

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

Agenda for the Regular Meeting of December 9, 2025

8:15 a.m. at the PUD Office

(In-Person, Zoom, & Teleconference)

1. Call to Order | Pledge of Allegiance
2. Approval of Agenda (2 minutes)
3. Consent Agenda (5 minutes)
 - a) Approval of the Minutes of the Special Meeting of November 25, 2025
 - b) Approval of Claims for December 9, 2025
4. Public Comment (10 minutes – Individual speakers: 3 minutes)
5. General Manager Report (20 minutes)
6. Operations Report (10 minutes)
7. Old Business (25 minutes)
 - a) Broadband Update
 - b) Adjudication Update
 - c) Geothermal Update
 - d) Strategic Plan Update
 - e) New Customer Update
8. New Business (20 minutes)
 - a) Action 1: Elect Commission Officers for 2026
 - b) Action 2: Select District Representatives to Membership Organizations for 2026
 - c) Action 3: Approval of Commission Meeting Schedule for 2026
 - d) Action 4: Approve Work Order No. 2 With Toth & Associates Engineering to Design And Provide Construction Support for Construction of A 115kv Transmission Line and Authorize the General Manager to Sign the Agreement
 - e) Resolution 1: Resolution No. 883 A Resolution of The Commission of Public Utility District No. 1 of Whatcom County ("District") Adopting the District Budget for the 2026 Calendar Year
 - f) Resolution 2: Resolution No. 884 A Resolution by The Commission of Public Utility District No. 1 of Whatcom County ("District") Adopting Industrial Water Utility Water Rates, And Grandview Utility Service Rates For 2026
 - g) Resolution 3: Resolution No. 885 A Resolution by The Commission of Public Utility District No. 1 of Whatcom County ("District") Adopting Rates and Charges Related to Use and Operation of The District's Electric Utility For 2026
 - h) Resolution 4: Resolution No. 886 A Resolution by the Board of Commissioners of the Public Utility District No. 1 of Whatcom County ("District") Delegating Administrative Powers and Duties of the General Manager and Designees Superseding All Prior Resolutions Addressing the Same Subject Matter
 - i) Resolution 5: Resolution No. 887 A Resolution by The Board of Commissioners of Public Utility District No. 1 Of Whatcom County ("District") Amending the Salary Ranges List For District Administrative Employees
9. Commissioner Reports (10 minutes)
 - a) Upcoming Per Diem Requests
Commissioner Arnett: None as of publication
Commissioner Ury: None as of publication
Commissioner Deshmane: None as of publication
10. Public Comment (10 minutes– Individual speakers: 3 minutes)

11. Executive Session –

- Performance Review – Executive Director:
Executive session to discuss the performance review of the Executive Director pursuant to RCW 42.30.110(1)(g)

Executive session expected to last approximately 45 minutes.

12. Adjourn (Estimated 10:45 AM)

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/81965640590>

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: 819 6564 0590</p>

Next Commission Meetings

December 23, 2025 |8:15 a.m.| Regular Meeting

January 13, 2025 |8:15 a.m.| Regular Meeting

Meetings to be held at the District Office

1705 Trigg Road, Ferndale, WA 98248

or other location announced

Contact: Chris Heimgartner, General Manager (360) 384-4288 x 119

info@pudwhatcom.org

www.pudwhatcom.org

Name (original name)	Join time	Leave time	Duration (1 Guest	Recording disclaimer response	In waiting room
Mike M. Whatcom PUD - IT	11/25/2025 7:55	11/25/2025 11:08	194 No	OK	No
stephanieh	11/25/2025 7:55	11/25/2025 11:08	193 Yes	No Response	No
Whatcom PUD	11/25/2025 7:56	11/25/2025 10:46	170 No	No Response	No
Jon Sitkin	11/25/2025 7:56	11/25/2025 9:53	117 Yes	No Response	No
Joseph Shay	11/25/2025 8:05	11/25/2025 11:08	184 No	No Response	No
Annette Smith - Whatcom	11/25/2025 8:06	11/25/2025 11:08	183 No	No Response	No
Rebecca Schlotterback	11/25/2025 8:12	11/25/2025 10:46	154 No	No Response	No
Kurt Wank	11/25/2025 8:12	11/25/2025 11:08	177 No	No Response	No
Brian Heinrich, PSE	11/25/2025 8:13	11/25/2025 10:30	138 Yes	No Response	No
garrettl	11/25/2025 8:13	11/25/2025 8:43	30 Yes	No Response	No
Michael	11/25/2025 8:18	11/25/2025 11:08	170 Yes	No Response	No
Garrett	11/25/2025 8:44	11/25/2025 9:00	17 Yes	No Response	No
Jon Sitkin	11/25/2025 9:53	11/25/2025 10:46	53 Yes	No Response	No
Whatcom PUD	11/25/2025 11:01	11/25/2025 11:08	8 No	No Response	No
Jon Sitkin	11/25/2025 11:01	11/25/2025 11:08	8 Yes	No Response	No

HDR ENGINEERING, INC.	8,745.82
INTERNAL REVENUE SERVICE	25,550.17
LEN HONCOOP GRAVEL, INC.	2,234.48
MASSMUTUAL RETIREMENT SVCS LLC	12,010.00
MAUL FOSTER & ALONGI	4,628.75
MOTION AND FLOW CONTROL PRODUCTS INC	156.38
NORTHWEST CASCADE, INC.	165.50
NW PUBLIC POWER ASSOCIATION	1,260.00
ODP BUSINESS SOLUTIONS LLC	81.11
PACIFIC POWER BATTERIES	261.60
PAYLOCITY	450.10
PAYROLL	296,571.93
PITNEY BOWES GLOBAL FINANCIAL SERVICES LLC	201.92
PLATT ELECTRIC SUPPLY CO	1,331.73
PUBLIC UTILITY RISK MANAGEMENT SERVICES	12,462.24
PUGET SOUND ENERGY, INC	1,030.73
SMITH MECHANICAL	1,546.87
STAR RENTALS	428.72
TOTH AND ASSOCIATES, INC	22,359.73
URY, EDWARD	548.14
US BANK	4,773,326.40
VALVOLINE	72.12
WA FEDERAL VISA CARD MEMBER SERVICES	14,797.50
WA ST DEPT OF REVENUE - EXCISE TAX	112,520.31
WASHINGTON ALARM, INC.	190.59
WESTERN CONFERENCE OF TEAMSTERS	8,834.00
GRAND TOTAL	\$ 6,393,973.57

4. **Public Comment** – None.

5. **General Manager’s Report** – Chris Heimgartner, General Manager reported on an email received from the WPUDA regarding the creation of a utility-funded wildfire fund for the purpose of paying damage awards for utility caused wildfires. Mr. Heimgartner presented and discussed with the commission a letter received from WPUDA urging opposition to H.R. 278, the “BROADBAND Leadership Act,” federal legislation which seeks to expand federal control over public utility infrastructure. The letter also requests opposition to H.R. 2289 which has been amended to include the text of H.R. 278. Commissioner Deshmane made a motion to sign on to WPUDA’s letter. Commissioner Arnett seconded the motion. The motion passed unanimously.

6. **Operations Report** – Kurt Wank, Assistant General Manager informed the commission that the D Station work should be completed within the week and that monitoring of the water flows to BP would be possible upon the completion of the D Station work.

7. **Old Business**

a) **Broadband Update** – Andrew Entrikin, Director of Broadband and New Power Supply informed the commission that updated Point Roberts make-ready plans have been resubmitted and the project is progressing.

b) **Adjudication Update** – Jon Sitkin, General Counsel updated the commission on the work the rules committee is doing in regards to the adjudication. Mr. Sitkin has asked the rules committee to appoint either Sara Frase or Matt Wells to be Mr. Sitkin’s replacement upon his retirement in January.

c) **Geothermal Update** – Chris Heimgartner, General Manager informed the commission that decisions on study land lease designations would be made in March.

d) **Strategic Plan Update** – Lisa Moeller, Director of HR and Communications presented the final strategic plan to the commission for approval. Commissioner Ury made a motion to approve the strategic plan for publication. Commissioner Arnett seconded the motion. The motion passed unanimously.

e) **New Customer Update** – Kurt Wank, Assistant General Manager reported AltaGas has signed the letter of intent to move forward with the substation project.

