Lake Whatcom Water & Sewer District

Board Meeting Access Information

Meeting	6:30 pm - 2nd Wed of each month
Schedule	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*

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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 requests 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

SPECIAL MEETING OF THE BOARD OF COMMISSIONERS

AGENDA

November 12, 2026
6:30 p.m. – Special Session

1. CALL TO ORDER

2. ROLL CALL

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

4. ADDITIONS, DELETIONS, OR CHANGES TO THE AGENDA

5. CONSENT AGENDA

6. SPECIFIC ITEMS OF BUSINESS
   A. 2027-28 Biennial Budget Adoption
   B. 2027 Legislative Session Agenda Adoption
   C. Surveillance Cameras and Access Controls Public Works Contract Award

7. OTHER BUSINESS

8. STAFF REPORTS
   A. General Manager

9. PUBLIC COMMENT OPPORTUNITY

10. ADJOURNMENT

AGENDA BILL Item 5	**Consent Agenda**			
DATE SUBMITTED:	November 5, 2026	MEETING DATE:	November 12, 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 11.12.2026****

BACKGROUND / EXPLANATION OF IMPACT

- Minutes for the October 28, 2026 Regular Board Meeting
- Payroll for Pay Period #23 (10.24.2026 through 11.06.2026) total to be added
- Benefits for Pay Period #23 total to be added
- 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

October 28, 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 (v)	Engineering Manager Greg Nicoll
	Commissioner David Holland	Finance Manager Jenny Signs
	Commissioner Jeff Knakal	Recording Secretary Rachael Hope
	Commissioner Nick Greif (v)	

Also in attendance were Laura McLaughlin, Jolyn Leslie, and Emma Wells from the Washington Department of Health, District employees Rich Munson, Jonathan Lydiard, Kevin Cook, Cyrus Gates, James Reedy, Dakota Koch, and Greg Soto, as well as member of the public Michael Miller (v). Attendees noted with a (v) attended the meeting virtually. Commissioner Greif joined the meeting at 8:03 a.m.

Consent Agenda

Action Taken

Knakal moved, Holland seconded, approval of:

- **Minutes for the September 9, 2026 Regular Board Meeting**
- **Minutes for the October 14, 2026 Regular Board Meeting**
- **Payroll Taxes for Quarter 3 2026 totaling $12,415.35**
- **Payroll for Pay Period #22 (10.10.2026 through 10.23.2026) totaling $58,423.94**
- **Benefits for Pay Period #22 totaling $32,244.44**
- **Accounts Payable Vouchers totaling $42,860.84**

Motion passed.

Treatment Optimization Program Quarter Century Award Presentation

The Lake Whatcom Water and Sewer District's South Shore Water System, which serves the Geneva and Sudden Valley communities, is supplied by the Sudden Valley Water Treatment Plant. The plant uses rapid rate filtration technology to treat water drawn from Lake Whatcom prior to distribution throughout the South Shore system.

In 2001, the Washington State Department of Health created its Treatment Optimization Program (TOP) to recognize rapid rate filtration plants throughout Washington State for compliance with regulatory standards. Of the 59 rapid rate filtration plants in operation in the State, the District's Sudden Valley WTP is one of three that has met all regulatory requirements since the TOP's inception (25 consecutive years). To recognize this accomplishment, DOH Regional Engineer Laura McLaughlin recognized the district's accomplishment and present staff with the TOP Quarter Century Award.

Resolution No. 909 Whatcom County Hazard Mitigation Plan

Clary explained that the District, in partnership with Whatcom County and several other local governments in the county, first developed a county-specific natural hazard mitigation plan in 2005, which has been updated every five years since in accordance with FEMA requirements. District staff worked with other local agencies to develop the 2026 update to the Whatcom County Hazard Mitigation plan, and recently received plan approval from FEMA pending its adoption by participating agencies. Once all participating agencies have adopted the plan, FEMA will grant final approval. Staff presented the Board with draft Resolution 909 for approval. Discussion followed.

Action Taken

Knakal moved, Holland seconded, to adopt Resolution No. 909, as presented. Motion passed.

Draft 2027-2028 Biennial Budget Discussion

Signs presented the Board with an updated draft of the District's 2027-2028 proposed budget for discussion. Earlier versions of the proposed budget were presented at the August 26 and September 9 regularly scheduled meetings. She highlighted changes made, including an update to 2026 projections as of October 1 as well as the addition of information to capital project schedules, anticipated expenditures, and associated funding requirements. As the District implements its capital program, the need of critical infrastructure investments must be balanced with the financial uncertainties associated with project timing, construction costs, and available funding. With limited flexibility in the budget, maintaining this balance requires careful consideration of project priorities and ongoing evaluation of financial resources throughout the biennium. Discussion followed, and staff expect to present the final draft for consideration of adoption at the November 12 Board meeting.

General Manager's Report

Clary updated the Board on several topics, including progress updates on the open Construction Engineer and Accounts Receivable Technician positions and algal blooms in Lake Whatcom.

Engineering Department Report

Nicoll highlighted updates in FEMA funding for multiple upcoming projects and an upcoming bid opening for the District's security improvements project.

Commissioner Carter joined the meeting at 8:30 a.m.

Finance Department Report

Signs focused on the 3rd quarter financial report, highlighting late permit sales and review of customer account adjustments.

Operations Department Report

In Dahlstrom's absence, Clary highlighted a memo included in the Board Packet outlining wildfire hazard mitigation activities completed at District facilities to reduce risk of damage from wildfire threats.

Executive Session Per RCW 42.30.110(1)(g)

Citron recessed the Regular Session to Executive Session at 8:45 a.m. It was estimated that the Executive Session would take 30 minutes and end at 9:15 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 9:15 a.m. No action was taken.

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

_____ Attest: _____

Board President, Todd Citron Recording Secretary, Rachael Hope

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

AGENDA BILL Item 6.A	**2027-28 Biennial Budget Adoption**			
DATE SUBMITTED:	October 29, 2026	MEETING DATE:	November 12, 2026	
TO: BOARD OF COMMISSIONERS		FROM: Jenny Signs, Finance Manager/ Treasurer		
GENERAL MANAGER APPROVAL				
ATTACHED DOCUMENTS		1. 2027-28 Biennial Budget		
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) (revised by the board via adoption of Resolution No. 884 on July 13, 2022):

> *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 31 (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 budget for Board adoption. The attached budget was reviewed at the August 26, September 9, and October 28, 2026, regularly scheduled meetings.

FISCAL IMPACT

The budget for 2027-28 proposes a budget of approximately $16.5 million and $11 million for the water utility and the sewer utility, respectively, resulting in a total budget of approximately $27.5 million.

APPLICABLE EFFECTIVE UTILITY MANAGEMENT ATTRIBUTE(S)

The 2027-28 Budget funds District support to all ten EUM attributes at various levels.

RECOMMENDED BOARD ACTION

Staff recommends adoption of the 2027-28 Biennial Budget.

PROPOSED MOTION

A recommended motion is:

"I move to adopt the 2027-28 Biennial Budget, as presented."

2027-28 BIENNIAL BUDGET

LAKE WHATCOM WATER & SEWER DISTRICT

LAKE WHATCOM WATER & SEWER DISTRICT
1220 LAKEWAY DRIVE
BELLINGHAM, WASHINGTON 98229

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2027-28 BIENNIAL BUDGET

LAKE WHATCOM WATER & SEWER DISTRICT
1220 LAKEWAY DRIVE
BELLINGHAM, WASHINGTON 98229

APPROVED November 12, 2026

_____
Todd Citron, President, Board of Commissioners

_____
Justin Clary, General Manager

CONTENTS

1	GENERAL MANAGER'S MESSAGE	1
2	SUMMARY OF FUNDS	3
	2.1 WATER UTILITY FUND (FUND 401)	3
	2.2 SEWER UTILITY FUND (FUND 402)	4
	2.3 BOND RESERVE FUND (FUND 460)	4
3	2027-28 REVENUE PROJECTIONS	5
4	2027-28 EXPENDITURES	6
	4.1 WATER UTILITY FUND (FUND 401)	6
	4.2 SEWER UTILITY FUND (FUND 402)	10
	4.3 BOND RESERVE FUND (FUND 460)	12

APPENDIX A
2027-28 BUDGET

APPENDIX B
2027-28 SYSTEM REINVESTMENT PLAN

APPENDIX C
2027-28 REVENUE BOND AND LOANS SUMMARY

1 GENERAL MANAGER'S MESSAGE

This 2027-28 Biennial Budget defines the fiscal plan for the Lake Whatcom Water and Sewer District for the 2027 and 2028 calendar years (please refer to Appendix A for the comprehensive budget). This budget represents the culmination of a collaborative effort between the District Board of Commissioners and staff and supports the District's mission *to provide the best possible water and sewer services in a safe and cost-efficient manner, and in a way that contributes to protecting Lake Whatcom's water quality*. This budget was developed in alignment with the District's financial policies, which define the principles that guide District budgeting and long-term fiscal management, reinforcing the key values of fiscal prudence, pay-as-you-go financing to the extent practicable, and effective asset stewardship through proactive management.

The District's adherence to its conservative financial policies allows it to enter 2027 with stable revenue projections while fully funding operations and contingency reserves. In addition, the District's dedication over the past five years to building capital reserves in each utility will come to fruition under this budget period when the District's share of significant investments by the City of Bellingham in the Post Point Wastewater Treatment Plant are due—with the capital reserves the District is positioned to finance its portion of the Post Point WWTP improvements without incurring debt. Similarly, the biennium will witness significant investment in our water infrastructure, with over $10 million anticipated to be spent on replacing or significantly rehabilitating several critical components of the water treatment and distribution system. The District's proactive engagement with our state and federal partners has enabled the vast majority of these investments to be financed through grants, thereby relieving District customers of the cost of improvements that will serve generations to come.

As a special purpose district authorized under Title 57 Revised Code of Washington, the District's primary functions are the operation of water and sewer utilities, which generate the forecastable revenues presented in this budget that primarily consist of rates associated with water sales and sewer services. With 2026 being the final year of the District's most-recently adopted multi-year rate structure, the District completed a comprehensive review of its operational and capital expenditure projections over the five-year planning horizon and adopted a new multi-year rate structure that smooths necessary increases over the five-year period while ensuring the long-term fiscal health of the organization. A combination of proactive fiscal planning, offsetting capital investment costs with external funding, and prudent management of operational costs allowed the adoption of a rate structure with nominal 1.5% annual increases to the base combined water and sewer bill.

This biennial budget includes approximately $31.4 million in expenditures, which is comprised of allocations of approximately $18.3 million and $13.1 million for the water utility and sewer utility, respectively, while maintaining a required restricted bond reserve of approximately $640,000. The water utility budget includes approximately $6.6 million dedicated to operations, a capital reinvestment budget of approximately $10.2 million, and a debt service budget of approximately $790,000. Also supporting conservative fiscal management of the water utility are a contingency reserve of $1.2 million, and an operating reserve of $810,000. The sewer utility budget includes approximately $7.6 million dedicated to operations, a capital reinvestment budget of approximately $3.4 million, and a

debt service budget of approximately $1.3 million, as well as a contingency reserve of $1.7 million, an operating reserve of $640,000, and $1.1 million in a capital reserve for the District's share of the City of Bellingham's improvements to the Post Point WWTP (anticipated in 2027).

This 2027-28 Budget reflects a 30.5% increase over the 2025-26 Budget. Beyond the significant inflationary increases that have impacted businesses and individuals throughout the country in recent years (including wages, benefits, services, and materials/supplies), much of the increase may be attributed to significant capital projects planned for this biennium (e.g., Sudden Valley Water Treatment Plant Chlorine Contact Basin replacement, Division 22-1 Reservoir replacement, upgrades to the Geneva Reservoir and SVWTP Pump House, and renovation of the Agate Bay sewer lift station). Though these projects are extremely costly, much of the financing will be from external sources (FEMA and USEPA grants, and Drinking Water State Revolving Fund and Washington State Public Works Board low interest loans), thus relieving the District's reliance on utility revenues to wholly fund these necessary projects. In addition, the District's portion of the aforementioned Bellingham Post Point WWTP improvements constitutes one of the sewer utility's larger capital expenditures ($1.3 million).

