoir, which is scheduled to begin construction in 2027).

For further information about this project contact Greg Nicoll.

Revision History

- 10/17/2024 – Created by Greg Nicoll.

CAPITAL PROJECT NARRATIVE

Project Name:	SVWTP – Replace Finished Water Pumps
CIP #:	C2517

PURPOSE and DESCRIPTION OF THE PROJECT

All treated water produced by the Sudden Valley Water Treatment Plant (SVWTP) is pumped into the distribution system by four vertical turbine pumps housed in the adjacent pump house building. Two of the pumps are 150-horsepower pumps and convey flow to the two Division 7 reservoirs and two of the pumps are 100-horsepower pumps that convey flow to the two Division 22 reservoirs. Operation of each pair of pumps is controlled by the set points in the respective reservoirs that they pump to. All four pumps were installed in 1992 and have not been substantially modified since that time. The motor starters that control operation of these pumps are outdated and can only provide constant speed control, limiting operational flexibility of the pumps and the SVWTP and resulting in high in-rush current during startup of the pumps.

These four pumps are uniquely critical to operation of the District's South Shore water treatment and distribution system. Concurrent failure of more than one of these pumps would severely hinder the ability to convey treated water from the SVWTP to the distribution system. Per the Sudden Valley Water Treatment Plant Assessment Report prepared by Gray & Osborne Engineers, Inc. in 2020, these pumps were in generally good condition at the time of assessment. However, as the report further notes, these pumps have been in continuous operation for more than 30 years and are likely at or beyond the end of their useful lives.

Due to the criticality of these pumps as well as the limitations that the operation of these pumps puts on operation of the SVWTP, the project will replace all four pumps in-kind. The motor control centers will be replaced with new MCCs equipped with variable speed drives, which will allow running the pumps at lower capacity, providing greater control and operational flexibility.

The project budget is based on replacement of all four pumps and motors in kind and replacement of the motor starters with VFDs. However, as a first phase of the project, an evaluation of the pumps, motor starters and system operation and demands will be completed to ensure the right solution is selected to meet the needs of the system.

For further information about this project contact Greg Nicoll.

Revision History

- Created 8/13/2026 (GN).

CAPITAL PROJECT NARRATIVE

Project Name:	SVWTP - Flocculation Tank Rehabilitation
CIP #:	W2804

PURPOSE and DESCRIPTION OF THE PROJECT

The flocculation tank is a critical component of the Sudden Valley Water Treatment Plant (SVWTP), providing gentle mixing and detention to allow the aluminum sulfate (alum) that is injected immediately upstream of the tank to bind together with particulate to create larger particles that can be more easily and effectively filtered from the water.

The existing flocculation tank is a 9,000 gallon coated welded steel reservoir installed in the SVWTP in 1994 and has not had significant rehabilitation since it was installed. Based on cursory inspection, the coatings near the water line have failed and the steel is actively corroding. In addition, there are indications that the bottom of the tank may be experiencing corrosion, though the extent of corrosion cannot be determined without more extensive investigation.

The proposed project would complete an inspection of the tank to better assess the extent of coatings failure and corrosion and provide recommendations for rehabilitation of the tank. For the purposes of budgeting, it is assumed that the tank will be sandblasted to remove the interior and exterior coatings, complete moderate structural repairs, and fully recoat the interior and exterior of the tank.

For further information about this project contact Greg Nicoll.

Revision History

- Created 8/11/2026 by GN.

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

DATE SUBMITTED:	September 3, 2026	MEETING DATE:	September 9, 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, September 9, 2026 – 6:30 p.m.

Important Upcoming Dates

Lake Whatcom Water & Sewer District			
Regular Board Meeting	Wed Sep 30, 2026	8:00 a.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 Sep 24, 2026	8:00 a.m.	Board Room
Lake Whatcom Management Program			
Policy Group Meeting	Wed Oct 7, 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:

- The committee met on August 26; discussion included the status of review of safety programs, remedy of L&I-identified hazards, and development of the 2027 safety achievement plan associated with pursuit of L&I Safety Excellence certification.

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 was presented during August 26 board meeting; budget refinement continues.

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 (156 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.

<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 ten (10) programs (personal protective equipment, medical emergencies, hearing conservation, office safety, sodium hypochlorite, back injury prevention, welding, cutting & brazing, heat-related illness, securing loads, and hand & power tools) and are reviewing the flagging & traffic control 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 (report received on July 21). Development of the 2027 achievement plan by the safety committee is underway.

Community/Public Relations

<u>General</u>

- ➢ Website
  The District's web content is reviewed and updated on a regular basis. The District is implementing a function on the website that converts .pdf documents 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), June 23 (clean audit for 2024-25), and September 3 (Soto National Roadeo Title).

<u>Intergovernmental Relations</u>

- ➢ *No meetings attended during reporting period.*

Lake Whatcom Water Quality

<u>Lake Whatcom Management Program</u>

- ➢ Participate in meetings of Lake Whatcom Management Program partners.
  J Clary attended the policy group meeting on September 2.