8. New Business

- a) Annette Smith, Finance Director presented the proposed 2026 Final Budget to the commission.
- b) Commissioner Deshmane recessed the regular commission meeting and opened the public hearing to allow for public comment on the proposed final budget. No public comment was presented. Commissioner Deshmane closed the public hearing and resumed the regular commission meeting.

9. Commission Reports/Per Diem Requests:

Commissioner Arnett: No non-pre-approved per diem requests, Commissioner Arnett discussed her recent attendance at meetings for WPUDA, the Salmon Summit, and WRIA 1.

Commissioner Deshmane: No non-pre-approved per diem requests, Commissioner Deshmane discussed his recent attendance at meetings for WPUDA and the Energy Summit. He also discussed clarification regarding reimbursement for meals as relates to him being a bicycle commuter. Commissioner Arnett also expressed interest in changing the PUD's travel expense reimbursement policy and changing it to a per diem structure. Peter Ruffatto, Legal Counsel will work on the policy change for review by the commissioners.

Commissioner Ury: No non-pre-approved per diem requests, discussed his attendance at WPUDA and the Energy Summit.

10. Public Comment – None.

11. Executive Session

Commissioner Deshmane made the following announcements: Executive session was convened at 10:50 AM to discuss the following subjects:

- Pending or Potential Litigation:
Executive session to discuss with legal counsel pending or potential litigation pursuant to RCW 42.30.110(1)(i)
- Performance Review – Executive Director:
Executive session to discuss the performance review of the Executive Director pursuant to RCW 42.30.110(1)(g)

The executive session was expected to last 10 minutes and conclude at 11:00 AM. Commissioner Deshmane announced that the executive session had concluded at 11:00 AM at which point he resumed the regular meeting.

9. New Business

c) Following the executive session Commissioner Deshmane read the following proposed motion:

1. Authorize the expenditure of \$100K + closing costs for the acquisition of an expanded water facilities easement and clarified access easement at the Northgate Industrial Park, conditioned on the termination of the Oxy Corp PUD Purchase Agreement and refund of the earnest money deposited; and
2. Authorize the General Manager to approve the final easement documents and related agreements as approved by PUD counsel

Commissioner Arnett moved that the motion be passed as read. Commissioner Deshmane seconded. The motion passed unanimously

12. Adjourn

There being no further business Commissioner Deshmane adjourned the meeting at 11:08 a.m.

Atul Deshmane, President/Commissioner

Jaime Arnett, Vice President/Commissioner

Eddy Ury, Secretary/Commissioner

Commission Clerk Note:

Video recordings of the Whatcom PUD Commission Meetings are available online at the following link on the PUD's Website: <https://www.pudwhatcom.org/the-commission/agenda-packets-meeting-minutes-recordings/>



Memo

To: Commissioners Arnett, Deshmane, and Ury
From: Joseph Shay, Clerk to the Board/Records
Date: December 9, 2025
Re: Elect Commission Officers for 2026

Requested Actions: ELECT COMMISSION OFFICERS FOR 2023:
(1) PRESIDENT, (2) VICE PRESIDENT AND (3) SECRETARY.

Background: Each year, the Commission elects officers for the Board of Commissioners for the upcoming calendar year. The Commission takes action on the election of officers without recommendation from staff.

Fiscal Impact: None.

Recommended Actions: ELECT COMMISSION OFFICERS FOR 2025:
(1) PRESIDENT, (2) VICE PRESIDENT AND (3) SECRETARY.

PUBLIC UTILITY DISTRICT NO. 1 OF WHATCOM COUNTY

P.O. Box 2308 | 1705 Trigg Road
Ferndale, WA 98248-9383
(360) 384-4288
www.pudwhatcom.org

Commissioners: Jaime Arnett, Atul Deshmane, Eddy Yury Chris Heimgartner, General Manager



Memo

To: Commissioners Arnett, Deshmane, and Ury
 From: Joseph Shay, Clerk to the Board/Records
 Date: December 9, 2025
 Re: Select District Representatives to Membership Organizations for 2026

Background: Each year the Commission acts to approve Commission and staff representatives to organizations of which the District is a member. The following organizations should have representatives designated by the Commission to speak on behalf of the District as appropriate. Below are the current commission and staff designees.

Fiscal Impact: None.

Recommended Action: SELECT DISTRICT REPRESENTATIVES TO THE FOLLOWING ORGANIZATIONS:

- **Washington Public Utility Districts Association:** WPUDA Committees and District designees:

Committee	<i>Primary Representative</i>	<i>Alternate</i>
Board of Directors	Jaime Arnett	Eddy Ury
Managers Committee	Chris Heimgartner	Kurt Wank
Government Relations Committee	Jaime Arnett	Eddy Ury
Communications Committee	Jaime Arnett	Chris Heimgartner
Energy Committee	Eddy Ury	Atul Deshmane
Water Committee	Atul Deshmane	Eddy Ury
Telecom Committee	Atul Deshmane	Andrew Entrikin

- **Whatcom County Economic Development Investment Board:**
 Delegate: Atul Deshmane
 Alternate: Eddy Ury
- **Whatcom County Council of Governments (WCCOG):**
 Delegate: Eddy Ury
 Alternate: Atul Deshmane
- **Public Utility Risk Management Services (PURMS):** This is the District’s insurance pool coalition. We are required to have a District designated “voting” representative.

Voting Representative: Atul Deshmane
 Alternate(s): Annette Smith

- **Watershed Resource Inventory Area No. 1 (WRIA1)** – Appoint WRIA 1 Watershed Management Board Representative and alternate; and appoint WRIA 1 Planning Unit representative and alternate.

Current representatives:

WRIA 1	<i>Primary Representative</i>	<i>Alternate</i>
Watershed Mgmt. Board	Jaime Arnett	Chris Heimgartner
Planning Unit	Chris Heimgartner	Rebecca Schlotterback

- **Energy Northwest:**
Energy Northwest Representative: Eddy Ury
Alternate: Atul Deshmane



Memo

To: Commissioners Arnett, Deshmane, and Ury
From: Joseph Shay, Clerk to the Board/Records
Date: December 9, 2025
Re: Commission Meeting Schedule for 2026

Requested Actions: APPROVE THE COMMISSION MEETING SCHEDULE FOR 2026

Background: The Commission of PUD No. 1 of Whatcom County meets the second and fourth Tuesdays of every month. Below is the list of Commission Meeting Dates for the year 2026.

Fiscal Impact: None.

Recommended Actions: APPROVE THE COMMISSION MEETING SCHEDULE FOR 2026

2026 Commission Meeting Dates

January 13, 2026	January 27, 2026
February 10, 2026	February 24, 2026
March 10, 2026	March 24, 2026
April 14, 2026	April 28, 2026
May 12, 2026	May 26, 2026
June 9, 2026	June 23, 2026
July 14, 2026	July 28, 2026
August 11, 2026	August 25, 2026
September 8, 2026	September 22, 2026
October 13, 2026	October 27, 2026
November 10, 2026	November 24, 2026
December 8, 2026	December 22, 2026



Memo

To: Commissioners Arnett, Deshmane, and Ury
From: Kurt Wank, Assistant General Manager
Date: December 9, 2025
Re: Approve Work Order No.2 with Toth and Associates

Requested Actions: APPROVE WORK ORDER NO. 2 WITH TOTH & ASSOCIATES ENGINEERING TO DESIGN AND PROVIDE CONSTRUCTION SUPPORT FOR CONSTRUCTION OF A 115KV TRANSMISSION LINE AND AUTHORIZE THE GENERAL MANAGER TO SIGN THE AGREEMENT.

Background: Public Utility District No. 1 of Whatcom County (“Whatcom PUD”) has an Agreement for Professional Surveying and Engineering Services (“Agreement”) with Toth & Associates Engineering, Inc. (“Engineer”). Whatcom PUD and Engineer agree that this Work Order No. TOT250212 and the tasks authorized to be completed hereunder are to be performed consistent with the terms and conditions of the Agreement.