This budget has been developed in a manner that ensures continuity of the District's exceptional levels of service while leveraging both internal and external funding sources to significantly invest in our infrastructure. This budget also reflects the District's commitment to continual improvement, both organizationally through developing programs and procedures that support pursuit of industry-respected accreditation through the American Public Works Association, and through development of asset-specific *targeted asset management plans* that ensure the proactive operation and maintenance of all critical components of the District's water and sewer systems. Lastly, this budget also reflects a continued investment in our greatest asset—our employees—to ensure we preserve the significant institutional knowledge of our staff (comprising a nearly 250 years of combined District experience) while also providing access to the necessary training to allow for integration of new and more efficient technologies into our processes.

Forecasting resources, preparing a budget, monitoring its implementation, and assuring accountability and transparency, all while completing day-to-day work functions, takes an exceptional group of professionals. I want to thank District staff, all of whom had a hand in the development of this 2027-28 Budget. I also want to thank the Board of Commissioners, whose leadership and policy direction has placed the District in a position that enables many of the progressive investments found in this budget. Lastly, I thank the District's customers that make up the Lake Whatcom community, without whom we would not have a purpose.

Sincerely,



Justin L. Clary
General Manager

2 SUMMARY OF FUNDS

The Lake Whatcom Water & Sewer District (District) is a special purpose local government authorized under Title 57 Revised Code of Washington (Water-Sewer Districts). Originally formed in 1968 as Whatcom County Water District No. 10, the District's primary function is to provide water and sewer service to customers in an 18-square mile area encompassing much of the Lake Whatcom watershed, including Geneva, Sudden Valley and the North Shore of Lake Whatcom. The District is governed by a five-member Board of Commissioners (Board) who set the policies and rates of the District, and who adopt a biennial budget. The budget defines the operational and capital improvement programs for the biennium, as well as maintenance of operating and contingency reserves to respond to unanticipated events, should they occur. The following summarizes each of the District's funds.

2.1 Water Utility Fund (Fund 401)

This fund serves as the primary operating fund of the District's water utility. The majority of revenue is derived from rates charged to water customers. Other revenue sources are grants, loan proceeds, interest income, late payment fees, recording fees, general facility charges, and miscellaneous charges and fees. All fees and charges are set by the Board. Funds collected are used to pay for operations, maintenance, and capital improvement program-related expenditures (system reinvestment) of the water utility in accordance with the Board-approved biennial budget.

Managed within the water utility fund are an operating reserve, contingency reserve, and debt service funds:

- Operating Reserve - The operating reserve serves as a liquidity cushion providing protection from risk of short-term variation in the timing of revenue collection relative to payment of expenses and is maintained consistent with District financial policies at the cost to operate the utility for 90 days.
- Contingency Reserve - The contingency reserve ensures that unanticipated projects related to water system expenditures will be funded, subsequent to Board approval, and is established through the District's financial policies at one percent of the water utility infrastructure replacement cost. The reserve has been increased for the 2027-28 biennium consistent with the District's 2026 rate study and updated financial planning.
- Debt Service - This fund provides redemption of long-term loans that financed past water utility projects. Principal and interest on those loans are paid entirely from water utility revenues. Debt service payments for principal and interest are paid annually. The 2027-2028 budget also incorporates anticipated borrowing associated with planned capital infrastructure improvements.

2.2 Sewer Utility Fund (Fund 402)

This fund serves as the primary operating fund of the District's sewer utility. The majority of revenue is derived from rates charged to sewer customers. Other revenue sources are interest income, recording fees, general facility charges, payments associated with an existing utility local improvement district (ULID), and miscellaneous charges and fees. All fees and charges are set by the Board. Funds collected are used to pay for operations, maintenance, and capital improvement program-related expenditures (system reinvestment) of the sewer utility in accordance with the Board-approved biennial budget.

Managed within the sewer utility fund are an operating reserve, contingency reserve, and debt service funds:

- Operating Reserve - The operating reserve serves as a liquidity cushion providing protection from risk of short-term variation in the timing of revenue collection relative to payment of expenses and is maintained consistent with District financial policies at the cost to operate the utility for 60 days.
- Contingency Reserve - The contingency reserve ensures that unanticipated projects related to sewer system expenses will be funded, subsequent to Board approval, and is established through the District's financial policies at one percent of the sewer utility infrastructure replacement cost. Similar to the Water Utility Fund, the reserve has been increased for the 2027-28 biennium consistent with the District's 2026 rate study and updated financial planning.
- Debt Service - The debt service allocation provides redemption of outstanding debt incurred associated with a bond that was issued to finance past sewer utility projects. Bond interest is paid semi-annually and the principal is paid annually from sewer utility revenues.

2.3 Bond Reserve Fund (Fund 460)

The Bond Reserve Fund was established by the covenants of the 2016 bond sale and is restricted by definition. A reserve limitation is required to be held in this fund until the outstanding 2016 bond payment obligations are paid in full, which is currently scheduled for 2035. The 2027-28 budget projects a restricted fund balance of approximately $639,200 at the end of the biennium which is consistent with the maximum amount due over the remaining life of the bonds.

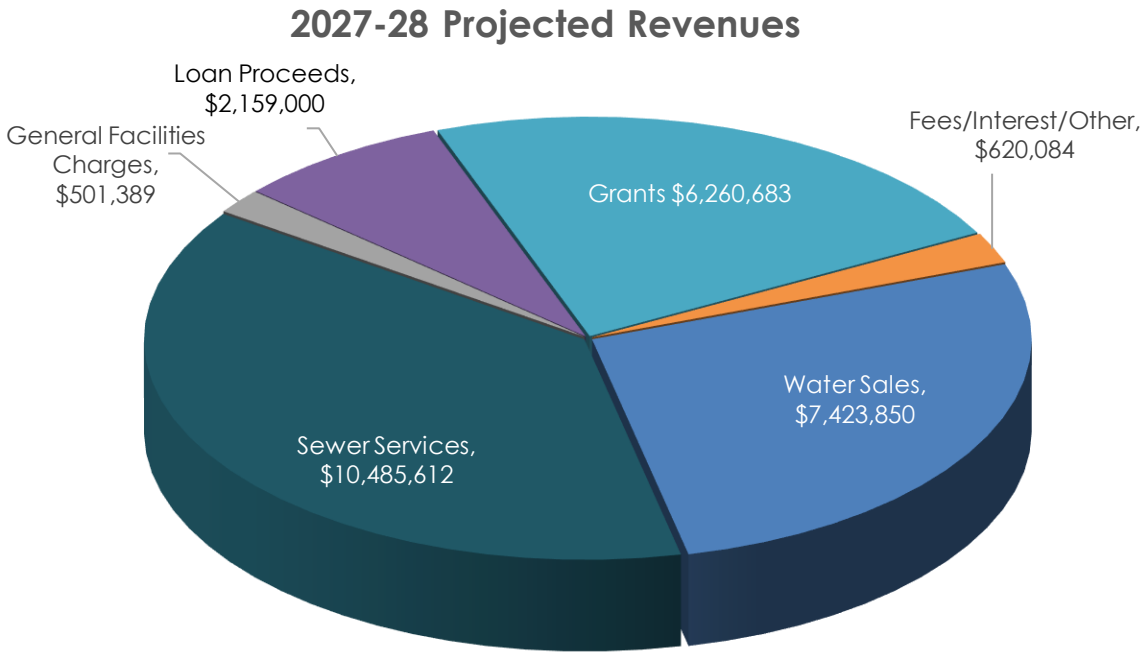
3 2027-28 REVENUE PROJECTIONS

District functions are funded primarily through revenues received through water sales and sewer service fees, with a relatively small remainder of revenues coming from other fees and charges, which include the general facility charges, and other miscellaneous revenues. One item of note for the 2027-28 biennium is the significant amount of grant funding and loan proceeds anticipated in the Water Utility Fund supporting planned capital improvements. Approximately $6.3 million in federal and state grant revenues and approximately $2.2 million in intergovernmental loan proceeds are budgeted associated with improvements to water treatment and storage infrastructure, which are identified in the District's System Reinvestment Plan (see Appendix B for more detail).

Following completion of the District's 2026 rate study, the Board adopted an updated Master Fees and Charges schedule establishing water and sewer rates through 2031. The adopted rate structure is intended to ensure sufficient funding for operations, outstanding debt service, proposed future debt service, and system reinvestment through capital improvement projects and scheduled equipment replacement. Per the Board approved multi-year rate schedule, 2027-28 budget revenues are based on annual water rate increases of 4.75 percent, with no increases to sewer rates. This results in projected water sales revenue of approximately $7.4 million and sewer service revenue of approximately $10.4 million over the two-year period.

The other relatively significant revenue stream is fees the District receives for the connection of new development to its water and sewer systems. These *general facility charges* have been developed based upon the new customer's proportionate share of the cost of constructing the system to which they are connecting, as well as the proportionate share for future system expansion to accommodate that connection's capacity impact. The 2027-28 budget conservatively projects income of approximately $222,000 in water utility general facility charges and $280,000 in the sewer utility. Development-related revenues continue to be budgeted conservatively (based upon ten new connections per year) to limit reliance on these one-time revenues. Other revenues include investment interest, late payment fees, and miscellaneous charges and fees. Investment interest revenue for the both funds is projected at approximately $448,000 for the biennium. These revenues have been developed using anticipated fund balances, historical collections, and current financial projections.

Therefore, based upon adopted rate increases, anticipated grant funding and loan proceeds, and conservative projections of other revenues, the 2027-28 Biennial Budget reflects total projected revenues of approximately $27.5 million ($16.5 million water utility and $11 million sewer utility).



