

**PUBLIC UTILITY DISTRICT No. 1
of Whatcom County**

**NOTICE OF SPECIAL COMMISSION MEETING/PUBLIC HEARING FOR
PUBLIC UTILITY DISTRICT NO. 1 OF WHATCOM COUNTY**

Notice is hereby given that the Board of Commissioners (“Commission”) of Public Utility District No. 1 of Whatcom County (“District”) will hold a Special Meeting on **Monday, October 6, 2025 from 6:00 PM to 8:00 PM at the district’s office, located at 1705 Trigg Road, Ferndale, WA. The meeting will be hybrid in person and zoom.**

The purpose of the Special Meeting will be to:

1. Hold a public hearing to receive input from the public on the District’s strategic plan.

The special meeting is anticipated to last two (2) hours **(The length of the meeting is approximate and subject to change.)**

Notice:

All Commissioners will participate either via In-Person, Zoom/internet or teleconference.

The public meeting can be accessed;

By internet: <https://us02web.zoom.us/j/84878806851>

Note: if attending via zoom we would appreciate your full name for the commission record though it is not required.

<p>Or telephone: Dial 1 (253) 215 8782 <u>or</u> 1 (253) 205 0468 Webinar ID: 848 7880 6851</p>

COVER PAGE

Whatcom Public Utility District Strategic Plan

2025 – 2031

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INSIDE COVER

Why Plan?

Whatcom Public Utility District (“Whatcom PUD”) undertakes a comprehensive Strategic Planning effort approximately once every five years to:

- Reflect on progress and challenges.
- Assess changing conditions in the community we serve.
- Map a path forward for future success.

The Strategic Plan serves as a compass guiding the day-to-day work of the utility, ensuring that policies and activities are intentional, efficient, aligned, and impactful. With regular updates, it also helps Whatcom PUD remain agile in the face of emergent challenges, balancing the flexibility this changing world demands, with the stability that our long-term utility customers rely on.

Whatcom PUD is governed by three elected commissioners, one from each district representing all of Whatcom County. The Commission appoints a General Manager to manage the daily operations of the district and serve as a liaison between the Commission and the Staff. **The Strategic Plan is a keystone document for alignment between the Commission and Staff and forms the basis of the utility’s annual operating and capital budgets.**

Whatcom PUD relies on revenues earned from a small customer base and third-party sources including state and federal grants. Rather than levy a property tax, the utility is largely funded by operational income and can also issue tax-exempt bond financing to finance major capital projects. The Strategic Plan helps guide Whatcom PUD’s financial decisions to ensure they are in the best interests of our customers and community.

This 2025 update to the Strategic Plan charts a course toward a utility that is more independent, sustainable, and diversified, so we can respond to challenges as they come, while continuing to serve our customers and the broader Whatcom County community, long into the future.

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Message from the General Manager

I am honored to serve as the Public Utility District No. 1 of Whatcom County's General Manager and on behalf of our staff, commissioners and myself, I proudly present our 2025-2030 Strategic Plan.

While this is a six-year plan, much thought was put into our future-oriented work over the next 25 to 50 years. Consideration for how much the world will change in that time was used to guide how Whatcom PUD will need to adjust to meet a changing world. We have tied our long-term aspirations to mid-term and short-term objectives for this plan. The Strategic Plan summarizes our goals for the next six years, strategies to implement those goals and specific tactics and actions we intend to take to get us there.

Our Strategic Plan is not our budget. Most of our budget is focused on serving our customers' immediate water and power needs, meeting payroll, paying vendors, servicing our debt, and maintaining and enhancing our very long-lived asset base. Long-term goals typically appear in our budget as small initial investments in new initiatives. These initiatives will grow over time into major parts of our future budgets.

Looking out 50 years in most organizations can be absurd. Typical product life cycles may be only a year, or at most a few years. However, our main products, water and power, are more unique in their lifespans. Arguably, the product life cycle for power has only been for the last 140 years. However, water, and the safe and responsible use of water, has been the backbone of civilization for over four millennia, and shows no sign of stopping. Our investments in both power and water infrastructure have a typical 50 to 100 years of life, with quality maintenance. For Whatcom PUD, looking out 50 or more years is not just prudent, it is essential.

So how do we think the world will change around us? For starters, as the climate continues to warm, we expect to have warmer, drier summers, and warmer, wetter winters. We also anticipate the number of people who call Whatcom County home will increase substantially over the next 50 years, and the Cherry Point area may be further developed and become a job producing hub for the county. We believe it will become more difficult to supply power to Whatcom County, and the PUD can play a big part in a power supply solution. As the WRIA 1 Nooksack Basin Water Rights Adjudication case slowly winds through the court over the next decades, the PUD will have a critical role in developing water solutions for the county as a whole.