Fiscal Impact: Approval of Work Order No. 2 will have no fiscal impact to the Whatcom PUD as it has been accounted for in the 2026 Whatcom PUD Budget.

Recommended Actions: APPROVE WORK ORDER NO. 2 WITH TOTH & ASSOCIATES ENGINEERING TO DESIGN AND PROVIDE CONSTRUCTION SUPPORT FOR CONSTRUCTION OF A 115KV TRANSMISSION LINE AND AUTHORIZE THE GENERAL MANAGER TO SIGN THE AGREEMENT.

WORK ORDER NO. TOT250212

**PER ENGINEERING SERVICES AGREEMENT BETWEEN
PUBLIC UTILITY DISTRICT NO. 1 OF WHATCOM COUNTY
AND
TOTH & ASSOCIATES ENGINEERING
FOR**

115kV Transmission Line

BACKGROUND:

Public Utility District No. 1 of Whatcom County (“Whatcom PUD”) has an Agreement for Professional Surveying and Engineering Services (“Agreement”) with Toth & Associates Engineering, Inc. (“Engineer”). Whatcom PUD and Engineer agree that this Work Order No. TOT250212 and the tasks authorized to be completed hereunder are to be performed consistent with the terms and conditions of the Agreement.

SCOPE OF SERVICES:

Engineer’s work will include Design Services for a new 115kV Transmission line spur. Design Services include 10%, 60%, 90%, and Issued For Construction plans. Additional services include land services and As-Built Package. Engineer will manage construction bid process, provide engineering support during construction, and includes two site visits.

The Scope of Services described herein for this Work Order No. TOT250212 is to be considered consistent with and the same as the Engineer’s proposed scope of services identified in Engineer’s letter dated December 4, 2025 and received by email December 4, 2025.

TASKS:

- 1) Prepare 10%, 60%, 90%, drawings and specification.
- 2) Land Services and Permit support
- 3) Construction support

DELIVERABLES:

- 1) 10%, 60%, 90%, drawings and specification.
- 2) Issued for Construction submittal package sealed by licensed professional engineer.
- 3) As-Built package

FEE FOR SERVICES:

Total compensation for services and related expenses provided under Work Order No. TOT250212 shall not exceed **Three Hundred and Forty Thousand Dollars (\$340,000.00)**, pretax, without prior written authorization of Whatcom PUD and approval by Whatcom PUD.

SCHEDULE:

The services to be provided shall commence upon approval of Work Order No. TOT250212 and Whatcom PUD’s authorization to proceed, via mail or e-mail. The Scope of Services shall be completed and the Deliverables provided no later than December 31, 2026.

SIGNATORIES TO WORK ORDER No. TOT250212

**PUBLIC UTILITY DISTRICT NO. 1
OF WHATCOM COUNTY**

**TOTH & ASSOCIATES
ENGINEERING, INC**

By: _____

Name: Chris Heimgartner

Title: General Manager

Date: _____

By: _____

Name: Jess Moran

Title: Vice President

Date: _____



Action Memo

To: Commissioners Arnett, Deshmane, Ury
From: Annette Smith, Director of Finance
Date: December 9, 2025
Re: 2026 Budget and Rates Resolutions

Requested Action – Approve Resolutions 883, 884, and 885 for the District’s 2026 budget and rates

Background – Following the presentations to the Commission, customers, and following the public hearing on the draft 2026 budget, staff is recommending the Commission adopt the 2026 budget and rates for water and electric services. To do this, a series of resolutions are passed for the budget of the upcoming year and also the appropriate rates and charges for each utility. The following resolutions are presented for approval for the 2026 year:

Resolution 883 – Adopting the District Operating and Capital Budget for the 2026 calendar year, including an Emergency Reserve level set at **\$370,000**

Resolution 884 – Adopting the Industrial Water Utility water rates and Grandview water rates for 2026

Resolution 885 – Adopting the Electric Utility rates for calendar year 2026

Fiscal Impact – Establish rates to appropriate 2026 levels to reflect 2026 Operating and Capital Budgets

Requested Action – Approve Resolution 883 Adopting the District Operating and Capital Budget for 2026, including an Emergency Reserve level set to \$370,000

Requested Action – Approve Resolution 884 Adopting the Industrial and Grandview water rates for 2026

Requested Action – Approve Resolution 885 Adopting the Electric Utility rates for 2026

RESOLUTION NO. 883

**A RESOLUTION OF THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1
OF WHATCOM COUNTY ("DISTRICT")
ADOPTING THE DISTRICT BUDGET FOR THE 2026 CALENDAR YEAR**

WHEREAS, in conformity with the laws of the State of Washington, this Commission prepared a proposed budget of contemplated financial transactions of the District for the ensuing year;

WHEREAS, the Commissioners of the District held a public hearing on the budget at the regular Commissioners meeting, on November 25, 2025, to review said budget;

WHEREAS, the Commissioners established Resolution 728, a “Financial Management Policy” where the restricted Emergency Reserve would be reviewed annually during the budget process;

WHEREAS, the Commissioners deemed it to be in the best interest of the District that the budget for the year January 1 to December 31, 2026, be finally determined and adopted as set out below, and

NOW, THEREFORE, BE IT RESOLVED, that the Commissioners of Public Utility District No. 1 of Whatcom County do hereby adopt the budget as finally determined as set forth in Exhibit A attached for Industrial Water Utility, Grandview Utility, Electric Utility, and Exhibit B for Capital Budget hereto, and do fix the final amount of expenditures for the ensuing year in words and figures as set forth in the copy of said budget attached to the original copy of this Resolution, which budget is set forth in the official records of the Commission directly below the entry of this Resolution. The individual utility budgets, Emergency Reserve and Capital Budget amounts are as follows:

<u>Exhibit A</u>	
Industrial Water Utility	\$ 18,330,448
Grandview Utility	410,061
<u>Electric Utility</u>	<u>16,929,041</u>
Total Budget:	\$ 35,669,550

<u>Exhibit B</u>	
Capital Budget (for 2026)	\$ 54,117,076
Emergency Reserve (for 2026)	\$ 370,000

ADOPTED by the Commission of the Public Utility District No. 1 of Whatcom County at its regular meeting held on the 9th day of December 2025.