4 2027-28 EXPENDITURES

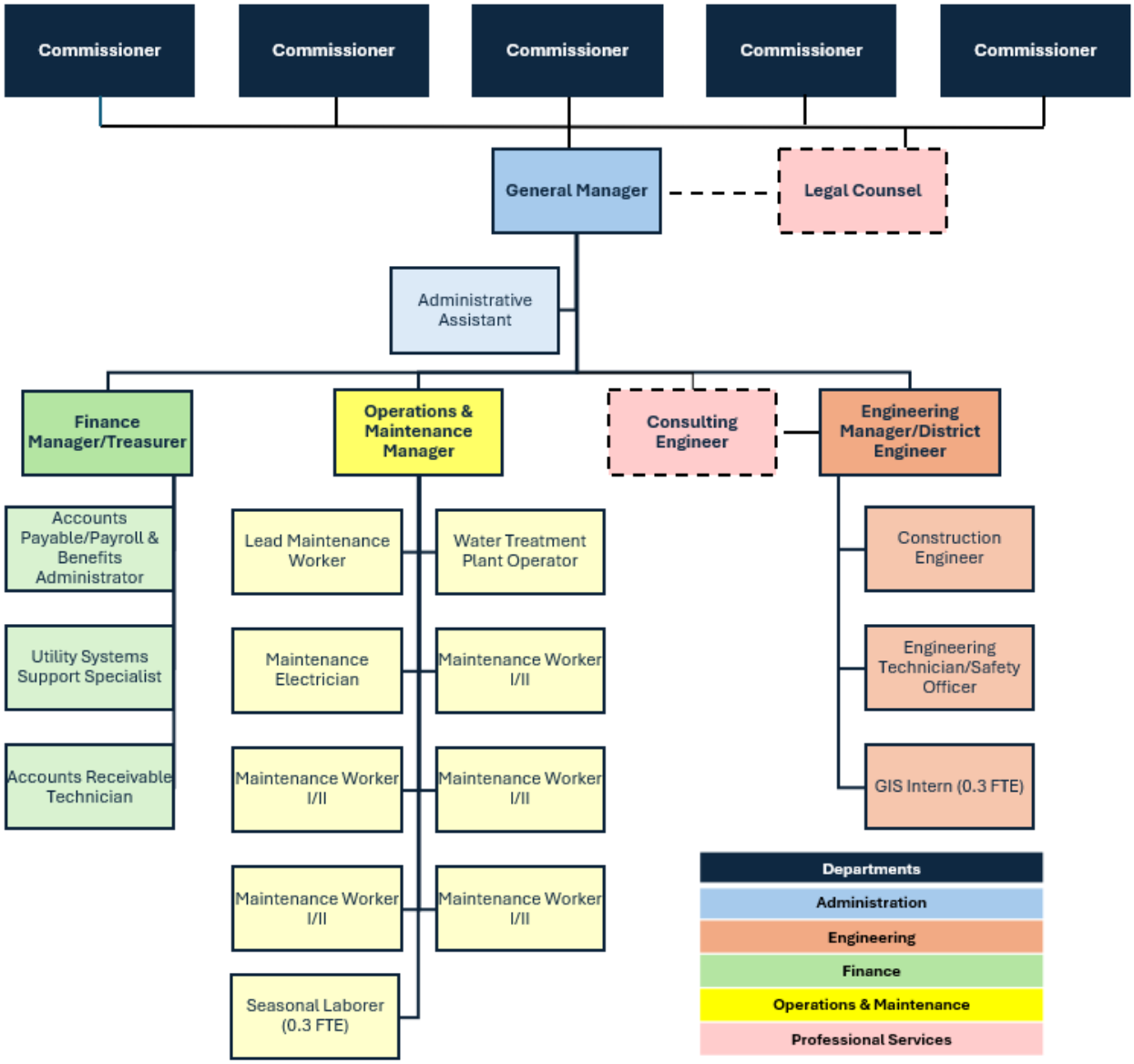
The 2027-28 Biennial Budget includes approximately $31.4 million in expenditures, consisting of approximately $18.3 million for the water utility and $13.1 million for the sewer utility. Expenditures reflect the District's ongoing operational requirements, contractual obligations, debt service, and planned investments in critical water and sewer infrastructure. The budget was developed using projected 2026 expenditures, known contractual costs, personnel-related adjustments, and a detailed review of the District's capital improvement program.

4.1 Water Utility Fund (Fund 401)

The Water Utility Fund is the primary fund through which the District conducts water utility-related business. It should be noted that many administrative expenses are shared with the Sewer Utility Fund equally. The following sections provide summaries of primary components of the fund expenses.

4.1.1 Operating Expenses

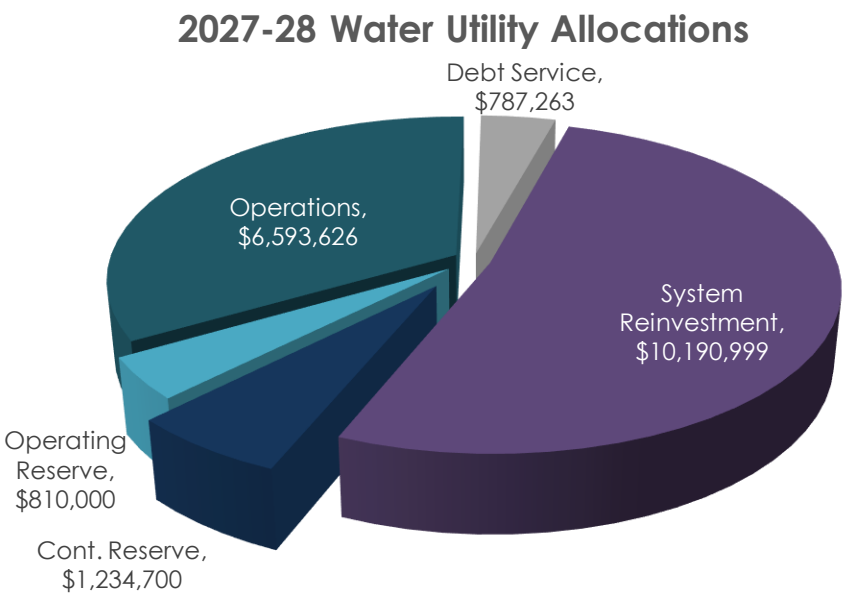
Personnel. Being a service-oriented organization, staff salary and associated benefits make up a large portion of the Water Utility Fund budget. Salary and benefit-related expenses are shared with the Sewer Utility Fund, with exception of the Water Treatment Plant Operator position, which is wholly funded by the Water Utility Fund. For the 2027-28 Budget, personnel expenditures were developed using current staffing levels, known personnel changes, and the terms of the applicable collective bargaining agreement. The budget incorporates cost-of-living adjustments and anticipated increases in employee benefit costs, including medical insurance premiums, retirement contributions, payroll taxes, and other employer-paid benefits. Individual personnel expenditures have also been adjusted as necessary to account for step increases and known staffing changes. The 2027-28 Organization Chart is as follows:



Professional Services. The District relies on several professional- and vendor-related services to efficiently and effectively carry out the business of the District. Such providers include contracting with the District's legal counsel and on-call consulting engineer, support services associated with asset management, infrastructure control, administrative systems, and general services (e.g., custodial, landscape maintenance, security, etc.). Many of these services are shared evenly between the water and sewer utilities. For the 2027-28 biennium, professional and contracted services were reviewed at the individual line-item level, considering current service agreements, anticipated contractual increases, regulatory compliance requirements, and opportunities to maximize efficiencies. Software subscriptions, licensing agreements, hosting services, and cybersecurity-related expenditures were also reviewed separately to more accurately reflect the District's ongoing technology needs.

City of Bellingham Fees. The District does not have a drinking water source that is connected to the Eagleridge residential neighborhood located on the Lake Whatcom north shore. Therefore, the District purchases water from the City of Bellingham to serve Eagleridge. The total projected cost for water fees from the City of Bellingham for 2027-28 is budgeted at $131,600, reflecting anticipated costs associated with providing water service to the neighborhood.

Water Quality Partnerships. With Lake Whatcom as the primary source of drinking water within the District, protection of its water quality is crucial. In 2027 and 2028, the District will continue its partnership with Whatcom County and the City of Bellingham for water quality monitoring and invasive species inspection programs ($183,600).



Utilities. Electricity to treat and distribute water to District customers, and to pump sewage to the City of Bellingham makes up a significant portion of the District's operating budget. Utility expenditures are budgeted at approximately $398,620 for the 2027-28 biennium. These expenditures reflect anticipated electrical and other utility costs necessary to operate the District's water treatment and distribution facilities.

Fund Carryover. The 2027-28 budget incorporates capital improvement expenditures associated with projects initiated or planned during the prior biennium that are anticipated to continue into 2027 and 2028. Project schedules and associated funding requirements have been updated to reflect anticipated construction timelines, available grant funding, and loan proceeds.

4.1.2 Operating Reserve

In accordance with District financial policies, an operating reserve is maintained equivalent to the cost of operating the water utility for 90 days ($810,000).

4.1.3 Contingency Reserve

A contingency reserve is maintained in accordance with the District's financial policies at one percent of the water utility infrastructure replacement cost. The 2027-28 budget provides for a contingency reserve of $1,210,500 in 2027 and $1,234,700 in 2028, reflecting adjustments identified through the 2026 rate study. As this is a contingency fund, no planned expenditures are assigned to the reserve.

4.1.4 System Reinvestment

The *2027-28 Capital System Reinvestment Plan*, included as Appendix B, provides a comprehensive description of the projects that will be completed using system reinvestment funds. Significant water utility projects planned for in the biennium include replacement of the Sudden Valley Water Treatment Plant (SVWTP) Chlorine Contact Basin, seismic improvements to the Geneva Reservoir and SVWTP Pump House, and replacement of the Division 22-1 Reservoir. These improvements address identified structural deficiencies, seismic vulnerabilities, and aging infrastructure to ensure continued reliability of the District's water treatment and distribution systems. Several of the projects are supported by federal and state grants and low-interest loans through the State's Drinking Water Revolving Fund and the Public Works Board which help offset the financial impact of these significant infrastructure investments. Following are projects specific to the water utility:

Category	Project	Cost[1]
Capital Outlay Projects—General		
Water/Sewer	IT Infrastructure	$30,000
Capital Outlay Projects—Water Utility		
Water	Miscellaneous Water Outlay	$22,000
Water	Water System Plan Update	$147,000
Water	Water Use Efficiency Plan	$18,000
Capital Improvement Projects—Water Utility		
Water	SVWTP Chlorine Analyzers	$15,000
Water	Geneva Reservoir & SVWTP Pump House	$1,822,756
Water	SVWTP - Chlorine Contact Basin	$3,250,000
Water	Physical Safety Improvements	$46,000
Water	Replace Fire Hydrants	$50,000
Water	PRV Replacement	$30,000
Water	SVWTP – Finished Water Pumps Replacement	$1,140,000
Water	SVWTP – Flocculation Tank Rehabilitation	$50,000
Water	Division 22-1 Reservoir Replacement	$3,335,244
Water	Division 7 Transmission Main	$185,000
Water	Pressure Monitors	$50,000
	TOTAL	$10,191,000

[1] Costs presented in table are rounded, please refer to Appendices A and B for specific projected costs.

4.1.5 Debt Service

The District is obligated to annually set aside sufficient funds for debt service repayment associated with prior District capital improvements, which are summarized in the *Revenue Bonds and Loan Funds Summary* (Appendix C). Water utility debt service for the 2027-28 biennium includes principal and interest payments associated with outstanding loans and applicable repayment obligations for newly financed capital projects. The District has secured additional low-interest financing through the Drinking Water State Revolving Fund and the Public Works Board to support improvements to water treatment and storage facilities. Anticipated loan proceeds have been budgeted based on projected capital expenditures rather than the full amount of available borrowing authority, providing a more accurate representation of financing needs while preserving access to additional funds should project costs exceed current estimates. The following is a summary of budgeted debt service expenditures over the biennium:

- Geneva AC Pipe Mains Replacement Project ($270,500)
- Division 22 Water Reservoir Construction Project ($151,600)
- Division 7 Reservoir Replacement ($95,200)
- Proposed Debt for 2027-28 Projects – Estimated ($270,000)

Please refer to Appendix C for the 2027-28 Revenue Bond and Loans Summary.

4.2 Sewer Utility Fund (Fund 402)

The Sewer Utility Fund is the primary fund through which the District conducts sewer utility-related business. It should be noted that many administrative expenses are shared with the Water Utility Fund. The following sections provide summaries of primary components of the fund expenses.

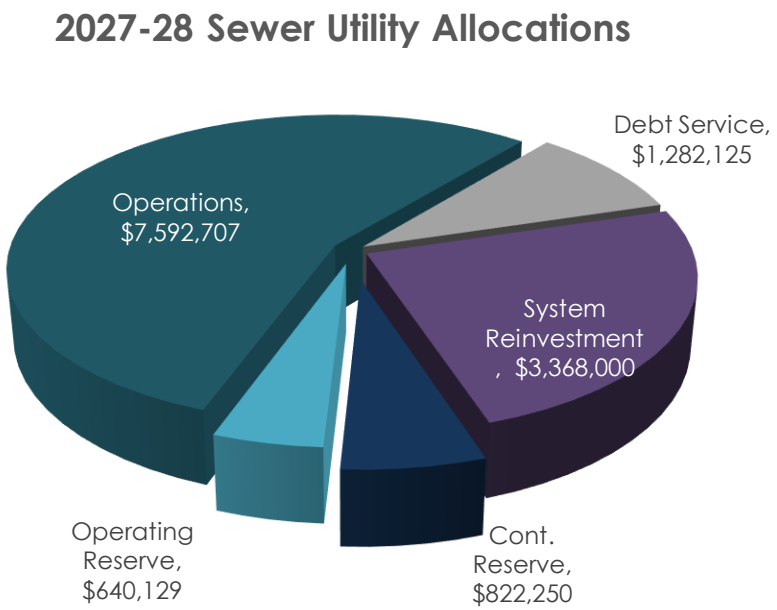
4.2.1 Operating Expenses

Personnel. As sewer utility-related expenses associated with personnel are largely consistent with those of the water utility, please refer to the personnel discussion in Section 4.1.1.