What can Whatcom PUD do about those changes? First, maintain the critical assets and systems entrusted to us. Second, work with others within Whatcom County to establish water storage solutions that will move the excess winter water to the parched summers in our future. We are committed to making sure the Nooksack River is available for cities, farms and fish, all at the same time. We are working on alternative energy sources that can be built in the county for the benefit of our communities, including geothermal on Mt. Baker, distributed hydro-electric generation from new water storage, and perhaps an energy park at Cherry Point. As we adapt to these changes, we will need to build staff and capacity over time to do all these things.

Could we be wrong on any of these predictions? That is certainly possible, which is why it is critical to reevaluate the Strategic Plan every few years to ensure a reasonable future trajectory and adjust our strategies and tactics with the changing times.

I hope you enjoy reading our Strategic Plan and learning about how we are prepared to serve our customers and community. I encourage you to reach out to our commissioners or myself with any questions or observations.

Sincerely,

Insert digital signature

Chris Heimgartner

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I. Vision, Mission and Values

Vision: A resilient community built with clean, sustainable infrastructure.

Mission: To steward resources and public assets by providing locally controlled utility services for the benefit of the community.

Values

- **Adaptability:** Responding to the changing needs of our customers and community with curiosity, flexibility and excellent customer service.
- **Safety:** Keeping our workforce, customers, ecosystem and communities protected from harm.
- **Integrity:** Fulfilling our duties with dependability, transparency and accountability.
- **Service:** Meeting the needs of our customers and community by delivering value in reliable, dependable utility service.

II. Plan Overview and Development

The key ingredients of Whatcom PUD’s Strategic Plan are defined below.

Vision	Our north star. What we are working to achieve in one or more generations.
Mission	The purpose we serve in our community and what we do specifically to advance the vision.
Values	What guides our work.
Goals	Specific, measurable targets in line with our mission that can be achieved in six or more years.
Strategies	Steps we will take to accomplish our goals.
Tactics/ Actions	Specific actions to achieve each strategy, focusing on the trees in the forest and undertaken by our Staff under the direction of the General Manager.

The Strategic Planning Process

The 2025-2031 Strategic Plan was developed through a series of meetings and workshops with Whatcom PUD leadership and staff that were open to the public, as well as a designated public meeting.

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Assessment interviews

- One-on-one interviews with Commissioners and Executive Director

Commission Meetings

- Three meetings with commissioners (MFA)

Staff Workshops

- Two staff workshops

Public Meeting

- October 6, 2025

III. History & Leadership

History of Whatcom PUD

Public Utility District No. 1 of Whatcom County was established with voter approval in 1937 and has supplied electricity and water to heavy industries and agricultural users in Whatcom County for more than 80 years.

The Public Utility District (“PUD”) is authorized under RCW 54, which started as a voter initiative (the first in Washington State) to give citizens of each county the right to form a PUD. Private power companies at that time would not supply service to farms and small communities, so, for many in Whatcom County, having a PUD meant having a utility provider that would serve the needs of its rural communities.

PUD No. 1 of Whatcom County has always been a publicly owned utility but has never collected any portion of Whatcom County’s property tax—it is primarily a private revenue-funded utility. The PUD’s purpose and proud heritage have always been to serve its customers well and actively respond to the needs of Whatcom County citizens.

Whatcom PUD Today

Whatcom PUD is authorized by RCW 54 to supply water, electricity and wholesale telecommunications throughout Whatcom County, except for electricity to the cities of Blaine and Sumas, which have existing municipal electric utilities. The utility is also eligible to build and operate sewage systems if approved by Whatcom County voters.

Whatcom PUD takes an active role in watershed planning and maintains services to the industrial zone at Cherry Point and the Grandview/Northgate/I-5 Industrial Park north of Ferndale. In addition to encouraging customers to practice conservation, the utility participates in regional water supply and

water quality planning efforts, as well as habitat recovery programs such as with the Nooksack Salmon Enhancement Association.