**Public Utility District No. 1
of Whatcom County**

President/Commissioner

Secretary/Commissioner

Commissioner

Exhibit A

WHATCOM PUD					
2026 Operating Budget BUDGET AT A GLANCE		INDUSTRIAL WATER UTILITY 403	GRANDVIEW UTILITY 411	ELECTRIC UTILITY 481	TOTAL COMBINED BUDGET
		<i>(Cherry Point Ind., Irrigation, Temp)</i>	<i>(Potable, Non-potable Water & Fire)</i>		
BUDGETED OPERATING REVENUE					
	TOTAL DISTRICT SERVICE REVENUE <i>(Includes Irrigation)</i>	\$ 17,531,774	\$ 369,279	\$ 2,629,331	\$ 20,530,385
	TOTAL ELECTRIC "PASS-THRU" REVENUE	-	-	11,011,307	11,011,307
	TOTAL BUSINESS SERVICES REVENUE	29,757	265	3,249,515	3,279,537
	TOTAL INTEREST AND OTHER REVENUE	768,917	40,517	38,887	848,321
TOTAL BUDGETED OPERATING REVENUE		\$ 18,330,448	\$ 410,061	\$ 16,929,041	\$ 35,669,550
BUDGETED OPERATING COSTS					
LABOR AND BENEFITS					
	TOTAL LABOR & BENEFITS - OPERATIONS & MAINTENANCE	\$ 1,790,400	\$ 87,172	\$ 408,920	\$ 2,286,492
	TOTAL LABOR & BENEFITS - ADMINISTRATION	1,575,566	22,735	1,000,865	2,599,165
TOTAL LABOR AND BENEFITS		\$ 3,365,966	\$ 109,907	\$ 1,409,784	\$ 4,885,657
	TOTAL LABOR	2,332,919	75,128	986,837	3,394,885
	TOTAL BENEFITS	1,033,047	34,778	422,947	1,490,772
VARIABLE O&M EXPENSE					
	TOTAL PURCHASED WATER	\$ -	\$ 4,294	\$ -	\$ 4,294
	TOTAL PURCHASED POWER	671,943	5,156	10,399,099	11,076,198
	TOTAL TAXES ON "PASS-THRU" POWER COSTS	-	-	617,619	617,619
	TOTAL WATER PURIFICATION	549,370	3,645	-	553,016
TOTAL VARIABLE O&M EXPENSE		\$ 1,221,314	\$ 13,095	\$ 11,016,718	\$ 12,251,127
FIXED O&M EXPENSE					
	TOTAL O&M SERVICES	\$ 221,661	\$ 30,256	\$ 4,956	\$ 256,873
	TOTAL MATERIAL AND SUPPLIES	252,368	2,040	203,593	458,002
	TOTAL EXTRAORDINARY MAINTENANCE	615,000	-	170,000	785,000
TOTAL FIXED O&M EXPENSE		\$ 1,089,029	\$ 32,296	\$ 378,550	\$ 1,499,875
ADMINISTRATION, PLANNING & BUSINESS DEVELOPMENT (P&BD)					
	TOTAL OUTSIDE SERVICES - ROUTINE	\$ 365,711	\$ 10,990	\$ 259,300	\$ 636,000
	TOTAL OUTSIDE SERVICES - PLANNING & DEV	308,091	10	30,899	339,000
	TOTAL INSURANCE	127,655	7,309	81,929	216,893
	TOTAL OFFICE EXPENSE	229,227	1,819	171,133	402,178
	TOTAL SUBSCRIPTIONS & MEMBERSHIPS	16,902	133	21,425	38,460
	TOTAL FEES, PERMITS, & ASSESSMENTS	9,566	278	983	10,827
	TOTAL ADVERTISEMENTS & NOTICES	6,873	61	5,662	12,597
	TOTAL MILEAGE & VEHICLES EXPENSE	18,109	55	7,326	25,490
	TOTAL EDUCATION & CONFERENCES	32,042	221	25,866	58,129
	TOTAL PAYMENT TO ELECTRIC	301,331	-	-	301,331
	TOTAL MISCELLANEOUS AND ELECTIONS	165,755	1,456	134,853	302,064
SUBTOTAL ADMIN AND P&BD BEFORE TAXES		\$ 1,581,262	\$ 22,331	\$ 739,376	\$ 2,342,969
	TOTAL OTHER TAXES	1,015,826	21,269	139,162	1,176,257
TOTAL ADMIN, PLANNING & BUSINESS DEV		\$ 2,597,088	\$ 43,600	\$ 878,538	\$ 3,519,226
SUBTOTAL OPERATING BUDGET		\$ 8,273,397	\$ 198,898	\$ 13,683,591	\$ 22,155,885
BUSINESS SERVICES					
	TOTAL BUSINESS SERVICES - DIRECT COSTS	\$ 29,757	\$ 265	\$ 3,249,515	\$ 3,279,537
TOTAL BUSINESS SERVICES		\$ 29,757	\$ 265	\$ 3,249,515	\$ 3,279,537
CAPITAL COSTS					
	TOTAL TRANSFERS FOR CAPITAL PROJECTS	\$ 2,000,000	\$ 30,000	\$ 300,000	\$ 2,330,000
	TOTAL INTERFUND PAYMENT FOR CAPITAL COSTS	(65,000)	65,000	-	-
	TOTAL DEBT SERVICE - OPERATING FUNDS	6,353,306	29,203	471,614	6,854,123
TOTAL CAPITAL COSTS		\$ 8,288,306	\$ 124,203	\$ 771,614	\$ 9,184,123
SUBTOTAL BUDGET BEFORE RESERVES		\$ 16,591,460	\$ 323,365	\$ 17,704,720	\$ 34,619,545
TOTAL CHANGE IN OPERATING RESERVES		\$ 1,738,988	\$ 86,696	\$ (775,679)	\$ 1,050,005
TOTAL BUDGETED OPERATING COSTS		\$ 18,330,448	\$ 410,061	\$ 16,929,041	\$ 35,669,550

Exhibit B

WHATCOM PUD

2026 Capital Improvement Budget (CIP)

CIP Number	Project Name	2025 Projected	2026 Budget	2027 Budget	2028 Budget	2029 Budget	2030 Budget	2026-2030 Budget
INTERNAL SERVICES								
IS-1	Admin Office Remodel	\$ 53,002	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IS-5	Administrative Staff Vehicles	-	-	45,000	45,000	-	-	90,000
IS-12	SCADA System Analysis, Equipment Eval & Upgrade	42,025	40,000	40,000	40,000	40,000	40,000	200,000
IS-14	Office Equipment and Computer HW & SW Replace	27,864	7,000	122,000	13,000	7,000	7,000	156,000
IS-15	Communications Backbone System Build-out and Upgrade	152,415	300,000	300,000	300,000	300,000	300,000	1,500,000
IS-16	Campus Security	-	135,000	-	-	-	-	135,000
IS-19	Solar Panels Plant 2	6,087	-	-	-	-	-	-
IS-20	Document Management Software	-	50,000	-	-	-	-	50,000
	Sub-Total (IS) Internal Services CIP Projects	\$ 281,394	\$ 532,000	\$ 507,000	\$ 398,000	\$ 347,000	\$ 347,000	\$ 2,131,000
INDUSTRIAL WATER								
RWL	PROJECT MANAGEMENT	-	400,000	400,000	400,000	400,000	400,000	2,000,000
RW-14	Water Utility Vehicles	64,311	-	65,000	46,000	46,000	-	157,000
RW-22	Install Main Line Valves on Distribution System	142,668	300,000	300,000	300,000	300,000	200,000	1,400,000
RW-27	Water Utility Major Non Vehicle Equipment	19,702	20,000	20,000	20,000	20,000	10,000	90,000
RW-28	Water Treatment Plant 1 Project	489,082	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
RW-33	Petrogas Meter/Valve Relocate	88,624	272,000	-	-	-	-	272,000
RW-34	PSE-Whitehorn Meter/Valve Relocate	-	50,000	50,000	480,000	-	-	580,000
RW-35	Plant 1 & 2 VFD Replacement & Additions	78,126	200,000	100,000	-	-	-	300,000
RW-38	Plant 1 Rebuild	2,276,599	40,500,000	38,000,000	31,000,000	24,500,000	11,000,000	145,000,000
RW-44	D Station Improvements	296,954	-	-	-	-	-	-
RW-47	Intake Screens	290	-	-	-	-	-	-
RW-48	Replace Intake or Hi-head pump and motors	142,906	250,000	250,000	-	-	-	500,000
RW-50	Plant 2 New storage	100,000	350,000	400,000	400,000	-	-	1,150,000
RW-53	Intake Water sprayer system replace air scour	77	-	-	-	-	-	-
RW-54	Floc Replacement	-	50,000	-	35,000	-	35,000	120,000
RW-55	Power to the Intertie vault - see E-31	21,690	-	-	-	-	-	-
RW-56	WTP1 Intake Screen Rework	44,569	300,000	300,000	-	-	-	600,000
RW-58	Turbidity Vault	39,082	-	-	-	-	-	-
RW-59	WTP2 Basin Refresh	-	50,000	50,000	50,000	50,000	50,000	250,000
RW-61	Douglas Line stop and control valve	-	450,000	150,000	-	-	-	600,000
RW-98	Water Basin Enclosures	179,304	3,000,000	-	-	-	-	3,000,000
UNPLANNED	Un-Planned Raw Water Projects	12,946	-	-	-	-	-	-
	Sub-Total (RW) Industrial Raw Water CIP Projects	\$ 3,996,927	\$ 47,192,000	\$ 41,085,000	\$ 33,731,000	\$ 26,316,000	\$ 12,695,000	\$ 161,019,000
GRANDVIEW								
GVL	PROJECT MANAGEMENT	-	6,714	6,708	6,685	6,674	74	26,855
GVF-4	Grandview Fire System Rehab	-	10,000	10,000	10,000	10,000	10,000	50,000
GVP-3	Grandview Potable System Improvements	15,232	50,000	150,000	150,000	150,000	-	500,000
GVP-4	Potable Plant Land Acquisition	52,734	100,000	-	-	-	-	100,000
GVP-7	Replace Booster Pump Well Diesel	-	5,000	5,000	5,000	-	-	15,000
	Sub-Total (GV) Grandview Water CIP Projects	\$ 67,966	\$ 171,714	\$ 171,708	\$ 171,685	\$ 166,674	\$ 10,074	\$ 691,855
ELECTRIC								
EL	PROJECT MANAGEMENT	-	26,362	19,268	14,912	13,023	9,503	83,068
E-6	115 kV Transmission Structure/Conductor Upgrades	196,486	250,000	200,000	150,000	50,000	50,000	700,000
E-15	Electric Utility Vehicles	-	80,000	-	-	80,000	-	160,000
E-22	Upgrade/Replace Ferndale Substation	27,423	-	-	-	-	-	-
E-25	Non-Vehicle Equipment	22,323	30,000	10,000	10,000	10,000	10,000	70,000
E-28	Refinery Substation Capacity Upgrades	323	-	-	-	-	-	-
E-29	Pole storage area	-	75,000	-	-	-	-	75,000
E-30	Cap Bank Replacement Refinery sub	-	400,000	-	-	-	-	400,000
E-31	Power to Intertie and Altagas	-	4,500,000	-	-	-	-	4,500,000
E UNPLAN	Unplanned Electric Projects	504	-	-	-	-	-	-
	Sub-Total (E) Electrical CIP Projects	\$ 247,059	\$ 5,361,362	\$ 229,268	\$ 174,912	\$ 153,023	\$ 69,503	\$ 5,988,068
BROADBAND								
BB-1	Pt Roberts Fiber Project	1,018,000	-	-	-	-	-	-
	Sub-Total (BB) Broadband CIP Projects	\$ 1,018,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXTRAORDINARY MAINTENANCE								
RW-M-2	Clean Sediment Settling Ponds	171,569	250,000	250,000	250,000	250,000	250,000	1,250,000
RW-M-7	D Station Reliability Upgrades	639,154	-	-	-	-	-	-
RW-M-10	High Head Pump Re-build (Annual Maint Project)	14,974	125,000	125,000	125,000	125,000	125,000	625,000
RW-M-14	Demolish Communication Tower at Bender Park	16,320	-	-	-	-	-	-
RW-M-15	Paint Exterior of Buildings	42,214	40,000	40,000	-	-	-	80,000
RW-M-16	Transmission Line Flow Testing and Improvements	-	200,000	100,000	50,000	-	-	350,000
GVF-M-2	Grandview Fire Pond Decommissioning	-	75,000	-	-	-	-	75,000
E-M-1	Transmission Line Vegetation Management	50,301	50,000	50,000	50,000	50,000	50,000	250,000
E-M-4	Aerial Inspection of line and Substations	37,950	120,000	40,000	40,000	40,000	40,000	280,000
E-M-5	Enterprise Substation Maint	9,961	-	-	-	-	-	-
MMISC	Miscellaneous Extraordinary Maintenance	132,916	-	-	-	-	-	-
	Sub-Total (M) Maintenance Projects	\$ 1,115,359	\$ 860,000	\$ 605,000	\$ 515,000	\$ 465,000	\$ 465,000	\$ 2,910,000
	Grand Total	\$ 6,726,705	\$ 54,117,076	\$ 42,597,976	\$ 34,990,597	\$ 27,447,697	\$ 13,586,577	\$ 172,739,923