Professional Services. As sewer utility-related expenses associated with professional services are largely consistent with those of the water utility, please refer to the professional services discussion in Section 4.1.1.

City of Bellingham Fees. To protect Lake Whatcom, all sewage collected by the District is conveyed to the City of Bellingham's sanitary sewer system and treated at the City's Post Point wastewater treatment plant. As a result, the District pays the City for treatment of all sewage collected by the District. The total projected cost for sewer fees from the City of Bellingham for 2027-28 biennium is budgeted at $1,963,000, which is slightly above prior years' costs to account for city rate increases and additional flow added from new construction being brought onto the system.

Utilities. Please refer to the utilities discussion in Section 4.1.1.



4.2.2 Operating Reserve

In accordance with District financial policies, an operating reserve is maintained equivalent to the cost of operating the sewer utility for 60 days ($640,000).

4.2.3 Contingency Reserve

A contingency reserve is maintained in accordance with the District's financial policies at one percent of the sewer utility infrastructure replacement cost. The 2027-28 budget provides for a contingency reserve of $1,689,450 in 2027 and $1,723,250 in 2028, reflecting adjustments identified through the 2026 rate study. As this is a contingency fund, no planned project expenditures are assigned to the reserve.

4.2.4 System Reinvestment

The *2027-28 Capital System Reinvestment Plan*, included as Appendix B, provides a comprehensive description of the projects that will be completed using system reinvestment funds. The sewer utility capital improvement program continues to focus on the rehabilitation and replacement of aging infrastructure, with particular emphasis on maintaining the reliability of the District's wastewater collection and pumping systems. Planned improvements include the Agate Bay Lift Station Renovation, which will replace aging pumping equipment, controls, and associated infrastructure to improve operational reliability. Other significant costs are associated with planned projects at the City of Bellingham's Post Point Wastewater Treatment Plant. The capital improvement program has been reviewed to align project schedules with anticipated expenditures and available financial resources. The following are projects specific to the sewer utility:

Category	Project	Cost[1]
Capital Outlay Projects—General		
Water/Sewer	IT Infrastructure	$30,000
Capital Outlay Projects – Sewer Utility		
Sewer	Towable Sewer Pump	$200,000
Capital Improvement Projects—Sewer Utility		
Sewer	Sewer System Rehab & Replacement Projects	$79,000
Sewer	Agate Bay Sewer Lift Station	$947,000
Sewer	Flatcar, SV, and Beaver Lift Stations – Recondition Electrical Controls	$750,000
Sewer	Airport Sewer Crossing Rehabilitation	$52,000
Sewer	City of Bellingham Capital Projects	$1,270,000
Sewer	Lowe Sewer Lift Station to Glen Cove	$40,000
	TOTAL	$3,368,000

[1] Costs presented in table are rounded, please refer to Appendices A and B for specific projected costs.

4.2.5 Debt Service

The District is obligated to annually set aside sufficient funds for debt service repayment associated with prior District capital improvements, which are summarized in the *Revenue Bonds and Loan Funds Summary* (Appendix C). Sewer utility-related expenditures to make principal and interest payments on District bond obligations are solely associated with the 2016 Bond (which consisted of financing the renovation of two sewer lift stations and the District's portion of upgrades to the City of Bellingham's Post Point wastewater treatment plant). The 2027-28 sewer utility debt service will be approximately $1,282,125. Please refer to Appendix C for the 2027-28 Revenue Bond and Loans Summary.

4.3 Bond Reserve Fund (Fund 460)

The 2027-28 budget projects a restricted Bond Reserve Fund balance of $646,125 at the beginning of 2027 and $639,200 at the end of 2028. The fund continues to be maintained in accordance with the covenants associated with the District's 2016 Revenue Bond.

APPENDIX A

2027-28 BUDGET

LAKE WHATCOM WATER AND SEWER FUND SUMMARIES 2027-2028

	401 WATER	402 SEWER	TOTAL	460 BOND RESERVE (RESTRICTED)
2027 Projected Beginning Fund Balance	$2,860,740	$6,929,899	$9,790,639	$646,125
2027 - 2028 Revenues	$16,451,079	$11,006,464	$27,457,543	-
2027 - 2028 Expenditures	$ (18,346,588)	$ (13,065,082)	$ (31,411,670)	$ (6,925)
Net Surplus/(Deficit)	$ (1,895,509)	$ (2,058,618)	$ (3,954,127)	$639,200
2028 Projected Ending Fund Balance	$965,231	$4,871,281	$5,836,512	$639,200
2027 - 2028 Allocated to Operating Reserve	$810,000	$640,129	$1,450,129	
*2027 - 2028 Rate Study Capital Surplus**	$0	$1,124,000	$1,124,000	
2027 - 2028 Projected Year End Fund Balance	$ 155,231	$3,107,152	$3,262,383	

	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
Water Utility Fund (401)

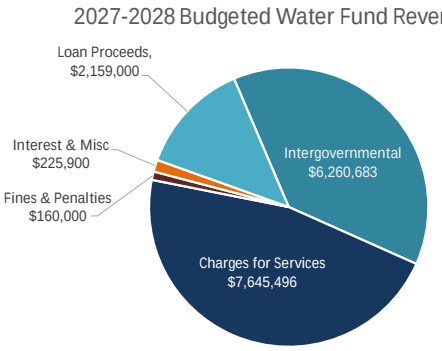
Fund	Dept.	Account	Title	2025 Acutal	2026 Budget	2026 Projected 10.1.2026	2027 Proposed	2028 Proposed	2027-2028 Combined Proposed
			Intergovernmental Revenue						
401	330	331 66 00 01	Envrionmental Protection Agency	$ -	$ -	$ 220,000	$ -	$ 125,500	$ 125,500
401	330	333 97 00 02	Federal Indirect Grant Homeland Security	$ 847,741	$ 2,287,825	$ -	$ 3,788,315	$ 1,321,863	$ 5,110,178
401	330	334 01 80 01	State Grant From Military Department	$ 131,932	$ 266,134	$ -	$ 477,000	$ 548,005	$ 1,025,005
			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	$ 203,297	$ 108,650	$ 112,996	$ 221,646
			Fines & Penalties						
401	350	359 81 10 00	Combined Fees	$ 8,202	$ 12,500	$ 16,900	$ 14,000	$ 14,000	$ 28,000
401	350	359 90 00 00	Late Fees	$ 80,698	$ 65,000	$ 67,170	$ 66,000	$ 66,000	$ 132,000
			Miscellaneous Revenues						
401	360	361 11 00 00	Investment Interest	$ 182,466	$ 70,000	$ 166,400	$ 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	$ 32,302	$ 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	$ -	$ -	$ 2,159,000	$ -	$ 2,159,000
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	$ 4,091,524	$ 10,339,777	$ 6,111,302	$ 16,451,079
			Water Fund Expenditures						
401	534	534 10 10 00	Water - Gen Admin Payroll	$ 401,403	$ 410,405	$ 412,150	$ 433,865	$ 451,220	$ 885,085
401	534	534 10 20 00	Water - Gen Admin Personnel Benefits	$ 151,064	$ 168,206	$ 151,600	$ 173,914	$ 182,610	$ 356,524
401	534	534 10 31 00	Water - Gen Admin Supplies	$ 5,394	$ 12,500	$ 6,400	$ 7,500	$ 7,500	$ 15,000
401	534	534 10 31 01	Water - Meetings/Team building	$ 2,537	$ 3,200	$ 2,700	$ 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	$ 900	$ 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	$ 41,000	$ 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	$ 70,500	$ 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	$ 4,500	$ 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	$ 115,640	$ 128,440	$ 133,600	$ 262,040
401	534	534 50 31 01	Water - Small Assets	$ 31,974	$ 48,000	$ 42,000	$ 49,500	$ 51,000	$ 100,500
401	534	534 50 48 00	Water - Repair & Maint	$ 95,131	$ 150,800	$ 96,000	$ 155,300	$ 160,000	$ 315,300
401	534	534 50 49 00	Water - Insurance Claims	$ -	$ 5,000	$ 2,500	$ 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	$ 58,900	$ 64,800	$ 66,800	$ 131,600
401	534	534 80 10 00	Water - Operations Payroll	$ 747,608	$ 756,778	$ 712,100	$ 834,077	$ 867,440	$ 1,701,517
401	534	534 80 20 00	Water - Operations Personnel Benefits	$ 302,759	$ 350,964	$ 270,000	$ 338,672	$ 355,606	$ 694,278
401	534	534 80 32 00	Water - Operations Fuel	$ 21,441	$ 33,200	$ 26,000	$ 34,200	$ 35,200	$ 69,400
401	534	534 80 35 00	Water - Safety Supplies	$ 4,104	$ 10,000	$ 5,700	$ 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	$ 2,806,697	$ 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	$ -	$ -	$ -	$ 135,000	$ 135,000	$ 270,000
Total Water Fund Debt Service				$ 226,839	$ 262,803	$ 262,803	$ 395,022	$ 392,241	$ 787,263

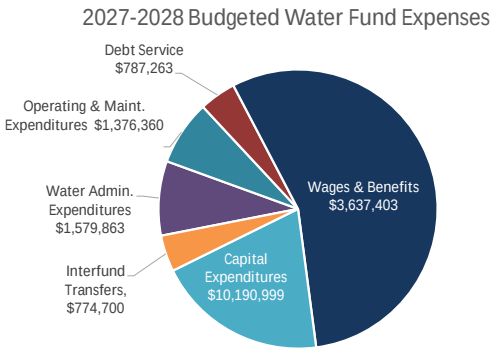
Lake Whatcom Water and Sewer District
2027 - 2028 Biennial Budget
Water Utility Fund (401)

Fund	Dept.	Account	Title	2025 Acutal	2026 Budget	2026 Projected 10.1.2026	2027 Proposed	2028 Proposed	2027-2028 Combined Proposed
			Capital Expenditures						
401	594	594 34 60 01	Capital Outlay - Budget Only		$ 3,016,000	$ -	$ 6,606,622	$ 3,584,377	$ 10,190,999
401	594	594 34 62 01	Capital Projects - Water Structures	$ 2,347,607		$ 311,300			$ -
401	594	594 34 63 01	Capital Projects - Water System	$ 8,874		$ 12,200			$ -
401	594	594 34 64 01	Capital Outlay - Water Equipment	$ 88,058					$ -
401	594	594 34 65 01	Capital Outlay - Small Water Projects	$ 104		$ 800			$ -
			Capital Outlay Carryover Projects/Additional Funding						$ -
Total Water Fund Capital Expenditures				$ 2,444,643	$ 3,016,000	$ 324,300	$ 6,606,622	$ 3,584,377	$ 10,190,999
			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	$ 3,393,800	$ 10,954,709	$ 7,391,879	$ 18,346,588
Fund Gain/Loss				$ (7,953)	$ (94,397)	$ 697,724	$ (614,932)	$ (1,280,577)	$ (1,895,509)

Fund Balance Summary	
2026 Beginning Fund Balance	$ 2,163,016
2026 Projected Gain/Loss	$ 697,724
2026 Projected Ending Fund Balance	$ 2,860,740
2027 Projected Gain/Loss	$ (614,932)
2027 Projected Ending Fund Balance	$ 2,245,808
2028 Projected Gain/Loss	$ (1,280,577)
2028 Projected Ending Fund Balance	$ 965,231

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
Sewer Utility Fund (402)