Today, Whatcom PUD:

- **Operates one water system comprising two diversions from the Nooksack River, two treatment plants and 20 miles of pipeline**, providing industrial grade water service to heavy industries at Cherry Point and approximately 50 irrigation customers.
- **Operates a second water system that processes groundwater** to provide potable water and fire protection water systems for the Grandview/Northgate/I-5 Industrial Park north of Ferndale.
- **Treats and distributes more than 5 billion gallons of water a year**, making it the second largest water PUD in Washington State.
- **Supplies 27 average megawatts of electric power to one customer and to power the PUD's two water plants**, distributed through 15 miles of electric transmission and distribution lines and three electric substations.
- **Sources power from Bonneville Power Administration (BPA)**, via a power purchase agreement and electric transmission agreements with BPA and Puget Sound Energy.

Leadership

Whatcom PUD is governed by a Board of Commissioners elected on a nonpartisan basis by Whatcom County residents during the general election. Each commissioner serves a six-year term, and a new commissioner is elected every two years. Commissioners meet publicly twice per month to establish PUD policies, set rates, adopt system plans for utilities, and approve revenue obligations. The commissioners also appoint the General Manager, who is supported by 23 employees, to carry out commission policies, conduct PUD business, and keep the utility operating smoothly.

[insert org chart]

IV. Role of the PUD

Three Unique Roles of Whatcom PUD

Whatcom PUD serves the greater Whatcom community in three unique ways:

1. Stewarding water and energy resources.
2. Providing core utility services.
3. Providing technical resources and support.

As a steward of resources in Whatcom County, Whatcom PUD works to protect and promote efficient use of its water and energy resources. To accomplish this, the utility works with local, regional, and federal governments and organizations to develop and implement responsible resource management practices and supply planning.

- As a steward of water resources, Whatcom PUD manages its water supply according to high standards of safety and efficiency. The utility also plays an active role in regional watershed planning and salmon recovery efforts.
- As a steward of energy resources, Whatcom PUD works to balance increasing demand and costs related to energy production and transition, with effective resource management and alternative sources, such as geothermal energy.

In its founding role as a utility provider, Whatcom PUD continues to supply local industries with water and energy, ever since it began providing power in the 1950s to a refinery built at Cherry Point. The utility continues to provide electricity and industrial-grade water to Cherry Point Industries, retaining major industrial customers for the better part of a century. In addition, Whatcom PUD now provides irrigation water to about 50 customers in the Cherry Point service area, as well as potable drinking water and fire system water to a light industrial area north of Ferndale.

Whatcom PUD also provides technical, educational and operational resources to other utility providers and large industrial users in the area and is known for creative problem solving, effective partnership, and agile emergency management. Over the years, Whatcom PUD has provided vital support to local industries, municipal and small water systems, and local providers of potable water.

V. Goals, Strategies and Tactics/Actions

Whatcom PUD has identified six goals to achieve in a six-year year timeframe.

Goals	
1	<i>Water and Power Supply Source & Delivery Infrastructure</i> Ensure the long-term operational integrity, resilience and efficiency of utility services to meet current and potential future customer needs.
2	<i>Workforce, Administration & Organizational Culture</i> Foster a resilient, inclusive and mission-aligned team culture by prioritizing staff wellbeing, professional development and collaboration.
3	<i>Finance & Rates</i> Judiciously manage financial resources to successfully implement the District’s Strategic Plan, and maintain rates that are reasonable, fair, and sustainable.
4	<i>Community & Customer Relations</i> Actively strive to meet customer and community needs through excellent service, meaningful engagement, and relationship building.
5	<i>Legislative, Regulatory & Regional Engagement</i> Be an engaged stakeholder, trusted advocate and informed partner by proactively addressing legislative and regulatory processes that impact our vision and mission.
6	<i>Innovation, Technology & New Services</i> Deliver significant value to customers and our community by proactively researching and pursuing viable and innovative technologies as well as services and projects that support economic development and environmental protection.

To achieve these goals, the PUD has identified the following specific strategies and tactics.

Strategies & Tactics	
<i>Goal 1: Water and Power Supply Source & Delivery Infrastructure</i> Ensure the long-term operational integrity, resilience and efficiency of utility services to meet current and potential future customer needs.	
<i>Strategy 1.1: Implement Whatcom PUD’s Capital Improvement Plan (CIP).</i>	
a.	Effectively oversee the largest capital investment in Whatcom PUD history, the rebuilding of Plant 1.
b.	Update major infrastructure components of the Capital Improvement Plan (CIP) as part of the annual budget process.
c.	As an adjunct to the CIP, create a hydraulic profile of the industrial water system that will guide future replacement projects.
<i>Strategy 1.2: Maintain and enhance system safety, efficiency & reliability.</i>	
a.	Continue ongoing development of the Computerized Maintenance Management System (CMMS) and identify potential benefits.
<i>Strategy 1.3: Investigate potential assets to supplement and enhance supply.</i>	
a.	Research and identify potential water storage projects and new water opportunities.
b.	Investigate new wholesale power supply opportunities.
<i>Strategy 1.4: Protect and preserve Whatcom PUD’s water rights.</i>	