RESOLUTION NO. 884

**A RESOLUTION BY THE COMMISSION OF
PUBLIC UTILITY DISTRICT NO. 1 OF
WHATCOM COUNTY (“DISTRICT”)
ADOPTING INDUSTRIAL WATER UTILITY
WATER RATES, AND GRANDVIEW UTILITY SERVICE RATES FOR 2026**

WHEREAS, the DISTRICT’s policy for determining water rates involves an annual adjustment of water rate components based on planned capital improvements and budget changes to the utility; and

WHEREAS, at the regular meeting of the Commission on November 25, 2025, a public hearing was held to solicit comments on the proposed 2026 District Budget, and

WHEREAS, after notice to water customers the Board of Commissioners discussed and reviewed the proposed 2026 Water Utility Rates and proposed 2026 District Budget at the regular meeting of the Commission on November 25, 2025; and

WHEREAS, the Commission approved the 2026 District Budget at the regular meeting of the Commission on December 9, 2025,

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of Public Utility District No. 1 of Whatcom County will adopt the Industrial Water Utility Rates and Grandview Utility Rates for 2026 which includes the following documents:

- Exhibit A - Industrial Water Utility 2026 Rates
- Exhibit B - Industrial Water Utility 2026 Other Rates and Revenue
- Exhibit C - Grandview Water Utility 2026 Service Rates

ADOPTED by the Board of Commissioners of Public Utility District No. 1 of Whatcom County at a regular meeting held on the 9th day of December, 2025.

**Public Utility District No. 1 of
Whatcom County**

President/Commissioner

Attest: Secretary/Commissioner

Commissioner

Exhibit A

Industrial Water Utility 2026 Rates

Retail Unit Costs	2025	2026	% Change
Cherry Point			
Fixed Capital Charge (mgd)	\$17,000.00	\$18,500.00	8.8%
Fixed Operating Charge (mgd)	\$23,500.00	\$25,000.00	6.4%
Fixed Fire Charge	\$1,300.00	\$1,300.00	0.0%
Fixed Potable Charge	\$115.00	\$120.00	4.3%
Cherry Point Consumption Rate (m	\$488.37	\$944.74	93.4%
Irrigation (separate increase)			
Fixed Charge	\$698.51	\$735.00	5.2%
Consumption Charge (mg)	\$1,578.15	\$1,655.95	4.9%
Temporary (separate increase)			
Fixed Charge	\$330.75	\$350.00	5.8%
Consumption Charge (mg)	\$3,472.88	\$3,630.71	4.5%
Projected Sales	\$ 14,827,943	\$ 17,777,307	19.9%

MONTHLY FIXED CHARGES												
Customer Revenues	QIC (MGD)	QIO (MGD)	EST USAGE (MG)	Fixed Capital	Fixed Operating	Fixed Fire	Fixed Potable	Monthly Fixed	Annual Fixed \$	Annual Consumption \$	Annual Total \$	2026 % Increase
Cherry Point												
ALCOA INTALCO	2.8	0.18	5.40	\$ 51,800	\$ 4,500	\$ -	\$ -	\$ 56,300	\$ 675,600	\$ 5,102	\$ 680,702	9.0%
BN/SF	0	0	-	-	-	1,387	-	1,387	16,643	-	16,643	6.7%
BP CHERRY POINT	23.6	12.6	2,500.00	436,600	315,000	-	-	751,600	9,019,200	2,361,859	11,381,059	18.7%
ALA ENERGY	0.05	0.03	11.50	925	750	-	-	1,675	20,100	10,865	30,965	27.6%
CHEMCO	0.02	0.01	0.16	370	250	-	-	620	7,440	155	7,595	8.8%
GATEWAY PACIFIC TERMINAL	0	0	-	-	-	-	-	-	-	-	-	0.0%
PHILLIPS 66	6	4	1,300.00	111,000	100,000	-	-	211,000	2,532,000	1,228,167	3,760,167	25.9%
CORNERSTONE COMMUNITY CHURCH	0	0	-	-	-	624	-	624	7,489	-	7,489	6.7%
PRAXAIR	0.14	0.07	9.80	2,590	1,750	-	184	4,524	54,288	9,258	63,546	16.7%
PSE WHITEHORN	0.29	0.04	1.10	5,365	1,000	-	-	6,365	76,380	1,039	77,419	9.1%
PSE FERNDAL E GEN STN	2.7	2	462.00	49,950	50,000	-	-	99,950	1,199,400	436,472	1,635,872	22.0%
FREE RAIN FARMS	0.02	0.01	4.00	370	250	-	-	620	7,440	3,779	11,219	26.7%
GRANDVIEW	0.01	0.01	0.48	185	250	-	-	435	5,220	453	5,673	11.4%
IRRIGATION			43.65						22,785	72,282	95,067	5.0%
TEMPORARY			0.69						1,400	2,491	3,891	5.0%
Total			4,338.78						\$13,645,386	\$ 4,131,921	\$ 17,777,307	19.9%