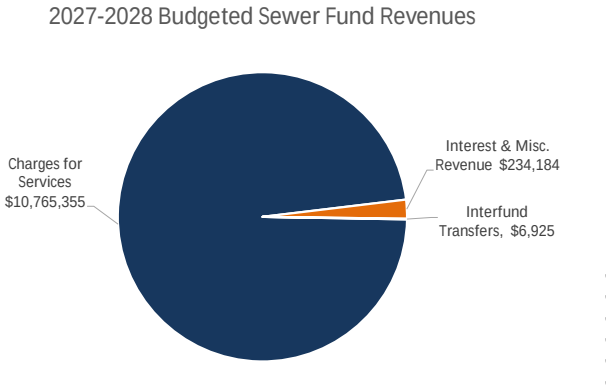
Fund	Dept.	Account	Title	2025 Actual	2026 Budget	2026 Projected 10.1.2026	2027 Proposed	2028 Proposed	2027-2028 Combined Proposed
			Intergovernmental Revenue						
402	334	334 01 80 00	State Grant from EMD	$ 18,290	$ -	$ -	$ -	$ -	$ -
			Charges For Services						
402	340	343 50 11 00	Sewer Service 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	$ 258,500	$ 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	$ 5,637,134	$ 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	$ 1,780,000	$ 3,368,000
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	$ 1,780,000	$ 3,368,000
			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

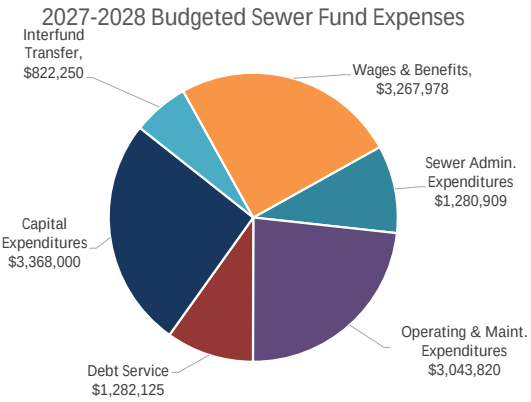
Lake Whatcom Water and Sewer District
2027-2028 Biennial Budget
Sewer Utility Fund (402)

Fund	Dept.	Account	Title	2025 Actual	2026 Budget	2026 Projected 10.1.2026	2027 Proposed	2028 Proposed	2027-2028 Combined Proposed
Total Sewer Fund Expenditures				$ 5,001,452	$ 6,248,245	$ 4,246,339	$ 6,717,967	$ 6,347,115	$ 13,065,082
Fund Gain/Loss				$ 703,810	$ (801,777)	$ 1,390,795	$ (1,229,690)	$ (828,928)	$ (2,058,618)

Fund Balance Summary	
2026 Beginning Fund Balance	$ 5,539,104
2026 Projected Gain/Loss	$ 1,390,795
2026 Projected Ending Fund Balance	$ 6,929,899
2027 Projected Gain/Loss	$ (1,229,690)
2027 Projected Ending Fund Balance	$ 5,700,209
2028 Projected Gain/Loss	$ (828,928)
2028 Projected Ending Fund Balance	$ 4,871,281

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
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
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
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

APPENDIX B

2027-28 SYSTEM REINVESTMENT PLAN

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	$ -	$ -	$ -	$ -
W2805	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	$ 1,640,000.00	$ 86,000.00	$ 1,002,000.00	$ 99,000.00	$ 236,000.00
	GRAND TOTAL	$ 8,850,000.00	$ 1,681,000.00	$ 303,000.00	$ 1,097,000.00	$ 158,000.00	$ 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	$ -	$ -
	Northshore Flow Meter - Revise Flow Meter Piping	$ -	$ -	$ 25,000.00	$ -	$ -	$ -
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	$ -	$ 1,800,000.00	$ -	$ -	$ -
	Subtotal - Capital Projects - Sewer Only	$ 1,388,000.00	$ 1,750,000.00	$ 1,890,000.00	$ 148,000.00	$ 2,089,679.00	$ 80,000.00
	GRAND TOTAL	$ 1,588,000.00	$ 1,780,000.00	$ 2,113,000.00	$ 231,000.00	$ 2,136,679.00	$ 203,000.00

CAPITAL PROJECT NARRATIVE

Project Name:	Replace Sudden Valley WTP Chlorine Contact Basin (CCB)
CIP #:	C2316

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 prepared 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 South Shore 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).

In 2025, to fund projected construction cost overruns associated with selection of a rectangular concrete reservoir as the preferred alternative for the new CCB, the District applied for and was

awarded a Drinking Water State Revolving Fund loan in the amount of $1,700,000. Loan term is 20 years at 2.25%.

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 #:	C2402

PURPOSE and DESCRIPTION OF THE PROJECT

The purpose of this project is to complete seismic upgrades recommended by the 2016 Seismic Deficiency Report prepared 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 Pump House. 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 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. To meet seismic requirements, the project will replace the interior center column with a new center column, complete structural repairs resulting from corrosion of the tank walls and structural members and lower the operating water level in the tank. 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

The 2025-26 Capital Improvement Plan, which was established before the scope of seismic improvements was known, included recoating of the Geneva reservoir in 2030. To fund the recoating during the seismic improvements project, 3 years before the project was budgeted, the District applied for and was awarded a Drinking Water State Revolving Fund loan in the amount of $1 million. Loan term is 20 years at 2.25%.

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, valves, and site piping. 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 horsepower vacuum-primed pumps installed in a below grade dry pit; each has a design point of 350 GPM at 72-feet TDH. The wet well diameter is 10-feet, and the power service is currently 3-phase / 230V.

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 vacuum-primed 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 site 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 and 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 to be advertised for bids in early 2027, pending issuance of a Shoreline Substantial Development Permit by Whatcom County.

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. 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 notice of grant award 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). In August 2026, FEMA approved a District request to increase the total project budget by $1,219,450 to cover projected cost overruns.

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% and a loan repayment period of 20 years. The District also applied for and was awarded a congressional earmark from Congressman Larsen in the amount of $700,000 to cover projected cost overruns.

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 #:	G2801

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 asset 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.
- Updated 8/12/2026 by JD.

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:** Ensures 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)

CAPITAL PROJECT NARRATIVE

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 former 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 is approximately 310 LF and is 8” ductile iron pipe.



This project will replace the section of sagging pipe with new 8” ductile iron pipe to eliminate the sag.

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

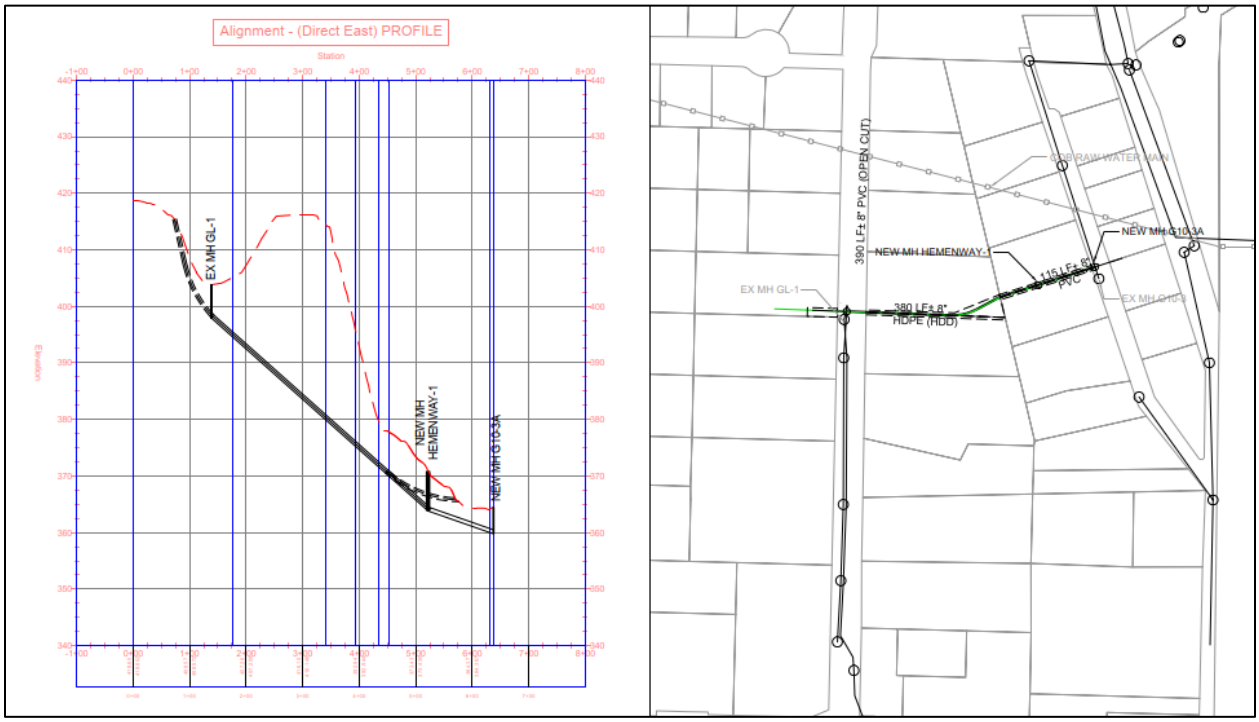
- Created 10/23/2024 by GN.
- Update 8/12/22026 (GN)

CAPITAL PROJECT NARRATIVE

Project Name:	HDD Gravity Sewer – Lowe Lift Station to Glen Cove Lane
CIP #:	S2705

PURPOSE and DESCRIPTION OF THE PROJECT

The Lowe Lift Station is a small lift station constructed in 1990 to serve 15 lots along Lowe Street north of Lakeway Drive. Based on a review of topography, it appears that the gravity sewer main could be extended from immediately upstream of the lift station to the gravity sewer in Glen Cove Lane, eliminating this sewer lift station. The new gravity sewer pipe extension would be approximately 495 feet in length at an average slope of 6 percent. However, there is a substantial ridge between the lift station and Glen Cove Lane and it would be necessary to install approximately 380 feet of the new sewer by directional drilling. The sewer main would be up to 30 feet deep. In addition, the proposed sewer alignment would run along property lines for four separate privately owned residential parcels and would cut across the corner of one of those parcels. It would be necessary to negotiate easements with all four property owners to accommodate the new sewer.



Although this project has numerous challenges and uncertainties, it presents an intriguing opportunity to eliminate an existing sewer lift station that is in need of rehabilitation in the near future. Eliminating this lift station would reduce operating, maintenance and recurring rehabilitation costs as well as increasing the resiliency of the system by eliminating a potential point of failure.

Due to the numerous challenges and uncertainties associated with this project, the 2027-2028 project budget is limited to a feasibility study that would include a evaluation of costs and

benefits, feasibility of obtaining the required easements, further evaluation and refinement of the proposed alignment, geotechnical investigation, and identification of any currently unknown risks and obstacles. If the study determines that the project is feasible, funding for design and construction will be included in future biennial budgets.

For further information about this project contact Greg Nicoll.

Revision History

- Created 9/16/2026 by 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 #:	W2701

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 #:	W2704

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 the end of 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 #:	W2705

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

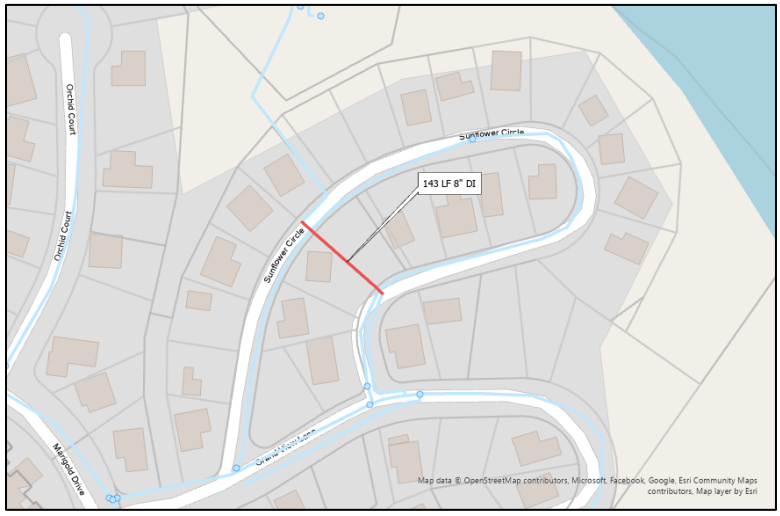
- Created 8/12/2026 by GN.