a.	Actively monitor and participate in the water rights adjudication process, water related legislative actions, and other water related activities that could impact the PUD.
<i>Goal 2: Workforce, Administration & Organizational Culture</i>	
Foster a resilient, inclusive and mission-aligned team culture by prioritizing staff wellbeing, professional development and collaboration.	
<i>Strategy 2.1: Promote employee training, safety, development and professional growth and provide tools that support and enhance organizational understanding.</i>	
a.	Develop and communicate a campaign to promote and encourage employee training, workplace safety, and professional development opportunities.
b.	Consolidate and update employment and commission policies and create an updated Employee Handbook.
c.	Continue to research and identify potential training opportunities through leveraging utility industry associations, state skills centers, and partnering with neighboring utilities.
<i>Strategy 2.2: Encourage relationships for staff and commissioners through inclusive events and activities.</i>	
a.	Host joint commission and staff events.
a.	
<i>Strategy 2.3: Foster strong connections among staff and build organizational culture and community.</i>	
a.	Continue hosting quarterly meals and gatherings for staff and celebrating individual birthdays and work anniversaries.
<i>Strategy 2.4: Maintain regular and consistent occurrences of employee appreciation and celebration of safety milestones.</i>	
a.	Host annual Employee Appreciation event for celebration of staff contributions to organizational success.
<i>Strategy 2.5: Conduct a Strategic Planning process every six years with annual reviews of progress-to-date and priorities for the following fiscal year.</i>	
a.	Conduct Strategic Planning process every six years with annual reviews of progress-to-date and priorities for the following fiscal year.
<i>Goal 3: Finance & Rates</i>	
Judiciously manage financial resources to successfully implement the District’s Strategic Plan, and maintain rates that are reasonable, fair, and sustainable.	
<i>Strategy 3.1: Ensure revenues are sufficient, both near and long-term, to support operations and prudent infrastructure investments and pursue additional revenue sources.</i>	
a.	Perform Cost-of-Service Analysis studies every six years or as needed to serve as guide for rate design and subsequent rate setting.
b.	As an adjunct to the Capital Improvement Plan (CIP), maintain a ten-year Capital Funding Strategy for CIP designated projects.
<i>Strategy 3.2: Maintain adequate financial reserves to cover cash-funded capital expenditures and debt service coverage.</i>	
a.	Review and update financial reserve policy as necessary for funding of operations and capital improvements and to ensure adequate financial reserves to moderate risks, supply foreseeable cash needs, and protect Whatcom PUD’s bond ratings.

b.	Analyze current financial condition and consider raising debt service coverage and associated revenue enhancements to raise Whatcom PUD’s creditworthiness in anticipation of the need for future debt financings.
Strategy 3.3: Measure and track financial metrics and health.	
a.	Maintain periodic reports and dashboards of financial performance that identifies, reports, and communicates key financial metrics for decision making. Publish data to website.
Goal 4: Community & Customer Relations	
Actively strive to meet customer and community needs through excellent service, meaningful engagement, and relationship building.	
Strategy 4.1: Promote engagement and knowledge of the PUD.	
a.	Develop and implement an engagement strategy to highlight brand awareness and visibility within the community.
b.	Encourage staff participation in community volunteering by highlighting local opportunities that align with Whatcom PUD’s Mission and Values.
c.	Explore local cobranding opportunities.
d.	Invite community input through open house events at least annually.
e.	Explore potential ways for community members to subscribe to news about topics of interest and ask questions or submit feedback through the new website platform.
Strategy 4.2: Foster local and regional partnerships to advance mutual goals.	
a.	Continue to build strategic alliances, coalitions, and partnerships with local community groups and agencies with similar issues, goals, and objectives to support Whatcom PUD’s Strategic Plan.
b.	Actively seek leadership roles and participate in community and industry events and non-governmental organizations to support Whatcom PUD’s strategic plan.
c.	Support the Port of Bellingham and other partners in Broadband Equity Access and Deployment (BEAD) Program funded infrastructure.
Goal 5: Legislative, Regulatory & Regional Engagement	
Be an engaged stakeholder, trusted advocate and informed partner by proactively addressing legislative and regulatory processes that impact our vision and mission.	
Strategy 5.1: Adaptively determine Whatcom PUD’s interests and strategically communicate policy positions to municipal, state and federal officials. Clearly communicate our asks.	
a.	Annually develop and proactively and strategically implement and communicate Whatcom PUD’s legislative positions.
b.	Enlist assistance of lobbyists as appropriate.
Strategy 5.2: Build trust and maintain positive relationships with key stakeholders and policy makers.	
a.	Develop and strengthen alliances and coalitions to advance common advocacy positions and objectives such as with the Washington PUD Association.
b.	Develop and strengthen relations with local legislators, city policy makers, and their staff.
Goal 6: Innovation, Technology & New Services	
Deliver significant value to customers and our community by proactively researching and pursuing viable and innovative technologies as well as services and projects that support economic development and environmental protection.	