*Annual Revenue estimated based on forecasted consumption

Exhibit B

WHATCOM PUD									
Industrial Water Utility									
2026 Other Rates and Revenue									
					Rate as set by Commission		Rate Last Year		
	Excess Usage Fee				\$ 1,315.30	per af	\$ 1,092.35	per af	
	Excess Demand Fee				\$ 300,000.00	per mgd	\$ 282,000.00	per mgd	
	Minimum Charge for Customer Assistance				\$ 100.00		\$ 100.00		
	Minimum Reconnection Fee				\$ 500.00		\$ 500.00		
	Direct Charges:	Praxair potable			\$ 140.00		\$ 115.00		
		Temporary Water Fixed			\$ 350.00		\$ 335.00		
		Temporary Water Variable			\$ 3.63		\$ 3.45	per 1,000 g	

Exhibit C

WHATCOM PUD										
GRANDVIEW UTILITY										
2026 Service Rates & Revenue										
Account	Meter #	Company	Potable Meter Equivalent (ME) Used	Monthly Fixed Potable Meter Charge	Monthly Fixed Fire Charge	Annual Fixed Charges	Estimated Potable Usage (ccf)	Estimated Non-Potable Usage (ccf)	Annual Volume Revenue	Total Annual Revenue
				Fixed Potable Meter Charge	\$ 125.00	Per ME				
				Fixed Fire Charge	\$ 225.00	Per connection				
				Volume Potable Charge	\$ 28.23	Per ccf				
				Volume Non-Potable Charge	\$ 16.00	Per ccf				
02-0001	1	Kona Usa	1.00	\$ 125.00	\$ 225.00	\$ 4,200.00	140	0	\$ 3,962.92	\$ 8,162.92
02-0002	2	Can America Exports	1.00	\$ 125.00	\$ 225.00	\$ 4,200.00	0	0	\$ -	\$ 4,200.00
02-0003	3	Can America Exports	1.00	\$ 125.00	\$ 225.00	\$ 4,200.00	0	0	\$ -	\$ 4,200.00
02-0004	4	Crystal Creek Logistics	1.00	\$ 125.00	\$ 225.00	\$ 4,200.00	11	0	\$ 313.26	\$ 4,513.26
02-0005	5	Highland Property	1.00	\$ 125.00	\$ 225.00	\$ 4,200.00	8	0	\$ 226.45	\$ 4,426.45
02-0006	6	Perry Pallet	1.00	\$ 125.00	\$ 225.00	\$ 4,200.00	124	0	\$ 3,510.01	\$ 7,710.01
02-0007	7	Homefire Prest Logs	1.00	\$ 125.00	\$ 225.00	\$ 4,200.00	22	0	\$ 634.07	\$ 4,834.07
02-0008	8	Empire Comfort Systems	1.67	\$ 208.75	\$ 225.00	\$ 5,205.00	171	0	\$ 4,830.98	\$ 10,035.98
02-0009	9	Silvastar Forest Products	1.00	\$ 125.00	\$ 225.00	\$ 4,200.00	17	0	\$ 479.32	\$ 4,679.32
02-0009	9.5	Silvastar Forest Products	1.00	\$ 125.00	\$ 225.00	\$ 4,200.00	234	0	\$ 6,593.54	\$ 10,793.54
02-0013	13	Western Refinery Svc	1.00	\$ 125.00	\$ 225.00	\$ 4,200.00	826	0	\$ 23,324.59	\$ 27,524.59
02-0013	13.5	Western Refinery Svc	1.00	\$ 125.00	\$ 225.00	\$ 4,200.00	12	0	\$ 339.68	\$ 4,539.68
02-0013	13.6	Western Refinery Svc	1.00	\$ 125.00	\$ -	\$ 1,500.00	575	0	\$ 16,229.08	\$ 17,729.08
02-0014	14	Norgate Performance	1.00	\$ 125.00	\$ 225.00	\$ 4,200.00	5	0	\$ 132.10	\$ 4,332.10
02-0015	15	Management Services NW	1.00	\$ 125.00	\$ 225.00	\$ 4,200.00	47	0	\$ 1,320.97	\$ 5,520.97
02-0017	17	Nuova Distribution USA	1.00	\$ 125.00	\$ 225.00	\$ 4,200.00	59	0	\$ 1,679.52	\$ 5,879.52
02-0018	18	Co-Pac Properties	1.00	\$ 125.00	\$ 225.00	\$ 4,200.00	34	0	\$ 954.87	\$ 5,154.87
02-0022	22	Crystal Creek Logistics	1.00	\$ 125.00	\$ 225.00	\$ 4,200.00	0	0	\$ -	\$ 4,200.00
02-0023	23	LGC US Asset Holdings, LLC	1.00	\$ 125.00	\$ 225.00	\$ 4,200.00	98	0	\$ 2,770.27	\$ 6,970.27
02-0029	29	Harken, Inc.	1.00	\$ 125.00	\$ 225.00	\$ 4,200.00	164	0	\$ 4,623.40	\$ 8,823.40
02-0030	30	Macron Metal USA	1.00	\$ 125.00	\$ 225.00	\$ 4,200.00	128	0	\$ 3,623.24	\$ 7,823.24
02-0033	33	Healthy Pet	3.33	\$ 416.25	\$ 225.00	\$ 7,695.00	62	0	\$ 1,739.91	\$ 9,434.91
02-0035	35	Alliance Door Products	1.00	\$ 125.00	\$ 225.00	\$ 4,200.00	11	0	\$ 320.81	\$ 4,520.81
02-0036	36	Sustainable Solutions	1.00	\$ 125.00	\$ 225.00	\$ 4,200.00	3	0	\$ 86.81	\$ 4,286.81
02-0038	38	Jansen & Jansen LLC	1.00	\$ 125.00	\$ 225.00	\$ 4,200.00	39	0	\$ 1,113.39	\$ 5,313.39
02-0039	39	Imco Construction	1.00	\$ 125.00	\$ 225.00	\$ 4,200.00	0	0	\$ -	\$ 4,200.00
02-0040	40	Sahota, Dave	1.00	\$ 125.00	\$ 225.00	\$ 4,200.00	102	0	\$ 2,868.40	\$ 7,068.40
02-0041	41	Grandview Business Center	3.33	\$ 416.25	\$ 225.00	\$ 7,695.00	1,016	0	\$ 28,683.96	\$ 36,378.96
02-0042	42	Propack, Inc.	1.00	\$ 125.00	\$ 225.00	\$ 4,200.00	25	0	\$ 698.23	\$ 4,898.23
02-0044	44	Hughes/Lentz Family LLC	1.00	\$ 125.00	\$ 225.00	\$ 4,200.00	51	0	\$ 1,453.07	\$ 5,653.07
02-0045	45	Jensen Lee Properties	1.00	\$ 125.00	\$ 225.00	\$ 4,200.00	103	0	\$ 2,917.46	\$ 7,117.46
02-0046	46	PDC Rentals	1.00	\$ 125.00	\$ 225.00	\$ 4,200.00	9	0	\$ 264.19	\$ 4,464.19
02-0048	48	6819 Northgate Way LLC	1.00	\$ 125.00	\$ 225.00	\$ 4,200.00	23	0	\$ 649.16	\$ 4,849.16
02-0050	50	IMCO - Office	1.00	\$ 125.00	\$ 225.00	\$ 4,200.00	220	0	\$ 6,197.24	\$ 10,397.24
02-0051	51	IMCO - Shop	1.00	\$ 125.00	\$ 225.00	\$ 4,200.00	70	0	\$ 1,962.59	\$ 6,162.59
02-0052	52	Matia Contractors	1.00	\$ 125.00	\$ 225.00	\$ 4,200.00	27	0	\$ 762.39	\$ 4,962.39
02-0053	53	GV Lot 2 LLC	5.33	\$ 666.25	\$ 225.00	\$ 10,695.00	830	0	\$ 23,445.36	\$ 34,140.36
02-0054	54	GV Lot 2 LLC	2.30	\$ 287.50	\$ 225.00	\$ 6,150.00	199	0	\$ 5,604.69	\$ 11,754.69
02-0055	55	Border Safe Storage Solutions	1.00	\$ 125.00	\$ 225.00	\$ 4,200.00	63	0	\$ 1,773.88	\$ 5,973.88
02-0056	56	Delta Tech Industrial Park	0.00	\$ -	\$ 967.44	\$ 11,609.28	0	0	\$ -	\$ 11,609.28
02-0058	58	PES Holdings	1.00	\$ 125.00	\$ 225.00	\$ 4,200.00	165	0	\$ 4,646.05	\$ 8,846.05
02-0059	59	Method Homes	1.00	\$ 125.00	\$ 225.00	\$ 4,200.00	91	0	\$ 2,558.91	\$ 6,758.91
02-0060	60	Lockt Storage	3.33	\$ 416.25	\$ 225.00	\$ 7,695.00	529	0	\$ 14,923.21	\$ 22,618.21
			55.29	\$ 6,911.25	\$10,192.44	\$205,244.28	6,313	0	\$178,217.95	\$383,462.23