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 #:	W2801

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 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 #:	W2803

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. 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.





In September 2026, the District contracted with Evergreen Coatings Engineers to complete an inspection of the tank and provide recommendations for rehabilitation of the tanks. Based on preliminary findings from this inspection, the tank coatings are generally in good condition and corrosion of the bottom of the tanks is occurring but not presenting near-term risks to the tank with limited loss of steel thickness. The work included in this project will include targeted removal of corrosion above the water line and spot repair of damaged coatings with an epoxy-based coating suitable for use in drinking water applications. The tank bottom will be re-evaluated in 2031 to further evaluate the rate of floor steel thickness loss.

For further information about this project contact Greg Nicoll.

Revision History

- Created 8/11/2026 by GN.

CAPITAL PROJECT NARRATIVE

Project Name:	SVWTP – Replace Raw Water Pumps
CIP #:	W2805

PURPOSE and DESCRIPTION OF THE PROJECT

All treated raw water that is treated by the Sudden Valley Water Treatment Plant (SVWTP) is pumped from the intake in Basin 3 of Lake Whatcom to the treatment system by two 20-horsepower centrifugal pumps each capable of pumping up to 1,460 gallons per minute at 42 feet of total dynamic head. The pumps are housed in the raw water pump pit inside the SVWTP and discharge to the flocculation tank prior to flowing into the four filter bays. Both pumps are equipped with variable frequency drives that allow the treatment plant operator to control the flow into the treatment plant. Both pumps were installed in 1992 and the motor for Pump No. 1 was replaced in 2002. The motor starters that control operation of these pumps are outdated and are beyond the end of their useful life, exhibiting visible evidence of corrosion, age and deterioration.

These two pumps are uniquely critical to operation of the District's South Shore water treatment and distribution system. Concurrent failure of both pumps would severely hinder the ability to convey treated water to the SVWTP. 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 on operation of the SVWTP, the project will replace all both pumps in-kind. The motor control centers will be replaced with new MCCs equipped with variable speed drives.

The project budget is based on replacement of the pumps, motors and VFDs in kind. 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 10/13/2026 (GN).

APPENDIX C

2027-28 REVENUE BOND AND LOANS SUMMARY

APPENDIX C

Revenue Bonds and Loan Summary

The District has obtained publicly funded loans to construct projects. The project title, outstanding balance, funding source, agency, and interest rates are noted as follows:

Project Title		Balance Remaining 12/31/2027	Funding Source	Agency/Servicer	End Date	Rate
Geneva AC Mains	$	959,500	Rates	Drinking Water State Revolving Fund	2035	1.50%
Division 22 Reservoir	$	654,747	Rates	Drinking Water State Revolving Fund	2037	1.50%
2016 Revenue Bonds	$	2,230,000	Rates	US Bank	2035	2.25%
Division 7 Reservoir	$	703,762	Rates	Public Works Board	2045	1.72%
Proposed Debt for CIP Projects*	$	135,000	Rates	DWSRF & Public Works Board	2047	Varies
Total Outstanding Debt 12/31/2027	*$*	*4,683,009*				

Project Title		Balance Remaining 12/31/2028	Funding Source	Agency/Servicer	End Date	Rate
Geneva AC Mains	$	839,563	Rates	Drinking Water State Revolving Fund	2035	1.50%
Division 22 Reservoir	$	589,272	Rates	Drinking Water State Revolving Fund	2037	1.50%
2016 Revenue Bonds	$	1,680,000	Rates	US Bank	2035	2.25%
Division 7 Reservoir	$	659,777	Rates	Public Works Board	2045	1.72%
Proposed Debt for CIP Projects*	$	270,000	Rates	DWSRF & Public Works Board	2047	Varies
Total Outstanding Debt 12/31/2026	*$*	*4,038,612*				

**Proposed debt amounts are estimates based on anticpated capital project costs and financing needs. Actual borrowing amounts will be determined as project costs are finalized and may vary from amounts presented.*

AGENDA BILL Item 6.B	**2027 Washington State Legislative Session Agenda**		
DATE SUBMITTED:	November 2, 2026	MEETING DATE:	November 12, 2026
TO: BOARD OF COMMISSIONERS		FROM: Justin Clary, General Manager	
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS		1. Draft 2027 Washington State Legislative Session Agenda	
TYPE OF ACTION REQUESTED		RESOLUTION ☐	FORMAL ACTION/ MOTION ☒ / INFORMATIONAL /OTHER ☐

BACKGROUND / EXPLANATION OF IMPACT

As a special purpose district authorized under Title 57 of the Revised Code of Washington, actions of the Washington State Legislature can directly impact the Lake Whatcom Water and Sewer District's powers and authority, operational requirements, and revenue streams. Recognizing this, for several years the District has actively engaged with legislators of the 40th and 42nd legislative districts, which represent District customers. Attached is a draft legislative agenda for the 2027 legislative session, which has been crafted based upon District priorities, as well as in support of Washington Association of Sewer and Water Districts (WASWD) legislative priorities.

FISCAL IMPACT

No fiscal impact is anticipated with approval of the District's legislative agenda.

APPLICABLE EFFECTIVE UTILITY MANAGEMENT ATTRIBUTE(S)

Product Quality
Financial Viability
Stakeholder Understanding and Support

RECOMMENDED BOARD ACTION

Staff recommends approval of the legislative agenda.

PROPOSED MOTION

Recommended motion is:

> "I move to approve the 2027 Washington State legislative session agenda as presented."

About the Lake Whatcom Water and Sewer District

The Lake Whatcom Water and Sewer District is a special purpose district focused on providing quality water and sewer service to the Sudden Valley, Geneva, and Northshore communities surrounding Lake Whatcom.

Community Served

Originally formed in 1968 as Water District No. 10, the Lake Whatcom Water & Sewer District provides water service to approximately 3,800 connections and sewer service to approximately 4,200 connections in an 18-square mile area encompassing Lake Whatcom. The District is operated by 18 full-time professionals, governed by a five-member board of commissioners elected from within the District, and has a biennial budget of approximately $31.4 million. The District Board and staff are committed to providing the best possible water and sewer services to our customers in a cost-efficient manner, and in a way that contributes to protecting Lake Whatcom's water quality.



System Features

- Water Sources ..... Lake Whatcom (primary), Agate Heights wells, & Johnson well
- Water Treatment Plants 2
- Water Pump Stations 5
- Water Storage Facilities (totaling 3.1 MG) 9
- Miles of Water Main 71
- Sewer Lift Stations..... 26
- Miles of Sewer Main 75
- Population Served ..... 10,700 (2020 Census)

Current Issues

- **Public Works Assistance Account.** The PWAA has proven an effective conduit for local government infrastructure investment throughout its life—since 1985 over $4 billion has been invested in 2,300 critical projects. With the growing need to replace aging infrastructure, as well as to enable projects that support affordable housing and enhance economic growth in the State, the District **encourages protection of the PWAA and preservation of all of its revenues** so that necessary infrastructure investments may continue into the future.

- **Utility Relocation Costs.** Relocation of critical infrastructure to accommodate city/county road projects can be incredibly costly. The District **supports any legislation that encourages advanced notice of planned road projects** and inclusion of utility relocation costs in road project cost estimates so that water-sewer districts may adequately budget for financing such unanticipated costs.

- **Water Rights.** As the District participates in the WRIA No. 1 water rights adjudication, we remain open to partnerships that enable reasonable allocation of this valuable resource. The District does, however, **remain protective of existing municipal water rights necessary to meet growth (domestic and fire flow) requirements defined under the Growth Management Act**.

- **Utility Taxes and Right-of-Way Rent.** The District **opposes** any legislation that gives counties broad, **uncapped utility taxing authority** and **supports any reforms that cap utility right-of-way rent** at predictable levels.

- **Critical Aquifer Recharge Areas.** The District **opposes any legislation that weakens protections** for stormwater infiltration in wetlands and critical areas that support Commerce's Washington Accelerator for Residential Production (WARP) effort.

- **Connection Fee Deferral.** The District **opposes** any legislation that **defers or caps connection charges**, which would be contrary to growth-pays-for-growth policy.

Our Commissioners and Governance

Commissioners

The Lake Whatcom Water and Sewer District is governed by a five-member, non-partisan, voter-elected Board of Commissioners.

Our Board of Commissioners serves to provide public accountability of district operations. They determine policy direction for the General Manager who is responsible for planning, organizing, directing, and controlling the day-to-day operations, business administration, and regulatory compliance functions of our District.



David Holland, Position No. 1

David Holland has served on the Board since 2023 and has lived in Sudden Valley since 1994. He has spent 30 years within the many facets of the medical imaging field specializing in patient care, imaging management, large project implementation, and process improvement. David currently volunteers with the Sudden Valley Auxiliary Communications Service as well as the Whatcom Emergency Communications Group associated with the Whatcom County Sheriff's Office and Search and Rescue. You will often find him hiking the trails within the watershed with his wife and son.



Todd Citron, Position No. 2, President

Todd Citron has served on the Board since 1998. A native of the Pacific Northwest, Todd spent two years in Bellingham at Western Washington University before receiving college and graduate degrees from Wesleyan University and Boston College. He moved to Bellingham in 1989 and into the Lake Whatcom watershed in 1991. Todd had a career in computer programming, networking, repair and technical support for 25 years. Todd's desire to preserve the health and beauty of the area is manifest in his focus on building a robust water and sewer district with efficient operating practices while distributing costs equitably.



Nick Greif, Position No. 3

Nick Greif joined the Board in April 2026 and lives on the North Shore with wife, toddler, and dog. Nick is a vice president of a national education company, where he works with large employers to provide education benefits to their workforce. His career has spanned corporate partnerships, communications, and public affairs, including nearly a decade working in local government and civic engagement in Los Angeles. He holds a bachelor's degree in economics from the University of Pennsylvania and an MBA from UCLA.



Jeff Knakal, Position No. 4

Jeff Knakal has owned a home in Sudden Valley since 2014 and resided there since his retirement in 2020 following a career in the aerospace industry. He has served on the Board since 2022. He holds a bachelor's degree in mechanical engineering and previously served as a volunteer firefighter/EMT with South Whatcom Fire Authority. His passion for the outdoors drives his desire to use his engineering and management background to help maintain safe water systems and protect the health of Lake Whatcom.



John Carter, Position No. 5, Secretary

John Carter has been a resident of the District since 1983, and a District commissioner since 2016. For three decades, he held positions in public finance including serving as Chief Financial Officer for both the Port of Bellingham and the City of Bellingham. He has served on the boards of several non-profits in our community and has been actively engaged in various economic development initiatives throughout Whatcom County.

Governance

The Board meets regularly on the second Wednesday of each month at 6:30 p.m. and the last Wednesday of each month at 8:00 a.m. All agendas and minutes are posted online. The public is welcome to attend and provide input on any issue or concern. As a provider of water and sewer services throughout much of the Lake Whatcom watershed, the District maintains key partnerships with Whatcom County and the city of Bellingham in the protection of this irreplaceable water source.