Strategy 6.1: Investigate new clean energy sources of power.	
a.	Continue development efforts of geothermal energy production on Mt. Baker and provide policy and financial support for the initial phases of the exploration of the feasibility of that project.
Strategy 6.2: Foster a positive relationship with current power supply provider (BPA) to preserve their status as a future viable option.	
a.	Maintain an ongoing, positive relationship with the Bonneville Power Administration (BPA) to ensure both parties are up to date on availability and terms for increased demand for power should Whatcom PUD see increased industrial growth.
Strategy 6.3: Evaluate opportunities for Whatcom PUD to expand its role.	
a.	Continue to develop alternative energy strategies.
b.	Continue to support development of clean energy industries at Cherry Point.
c.	Investigate and support opportunities for electric utility municipalization or Community Choice Aggregation (CCA) programs.
d.	Seek out new broadband mid-mile opportunities.

VI. Special Initiatives / Year One Focus

Special initiatives and areas of focus/priority for Year One (2025) included below. **Need to highlight these in table above during layout.**

- 1.4 a. Actively monitor and participate in water rights adjudication process, water related legislative actions, and other water related activities that could impact the PUD.
- 2.2 a. Host joint commission and staff events.
- 2.4 a. Host annual Employee Appreciation event for celebration of staff contributions to organizational success
- 3.3 a. Maintain periodic reports and dashboards of financial performance that identifies, reports, and communicates key financial metrics for decision making. Publish data to website.
- 4.1 d. Invite community input through open house events at least annually.
- 4.1 e. Explore potential ways for community members to subscribe to news about topics of interest and ask questions or submit feedback through the new website platform.
- 5.1 a. Annually develop and proactively and strategically implement and communicate Whatcom PUD's legislative positions.
- 5.1 b. Enlist assistance of lobbyists as appropriate.
- 5.2 a. Develop and strengthen alliances and coalitions to advance common advocacy positions and objectives such as with the Washington PUD Association.
- 5.2 b. Develop and strengthen relations with local legislators, city policy makers, and their staff.

- 6.1 a. Continue development efforts of geothermal energy production on Mt. Baker, and provide policy and financial support for the initial phases of the exploration of the feasibility of that project.
- 6.2 a. Maintain an ongoing, positive relationship with the Bonneville Power Administration (BPA) to ensure both parties are up to date on availability and terms for increased demand for power should Whatcom PUD see increased industrial growth.

VII. Acknowledgements from the Commissioners

The Board of Commissioners are proud to present the Whatcom Public Utility District's 2025-2031 Strategic Plan. This document reflects our shared commitment to stewarding the public resources entrusted to us, while planning responsibly for the future needs of our community.

As commissioners, our role is to ensure that the PUD continues to deliver reliable, affordable, and sustainable utility services that enhance the quality of life in Whatcom County. We recognize that the challenges before us, ranging from infrastructure modernization to climate resilience, will require foresight, collaboration, and innovation. This plan outlines a clear roadmap to address those challenges while honoring our responsibility to the ratepayers we serve.

The Strategic Plan was shaped through thoughtful input from staff and our continued engagement with stakeholders and community members. It highlights our priorities for strengthening water resource management, supporting regional energy initiatives, enhancing operational excellence, and expanding partnerships that benefit both industry and the public. At its core, the plan reflects our belief that the PUD exists to serve the people of Whatcom County today and to prepare for the generations that follow.

We extend our gratitude to the PUD staff for their professionalism and dedication, and to our community for the trust placed in this organization. With this plan as our guide, the Commissioners are committed to ensuring that Whatcom PUD remains a reliable partner in building a resilient, sustainable, and thriving future for all.

Whatcom PUD Board of Commissioners