ANY CUSTOMER SERVICE CALL-OUTS, INCLUDING DISCONNECTION AND RECONNECTION, MAY BE CHARGED A FEE OF \$75

*Annual Revenue estimated based on forecasted consumption

RESOLUTION NO. 885

**A RESOLUTION BY THE COMMISSION OF
PUBLIC UTILITY DISTRICT NO. 1 OF
WHATCOM COUNTY (“DISTRICT”)
ADOPTING RATES AND CHARGES RELATED TO USE AND OPERATION OF THE
DISTRICT’S ELECTRIC UTILITY FOR 2026**

WHEREAS, The Commissioners of the District has by prior Resolutions adopted certain rates or charges related to the operation of the District’s Electric Utility and the sale of electric energy to the District’s electric customers; and

WHEREAS, the proposed rates and charges that will be charged by the District’s electric utility for the year 2026, attached as Exhibit “A” hereto were provided to the District Commissioners on November 25, 2025 and were included in the proposed District Budget for 2026 approved in Resolution 883; and

WHEREAS, following the review of said proposed rates and charges, and review of all comments submitted by the District’s electric customer, said proposed rates and charges are determined to be fair and non-discriminatory, and provide adequate revenues sufficient for payment of principal and interest on such revenue obligations for which payment has not otherwise been provided and for all payments for which the District is obligated to set aside in any special fund or funds created for such purpose, and for the proper maintenance and operation of the electric utility and all necessary repairs, replacements and renewals thereof; and

WHEREAS, the District has through agreement with its electric customer passed through Bonneville Power Administration power and transmission rates and charges as they occur including the associated state taxes,

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of Public Utility District No. 1 of Whatcom County establish revised service charges related to the use and operation of the District’s Electric Utility and the sale of electric energy to be effective January 1, 2026 copies of which are attached as Exhibit “A” - Electric Utility Budget Rates and Charges, hereto,

ADOPTED by the Board of Commissioners of Public Utility District No. 1 of Whatcom County at a regular meeting held on the 9th day of December, 2025.

**Public Utility District No. 1 of
Whatcom County**

President/Commissioner

Attest: Secretary/Commissioner

Commissioner

Exhibit A

WHATCOM PUD

Electric Utility

2026 District Service Rates

RESULTS	PASS-THRU	ELECTRIC	WATER	TOTAL
Revenue Requirement	\$ 11,032,931	\$ 2,328,000	\$ 301,331	\$ 13,662,262
General Service Charge/month		\$ 194,000	\$ 25,111	\$ 219,111
Previous General Service/mo		\$ 191,000	\$ 17,612	\$ 208,612
% Revenue Change		2%	43%	5.0%

District Operating Expenses

Labor & Benefits	\$ 1,409,784
Purchased Power	10,399,099
O&M Expenses	208,550
Extraordinary Maintenance	170,000
Admin Expenses	3,988,891
Taxes	756,782

Total District Operating Expenses **\$ 16,933,106**

Debt Service

2021 LTGO Bond Debt Service (P&I) - Refinance 2010B	130,614
2021 LTGO Bond Debt Service (P&I) - New money	341,000

Total District Debt Service **\$ 471,614**

Capital Transfer **300,000**

Less Miscellaneous Revenue **(3,288,402)**

Partial Year Cash Adjustment **21,624**

Increase (Decrease) of Operating Reserves **(775,679)**

Revenue Requirement **\$ 13,662,262**



Memo

To: Commissioners Deshmane, Arnett, and Ury
From: Chris Heimgartner, General Manager
Date: December 9, 2025
Re: Approve Resolution 886 Delegation of Authority

Requested Actions: APPROVE RESOLUTION 886 DELEGATING ADMINISTRATIVE POWERS AND DUTIES TO THE GENERAL MANAGER AND DESIGNEES, SUPERSEDING ALL PRIOR RESOLUTIONS ADDRESSING THE SAME SUBJECT MATTER

Background: The existing Delegation of Authority expires December 31, 2025. The only updates to the one before you are the relevant dates, with a new expiration date of December 31, 2026.

Fiscal Impact: N/A

Recommended Actions: APPROVE RESOLUTION 886 DELEGATING ADMINISTRATIVE POWERS AND DUTIES TO THE GENERAL MANAGER AND DESIGNEES, SUPERSEDING ALL PRIOR RESOLUTIONS ADDRESSING THE SAME SUBJECT MATTER

PUBLIC UTILITY DISTRICT NO. 1 OF WHATCOM COUNTY
P.O. Box 2308 | 1705 Trigg Road
Ferndale, WA 98248-9383
(360) 384-4288
www.pudwhatcom.org

Commissioners: Jaime Arnett, Atul Deshmane, Eddy Ury | Chris Heimgartner, General Manager

RESOLUTION NO. 886

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE
PUBLIC UTILITY DISTRICT NO. 1 OF WHATCOM COUNTY
("DISTRICT") DELEGATING ADMINISTRATIVE POWERS AND
DUTIES OF THE GENERAL MANAGER AND DESIGNEES,
SUPERSEDING ALL PRIOR RESOLUTIONS ADDRESSING THE SAME
SUBJECT MATTER**

WHEREAS, RCW 54.16.100 authorizes the Board of Commissioners of Public Utility District No. 1 of Whatcom County (Commission) to delegate administrative powers and duties to the General Manager through this resolution known as the "Delegation of Authority", and

WHEREAS, the Commission now wishes to amend and extend the existing Delegation of Authority to continue to provide a master policy directive on the delegated administrative powers and duties of the General Manager and designees and to repeal any resolutions dealing with the same subject matter; and

WHEREAS, the existing Delegation of Authority adopted by Resolution 868 expires on December 31, 2025; and

WHEREAS, the Commission has determined to replace the previous Delegation of Authority adopted in Resolution No. 868 with the Delegation of Authority adopted in this resolution effective upon adoption and shall remain in effect, unless amended, or until December 31, 2026.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Whatcom County as follows:

Section 1. The master policy directive of the Commission of the Public Utility District No.1 of Whatcom County as set forth herein, is adopted for the purpose of establishing the delegated administrative powers and duties of the General Manager and his/her designees. This policy directive will remain in effect until December 31, 2026 unless it is extended prior to that date. This policy will be reviewed and affirmed annually each succeeding year following its adoption.

Section 2. All portions of resolutions heretofore approved by the Commission pertaining to the subject matters contained in this resolution are hereby repealed.

Section 3. The following policy directive on the delegated administrative powers and duties of the General Manager is hereby adopted.

I. PREAMBLE

A. The following policy is adopted by the Commission of the Public Utility District No. 1 of Whatcom County for the purpose of establishing the administrative powers and duties of the General Manager who is responsible for District operations. The General Manager may delegate to District personnel such administrative authority or reporting requirements herein established as is necessary and advisable in the efficient exercise of the General Manager's powers and duties.

B. This policy sets forth specific delegations of power and duties from the Commission to the General Manager. This policy shall not be interpreted to limit the duties or responsibilities of the General Manager, as those duties are determined from time-to-time by the Commission. The General Manager may designate a senior District employee to act in the place of the General Manager with regard to the powers and duties in the absence of the General Manager and with notification to the Commission. The authority of the General Manager to designate a senior District employee to act in the place of the General Manager for purposes of making purchases is limited to the purchasing authority granted in the "purchasing limits" set forth in Exhibit A to this resolution, unless specified otherwise by direct action of the Commission, or as established in RCW 54 (PUD Laws).