Capital projects represent significant investments in ensuring continuity of service to our customers. Below are some projects that are improving service to your constituents:

2025-26 Biennium System Improvements

Project		Purpose	Cost
	Division 7 Reservoir Replacement Project	Completed construction of two new water reservoirs meeting current seismic standards and outfitted with the ShakeAlert® earthquake early warning system, replacing an existing 50+ year old reservoir that had met the end of its service life.	$3.1 million
	District-City of Bellingham Water System Intertie Repair Project	Repaired an emergency intertie between the District's South Shore water system and the city of Bellingham's water system to provide resiliency for both water systems. The intertie had been rendered inoperable due to a significant leak located beneath the heavily-trafficked Lakeway Drive.	$65,000
	Sewer System Rehabilitation Projects	The District owns and operates over 75 miles of sewer pipe, much approaching 50+ years in age. Annually, the District systematically completes inspection and repair of its collection/conveyance systems using a variety of industry-specific techniques to ensure the continued protection of the environment against sewage releases.	$200,000
	Flat Car Lift Station Reverse Flow Project	The District operates two pipelines that convey sewage generated in Sudden Valley out of the Lake Whatcom watershed. This project increased system resiliency by allowing the District to quickly shift flows between the two pipelines should one fail, mitigating the risk of potential sewage system releases.	$280,000

Future System Improvements

Project	Purpose	Year Planned for Construction	Total Estimated Cost	Unfunded Amount
Water System				
Division 7 Transmission Main Replacement Project	Replace a critical 775-foot water main that has reached the end of its service life based upon several recent failures.	2027	$185,000	$0
Geneva Reservoir & SVWTP Booster Station Improvements Project	Perform seismic retrofits to a 46-year-old reservoir and the water booster station serving the Sudden Valley Water Treatment Plant, as well as recoat (interior and exterior) the reservoir.	2027-28	$2,100,000	$0
Division 22-1 Reservoir Replacement Project	Replace existing 57-year-old reservoir with a new reservoir that meets current seismic design requirements.	2027-28	$3,600,000	$0
Sudden Valley Water Treatment Plant Chlorine Contact Basin Replacement Project	Replace existing 34-year-old treatment facility component to meet current seismic code and future growth projections.	2028	$3,600,000	$0
Sudden Valley Water Treatment Plant Finished Water Pumps Project	Replace existing water pumps that supply the distribution system that are approaching the end of their service life with new pumps per the WTP master plan.	2028	$1,140,000	$0
Sewer System				
Post Point Wastewater Treatment Plant Backup Generators Replacement	Preserve system resiliency during prolonged power outages; cost represents the District's share of the city of Bellingham project.	2027	$310,000	$0
Agate Bay Lift Station Renovation Project	Renovate 50-year-old sewer lift station with new equipment and system components.	2027	$947,000	$0
Post Point WWTP Sludge Tanks Replacement	Replace existing tanks that have reached end of service life; cost represents the District's share of the city of Bellingham project.	2028	$960,000	$0
Sudden Valley, Flat Car, and Beaver Sewer Lift Stations Electrical Controls Reconditioning	Recondition electrical controls at end-of-life at three critical sewer lift stations.	2028	$750,000	$0
Post Point WWTP Solids Handling Facility Renovation	Renovate aging incinerators and assoc. solids system; cost represents the District's share of the city of Bellingham project.	2031	$1,920,000	$0

AGENDA BILL Item 6.C	**Surveillance Cameras and Access Controls Public Works Contract Award**		
DATE SUBMITTED:	November 4, 2026	MEETING DATE:	November 12, 2026
TO: BOARD OF COMMISSIONERS		FROM: Greg Nicoll, District Engineer	
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS		1. Bid tabulation 2. Mandatory Bidder Responsibility Criteria	
TYPE OF ACTION REQUESTED		RESOLUTION ☐	FORMAL ACTION/ MOTION ☒ INFORMATIONAL /OTHER ☐

BACKGROUND / EXPLANATION OF IMPACT

In support of District compliance with America's Water Infrastructure Act (AWIA) Section 2013 Risk and Resiliency Assessment requirement, the District contracted with BHC Consultants in 2022 to complete a Facility Security Assessment (Assessment) which provided recommendations to address security vulnerabilities at District-operated facilities. Two of the recommended improvements were installation of a District-wide access control system and update and expansion of the District's surveillance camera system at District facilities.

Based on the assessment recommendations, District staff developed a phased plan for implementation of access control and surveillance camera improvements. The administration building, maintenance facility and two water treatment plants were identified as the highest priority sites. Staff subsequently prepared and advertised a public works solicitation for design and installation of a surveillance camera and access control system at these four facilities using the District's MRSC-managed small works roster. The proposed design includes capability to expand the system to serve other critical District facilities in future phases of work.

A total of three bids were received with the lowest responsive bid provided by Skyline Communications, Inc. of Everett, Washington. Staff reviewed the mandatory bidder responsibility criteria and have determined that Skyline Communications, Inc. is a responsible bidder.

FISCAL IMPACT

The total bid amount, including applicable sales tax, is $184,878.39, which slightly exceeds the budgeted amount of $184,000 included in the 2025-2026 Biennial Budget. This minor cost overrun and any potential project change orders will be funded by budget underruns associated with projects budgeted in the 2025-2026 biennium that have been delayed or were completed under budget.

APPLICABLE EFFECTIVE UTILITY MANAGEMENT ATTRIBUTE(S)

Infrastructure Strategy and Performance
Operational Optimization
Enterprise Resiliency

RECOMMENDED BOARD ACTION

Staff recommends that the Board award the contract to the lowest responsible bidder, Skyline Communications, Inc.

PROPOSED MOTION

Recommended motion is:

> "I move to award the Surveillance Camaras and Access Controls public works contract to Skyline Communications for a total contract price of $184,878.39 and authorize the general manager to execute the contract."

LAKE WHATCOM WATER & SEWER DISTRICT
1220 LAKEWAY DRIVE
BELLINGHAM, WA 982298
(360) 734-9224

BID TABULATION

PROJECT NAME	PROJECT #	BID REVIEW DATE & TIME	PAGE # OF #	LOCATION
RE-BID: Surveillance Cameras and Access Controls	C2602	11/3/2026, 14:00	1 OF 1	N/A (No public bid opening)

NAME OF FIRM	Gateway Controls	Skyline Communications	Security 101		

Item	Description	Quantity	Unit		Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount
SCHEDULE A - WORK WITHIN THE CITY OF BELLINGHAM														
A-1	Mobilization and Demobilization	1	LS		$ 650.00	$ 650.00	$ 910.00	$ 910.00	$ 19,310.00	$ 19,310.00		$ -		$ -
A-2	System Integration	1	LS		$ 2,600.00	$ 2,600.00	$ 9,035.00	$ 9,035.00	$ 6,930.00	$ 6,930.00		$ -		$ -
A-3	Administration Buildiing Surveillance Cameras and Entrance Controls	1	LS		$ 83,914.88	$ 83,914.88	$ 52,067.00	$ 52,067.00	$ 52,810.00	$ 52,810.00		$ -		$ -
A-4	Technical Support	1	LS		$ 900.00	$ 900.00	$ 6,214.00	$ 6,217.00	$ 6,820.00	$ 6,820.00		$ -		$ -
	Sub Total Schedule A (does not include Washington State Sales Tax)					$ 88,064.88		$ 68,229.00		$ 85,870.00		$ -		$ -
SCHEDULE B - WORK IN UNINCORPORATED WHATCOM COUNTY														
B-1	Mobilization and Demobilization	1	LS		$ 1,300.00	$ 1,300.00	$ 2,729.00	$ 2,729.00	$ 8,470.00	$ 8,470.00		$ -		$ -
B-2	Agate Heights WTP Surveillance Cameras and Entrance Controls	1	LS		$ 38,921.19	$ 38,921.19	$ 20,762.00	$ 20,762.00	$ 20,970.00	$ 20,970.00		$ -		$ -
B-3	O&M Campus Surveillance Cameras and Entrance Controls	1	LS		$ 74,941.18	$ 74,941.18	$ 50,913.00	$ 50,913.00	$ 49,330.00	$ 49,330.00		$ -		$ -
B-4	Sudden Valley WTP Surveillance Cameras and Entrance Controls	1	LS		$ 42,688.49	$ 42,688.49	$ 26,951.00	$ 26,951.00	$ 29,020.00	$ 29,020.00		$ -		$ -
	Sub Total Schedule B (does not include Washington State Sales Tax)					$ 157,850.86		$ 101,355.00		$ 107,790.00		$ -		$ -
	TOTAL (SCHEDULE A + SCHEDULE B) (does not include Washington State Sales Tax)					$ 245,915.74		$ 169,584.00		$ 193,660.00		$ -		$ -

BID GURANTEE ? (YES OR NO)	NA	Yes	NA		
ADDENDUM ACKNOWLEDGED? (YES OR NO)	Yes	Yes	Yes		

DENOTES MATH ERROR

MANDATORY BIDDER RESPONSIBILITY CHECKLIST

The following checklist may be used by Owners in documenting that a Bidder meets the mandatory bidder responsibility criteria. It is suggested that Owners print a copy of the documentation from the appropriate website to include with this checklist in the Contract file.

General Information:		
Project Name: Surveillance Cameras and Access Controls		Project #: C2602
Bidder's Business Name: Skyline Communications, Inc.		Bid Submittal Deadline: 11/3/2026
Current UBI Number: https://secure.dor.wa.gov/gteunauth/_/		
UBI Number: 602 084 201	Account Status: ☒ Open ☐ Closed	
Washington State Department of Labor & Industries Info https://secure.lni.wa.gov/verify/		
Contractor Registration:		
License Number: SKYLICI752R3	Status: Active ☒ Yes ☐ No	
Effective Date: 12/08/2025 (must be effective on or before Bid Submittal Deadline)	Expiration Date: 12/08/2027	
Public Works Requirements		
Required Training Completed?		☐ Yes ☐ No ☒ Exempt
Contractor Strikes: Have any strikes been issued against this contractor?		☐ Yes ☒ No
Contractors not allowed to bid: Have any debarments been issued?		☐ Yes ☒ No
Industrial Insurance (Workers Comp) Coverage:		
Account Number: 004,531-00	Account Current: ☒ Yes ☐ No	
Employment Security Department Number:		
Employment Security Dept. Number: 214-892-005		
• Has Bidder provided account number on the bid form?		☒ Yes ☐ No
• And/or have you asked the Bidder for documentation from Employment Security Department on account number:		☐ Yes ☒ No
State Excise Tax Registration Number: https://secure.dor.wa.gov/gteunauth/_/#3		
Tax Registration Number: 91-2146392	Account Closed: ☒ Open ☐ Closed	
Checked by:		
Name of Employee: Greg Nicoll		Date: 11/4/2026

AGENDA BILL Item 8.A		**General Manager's Report**	
DATE SUBMITTED:	November 5, 2026	MEETING DATE:	November 12, 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

Special Meeting – Thursday, November 12, 2026 – 6:30 p.m.

Important Upcoming Dates

Lake Whatcom Water & Sewer District			
Regular Board Meeting	Thu Dec 9, 2026	6:30 p.m.	Board Room/Hybrid
Employee Staff Meeting	Thu Nov 12, 2026	8:00 a.m.	Board Room/Hybrid Commissioner Knakal assigned
Investment Comm. Meeting	Wed Jan 27, 2027	10:00 a.m.	Board Room/Hybrid
Safety Committee Meeting	Thu Nov 19, 2026	8:00 a.m.	Board Room
Lake Whatcom Management Program			
Policy Group Meeting	Wed Dec 2, 2026	3:00 p.m.	City of Bellingham Pacific St Ops Center, 2221 Pacific Street
Joint Councils Meeting	Spring 2027	TBD	TBD
Other Meetings			
WASWD Section III Meeting	Tue Dec 8, 2026	6:00 p.m.	Bob's Burgers 8822 Quil Ceda Pkwy, Tulalip, WA
Whatcom County Council of Governments Board Meeting	Wed Dec 9, 2026	3:00 p.m.	Council of Governments Offices 314 E Champion Street/Hybrid

Committee Meeting Reports

Safety Committee:

- The committee met on October 22; discussion included review of the 2027 safety goals and objectives, completion of confined space entry training by operations staff, and the status of review of safety programs.

Investment Committee:

- The committee met on October 28; discussion included review of the performance of District investments and completion of the Code-required annual review of the investment policy.

Upcoming Board Meeting Topics

- 2027 non-represented employees cost-of-living-adjustment approval
- 2027 Wilson Engineering rates approval
- 2027 District initiatives discussion
- FEMA hazard mitigation grants amendments approval (authorizing construction phases)
- Geneva-Division 22-1 Reservoirs Improvements public works contract award
- SVWTP Chlorine Contact Basin Replacement public works contract award
- Community Assistance Program enhancement evaluation

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.
  Claims for each of the District's nine water rights were filed with the Whatcom County Superior Court on October 30.

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.
  Draft revisions of the budget were presented during August 26, September 9, and October 28 board meetings with consideration of adoption scheduled for the November 12 meeting.

Succession Plan

- With several staff retirements anticipated over the next five years, update the District's succession plan.
  An update to the succession plan was completed in December 2025.

EUM Assessment/Strategic Plan

- Facilitate the AWWA Effective Utility Management assessment with board and staff and perform an update of the District's 6-year strategic business plan based upon the outcome of the EUM assessment.
  The Board postponed the EUM assessment and strategic plan update to 2027 during its April 29 meeting.

APWA Accreditation

- Continue work towards multi-year effort to gain American Public Works Association accreditation.
  The accreditation team is in the process of reviewing/completing the 273 accreditation practices applicable to the District (201 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.
  Annual wet weather preparedness training was conducted on October 14. The annual 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.
  The updated emergency response plan was submitted to USEPA on October 28.

Safety Program Update

- Continue systematic review and revision of District's safety programs by updating nine (9) programs in 2026.
  Staff finalized updates to 11 programs (personal protective equipment, medical emergencies, hearing conservation, office safety, sodium hypochlorite, back injury prevention, welding, cutting & brazing, heat-related illness, securing loads, hand & power tools, and flagging & traffic control).

L&I START Program

- Initiate a multi-year effort to obtain District certification through the Washington State Department of Labor & Industries (L&I) Safety Through Achieving Recognition Together (START) program.
  L&I completed the risk management assessment on February 11, and the industrial hygiene and health and safety assessments on April 30 with employee interviews performed on May 21. The safety committee-drafted 2027 achievement plan is scheduled to be presented to staff for comments during the November 12 staff meeting.

Community/Public Relations

General

- Website
  The District's web content is reviewed and updated on a regular basis. The District has implemented a function on the website that converts .pdf documents that 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), September 3 (Soto National Roadeo Title), and October 26 (TOP Quarter Century Award).

Intergovernmental Relations

- *J Clary and G Nicoll met with Bellingham PW management on October 27 regarding expansion of the City's watershed land acquisition program.*
- *J Clary attended WASWD's quarterly general managers' meeting on November 4.*
- *J Clary is scheduled to attend WASWD's membership committee meeting on November 10.*

Lake Whatcom Water Quality

Lake Whatcom Management Program

- Participate in meetings of Lake Whatcom Management Program partners.
  J Clary is scheduled to attend the data group meeting on November 12.

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

	Executive Department Goals	2025	2026 YTD	2027	2028	2029	2030
1.	**Facilitate achievement of annually established Board inititatives**						
	Workload Indicators						
	- Meetings with management team to attain Board initiatives	47	32				
	- Reporting on the status of completion of Board initiatives	22	17				
	- Annual number of Board initiatives	8	10				
	- Annual number of Board meetings/work sessions held	22	18				
	Performance Measures						
	- Completion of initiatives within Board/staff agreed timelines	complete	underway				
2.	**Biennial EUM self-assessment and update to strategic plan**						
	Workload Indicators						
	- Draft departmental strategic plans by June 30						
	- Financial forecast updated biennially (even-numbered years)		complete				
	- Balanced budget presented to the Board biennially		underway				
	Performance Measures						
	- Complete strategic plan by Sep 1						
3.	**Maintain intergovernmental relations program**						
	Workload Indicators						
	- Participation in LWMP data group, ICT, policy group, and joint councils meetings	yes	yes				
	- Participation in WWA, WUCC, COG, and Whatcom Water Districts meetings	yes	yes				
	- Participation in WASWD and WSRMP meetings	yes	yes				
	- Meet with City, County, SVCA, and SWFA staff	yes	yes				
	- Attendance of WASWD and IACC conferences	yes	yes				
	- Presentation at SVCA board meetings	no	yes				
	Performance Measures						
	- Annual budgetary allocation supporting organization memberships	complete	complete				
	- Number of LWMP meetings attended	41	29				
	- Number of WWA, WUCC, COG, and Whatcom Water Districts meetings attended	23	13				
	- Number of meetings with City, County, SVCA, and SWFA staff	11	8				
	- Number of conferences attended	3	2				

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

	Executive Department Goals	2025	2026 YTD	2027	2028	2029	2030
	- Number of presentations to SVCA board	0	1				
4.	**Enhance public relations program**						
	Workload Indicators						
	- Update of District website	no					
	- Issuance of press releases and Facebook posts on a regular basis	yes	yes				
	- Active participation in community events	yes	yes				
	Performance Measures						
	- Completion of website udpate by December 31, 2025 (postponed to rebranding)						
	- Completion of District rebranding by December 31, 2028						
	- Number of Facebook followers	223	237				
	- Number of press releases issued	4	5				
	- Number of Facebook posts	39	36				
	- Number of community events participated in	2	4				
5.	**Maintain safety program**						
	Workload Indicators						
	- Staff review of District safety programs	complete	complete				
	- Staff completion of online safety trainings	complete	complete				
	- Staff attendance of required certification courses	complete	underway				
	Performance Measures						
	- Annual review of a minimum of 9 safety programs	11	10				
	- Monthly meeting of the safety committee	12	9				
	- Annual number of safety inspections by management	6	4				
	- Annual number of lost time injuries and near misses	0	0				
6.	**Water rights adjudication participation**						
	Workload Indicators						
	- Attendance of adjudication-related presentations/meetings	yes	yes				
	Performance Measures						
	- Claims filed for each District water right		0				
	- Documentation supporting claims filed with court						

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

Executive Department Goals		2025	2026 YTD	2027	2028	2029	2030
7.	**American Public Works Association accreditation**						
	Workload Indicators						
	- Accreditation team status meetings	yes	no				
	- Consistent completion of accreditation-required metrics (Practice sub-goals)	yes	yes				
	Performance Measures						
	- Number of Accreditation Team meetings held annually	1	0				
	- Number of Practice sub-goals completed annually (273 total)	98	69				
	- Formal registration in 2026	to be initiated					
	- APWA accreditation in 2029						

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

	Finance Department Goals	2025	2026 YTD	2027	2028	2029	2030
1.	**Improve performance standards and enhance professional growth**						
	Workload Indicators						
	- Regular review of job descripions and cross-train as duties allow	complete	Initiated				
	- Identify applicable trainings and encourage accounting principles understanding	ongoing	ongoing				
	- Issue weekly updates to staff	ongoing	ongoing				
	- Increase training centered on accounting standards and best practices	ongoing					
	- Develop a comprehensive financial procedure manual	ongoing	ongoing				
	Performance Measures						
	- Number of trainings and webinars attended	27	12				
	- Implement employee cross-training and development tracking system	ongoing	ongoing				
	- Number of weekly updates from the Finance Manager	43	30				
	- Number of staff meetings and engagement activities	27	16				
	- Implement comprehensive financial procedures manual	ongoing	ongoing				
2.	**Improve financial sustainability and forecasting**						
	Workload Indicators						
	- Development and routine evaluation of long-term forecasting model	ongoing	ongoing				
	- Provide instructions/schedule for budget preparation		Initiated				
	- Routine evaluation of biennial budget	ongoing	ongoing				
	- Routine evaluation of financial policies	ongoing	ongoing				
	- Routine evaluation of investments	ongoing	ongoing				
	Performance Measures						
	- Alignment of overhead/personnel costs with rate revenue	ongoing	ongoing				
	- Regular use and update to the forecasting model	ongoing	ongoing				
	- Number of management team meetings to review cost alignment with budget	ongoing	ongoing				
	- Financial policies are maintained to align with industry best practices/standards	yes	yes				
	- Investment revenue increases while maintaining safety and liquidity requirements	yes	yes				
	- Financials and financial policies comply with State Auditor's Office	yes	yes				

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

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

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

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

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

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

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

	Operations Department Goals	2025	2026 YTD	2027	2028	2029	2030
1.	**Ensure continuity of potable water production that meets or exceeds regulatory requirements**						
	Workload Indicators						
	- Number of routine water system reports submitted to agencies	72	57				
	- Number of routine water treatment plant samples collected/analyzed	2,328	1,698				
	- Number of water distribution system samples collected/analyzed	1,429	825				
	- Number of hours performing equipment calibration and maintenance	882	660				
	- Number of hours inventorying and preparing treatment chemicals	112	90				
	Performance Measures						
	- Meet all Department of Health water quality requirements without violation	yes	yes				
	- Labor hours used to perform preventitive maintenance tasks at treatment plants	177.5	36				
	- Percentage of samples analyzed by laboratory that are satisfactory	100	100				
	- Number of annual water quality customer complaints received	1	1				
	- Number of tasks related to preventative maintenance completed at plants	30	10				
	- Number of tasks unrelated to preventative maintenance completed at plants	6	1				
2.	**Enhance system resiliency through proactive maintenance of electrical systems, instrumentation, controls, and communications**						
	Workload Indicators						
	- Scheduled inspections of electrical cabinets, components and assoc. equipment	54	22				
	- Repair of electrical cabinents, components and assoc. equipment by staff	19	14				
	- SCADA hardware/software installation and maintenance using contract services	12	7				
	- On-call services provided by external contractors	2	0				
	Performance Measures						
	- Number of inspections per year	54	22				
	- Number of repairs per year	19	14				
	- Total cost of SCADA services, including District labor and resources	$35,452	$32,868				
	- Total cost of electrical, instrumentation, and controls services, including District labor and resources	$25,166	$0				
	- Total communications network downtime (in hours) due to external failures	75	184				
	- Total communications network downtime (in hours) due to internal failures	7	7				

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

	Operations Department Goals	2025	2026 YTD	2027	2028	2029	2030
3.	**Ensure collection and conveyance of sewage out of the watershed through routine inspection and preventitive maintenance**						
	Workload Indicators						
	- Monthly inspections of sewer lift stations	316	254				
	- Total number of preventative maintenance tasks scheduled	955	657				
	- Total number of preventative maintenance tasks completed	827	449				
	- Total number of repairs associated with sewer assets	30	19				
	- Labor hours expended televising/inspecting sewer mains	174	90				
	Performance Measures						
	- Number of sewer system overflows per year	3	2				
	- Labor hours spent performing preventative maintenance tasks for sewer assets	1202	642				
	- Total cost of repairs associated with sewer assets	$50,089	$36,096				
	- Miles of sewer main televised/inspected per year	2.26	2.1				
	- Annual volume of I&I conveyed to the City of Bellingham	TBD	TBD				
	- Annual cost of I&I treatment (by City of Bellingham)	TBD	TBD				
4.	**Ensure the realization of the maximum operable life of District water infrastructure**						
	Workload Indicators						
	- Total number of preventative maintenance tasks scheduled	785	268				
	- Total number of preventative maintenance tasks completed	627	157				
	- Total number of PRVs rated as *needs replacement*	4	2				
	Performance Measures						
	- Labor hours performing preventative maintenance tasks on water infrastructure	816	463				
	- Total cost of replacing PRVs needing replacement	$2,252	$0				
	- Number of customer complaints regarding water pressure per year	7	3				
	- Number of water leaks repaired	27	18				

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

	Operations Department Goals	2025	2026 YTD	2027	2028	2029	2030
5.	**Maintain level-of-service expectations relative to development services**						
	Workload Indicators						
	- Water/sewer connection inquiries processed	58	36				
	- Water/sewer connection permits issued	21	26				
	- New water service installations	9	2				
	Performance Measures						
	- Pre-construction meetings attended (annual)	15	15				
	- Water/sewer permits issued (annual)	21	26				
	- Inspector labor hours for new development inspections (annual)	29	29				
	- Maintenance staff labor hours for new development installations (annual)	212	36				