Subject to the limits within this delegation, the responsibility for all administration and operations of the District rests with the General Manager.

C. To implement delegations of authority to District personnel, the General Manager shall promulgate policy and procedural manuals, monetary and budgetary directives and other such documents as personnel position descriptions, affirmative action plans, safety manuals, etc. which shall provide a clear span of authority and responsibility to the designees of the General Manager.

D. Any Commission directives or initiatives shall be made through the General Manager and shall be made only by the Commission acting as a body of the whole. Those directives include but are not limited to the policies adopted by the Commission, including but not limited to travel policy, rate schedules, financial guidelines, standard rates/practices, and personnel policies.

E. The phrase "administration and District operations", as used herein, means the regular day-to-day business of the District, including but not limited to, operating, maintaining, and administering all of its properties, facilities services and programs; including the implementation of construction work, alterations, repairs, maintenance, and improvements of the District's physical facilities; and, the necessary planning incidental thereto; the conduct of financial accounting and legal matters as they relate to the District's operation; the administration of all other operations which include personnel administration (i.e., hiring, firing, salary and benefits, training, grievance procedures, task and project assignments, employee training and incentive programs, etc.); the execution and administration of contracts; publish legal notices; and, all other pertinent functions.

F. The General Manager shall inform the Commission regarding significant information, incidents, and business transactions by methods agreeable to the Commission. The General Manager shall report to the Commission those actions as within this delegation. The General Manager is the managing official of the District, appointed by the Commission, and holds office as their representative. **Nothing herein should be construed in any way as abrogating the duties and the responsibilities of the Commission.**

II. POLICY GOVERNING REAL PROPERTY

A. **Lease Arrangements:** All real property when available for leasing shall, except as otherwise provided herein below, be leased only under an appropriate written lease instrument executed by the Commission accompanied by a lease bond or other form of security in accordance with law. However, the General Manager may execute short-term leases (one year, or less) subject to all of the following conditions:

1. The appropriate lease surety must be in place consistent with statutory requirements and the District's standard form of lease, with the exception of State and Federal leases that require the use of the tenant's lease form as long as the content of the lease form does not materially change the District's intent in its standard lease form.

2. The arrangements for short-term occupancy shall be evidenced by the District's standard form of lease, (except that any clearly inapplicable provision or provisions inconsistent with the policy herein set out shall be deleted from the standard form).

3. The amount of the rental shall be in accordance with the rental revenue standards adopted by the Commission for similar District property of the same or similar class and type and devoted to similar uses.

4. The use to which the property may be put by the tenant shall be expressly stated and shall be in accordance with the standards of use adopted by the Commission for the same or similar District property or properties.

5. The lease may not be renewed or otherwise extended beyond one year without prior Commission approval.

B. **Other Real Property Related Actions:** The General Manager is authorized to execute the following property instruments, subject to the terms specified herein:

1. Execution of temporary and permanent easements for purposes of utility installments only where the District is the beneficiary of such easement, according to terms and conditions approved by the Commission in advance, or attached hereto as an Exhibit.

2. Changes in name of responsible party to the lease if all other conditions, including primary ownership, remain the same.

3. Response to estoppels and attornments.

C. Lease Renewals: The General Manager is authorized to renew leases provided such renewals are provided for in the basic lease; all other substantive terms of the lease remain unchanged; rental adjustments provided for in the lease are made; and, the lease is in good standing.

D. Lease Enforcement and Lease Terminations: The General Manager is authorized to enforce all terms and conditions of District leases. The General Manager is authorized to issue all appropriate notices of default and/or notices of termination with regard to District leases. The General Manager is authorized to terminate any lease under the terms and conditions therein. Upon termination, the General Manager is authorized to take all steps necessary to retake possession of the leasehold and recover for the District all sums due the District pursuant to the lease and the law. The General Manager shall keep the Commission informed with respect to lessees that are issued default notices or termination notices.

III. POLICY GOVERNING CONTRACTS FOR PROVISION OF WATER DELIVERY SERVICES

A. Irrigation Water Contracts: The General Manager shall have the responsibility for following all required statutory procedures in connection with all irrigation water service contracts. The General Manager is authorized to, without prior Commission approval, execute on behalf of the District any renewal of a contract for irrigation services if the customer is in good standing with the District relative to the payment on account for previous service, and conditions 1-4 below are satisfied. The General Manager is authorized, without prior Commission approval, to execute on behalf of the District any new irrigation service contract with new customer in a form approved by the Commission, provided that the following criteria are satisfied:

1. The agreement requires the District to provide irrigation water to three hundred (300) acres of land or less;

2. The estimated irrigation water usage under the agreement does not exceed ten percent (10%) of the District's total water right allowed for irrigation;

3. The estimated cumulative irrigation water usage of all existing irrigation agreements and the new irrigation agreement does not exceed eighty percent (80%) of the District's total irrigation water right; and

4. The agreement meets all other criteria, as determined by the Commission, for irrigation water service.

5. The estimated annual revenue amount would not exceed \$50,000 or annual gallon consumption estimated below 20 million gallons of water and the contract meets all standard District requirements and the estimated consumption of water in the new contract will not cause the District to exceed its allowed use of water for irrigation purposes.

B. Industrial Water Contracts: The General Manager shall have the responsibility for following all required statutory procedures in connection with all industrial water service contracts. The General Manager is authorized, without prior Commission approval, to execute on behalf of the District any amendment to or renewal of an existing industrial water contract if:

1. The term of the contract is not extended more than 1 year,

2. The value of the amendment or renewal does not exceed \$100,000 or 10% of the annual value of the existing contract, whichever is greater, or,

3. The amendment is not a re-assignment of the contract to a new party to the

agreement.

C. Special Services Contracts: The General Manager shall have the responsibility for following all required statutory procedures in connection with contracts for the provision of special services to other public agencies and private sector clients. An example of such a service is where the District staff delivers maintenance or operation service to a city, another water district or a private company for a charge. The General Manager is authorized, without prior Commission approval, to execute on behalf of the District any new special service contract with a private party for such services with a cost not to exceed \$100,000 and no additional District staffing or additional staff equipment is needed in the provision of these services and the General Manager informs the Commission of such action.

IV. POLICY GOVERNING CONTRACTS FOR PERFORMANCE OF WORK, PUBLIC WORK, ELECTRONIC DATA PROCESSING & TELECOMMUNICATION SYSTEMS, PROFESSIONAL SERVICES, AND CONSTRUCTION OR IMPROVEMENT OF AN ELECTRICAL FACILITY

A. Contract Awards: The General Manager shall have the responsibility for following all required statutory procedures in connection with all contracts. The General Manager is authorized to carry out all procedures required by applicable statutes preliminary to the acts required to be performed by the Commission at an open meeting. The General Manager may, without prior Commission approval, execute on behalf of the District contracts for \$100,000 or less so long as the expenditure is within the limits of overall budgetary authority as approved by the Commission.

B. Emergency Contracts: When any emergency shall require the immediate execution of a contract, the General Manager, pursuant to the procedures of RCW 39.04.020 (and as amended), is authorized to make a finding of the existence of such emergency and execute any contract necessary to respond to the existing emergency, provided that the General Manager shall, at the first Commission meeting following the General Manager's finding of the existence of an emergency, request District Commission ratification of the finding of an emergency and any contract awarded or executed pursuant to this authority. From the inception of any such emergency, the General Manager shall continuously advise the Commission of the status of the emergency situation and the progress of any such contracts executed to remedy the emergency. Emergency contracts executed pursuant to the authority herein shall contain a clause which states that the contract is subject to ratification by the Commission and that if ratification does not follow, the contract shall terminate, and the Contractor shall be compensated for his/her work and materials used to the time of termination.

C. Change Orders: In the instances where contracts have been awarded and under which the work is in progress, and individual changes in plans and/or specifications are necessitated in order to properly accomplish the work, the General Manager is authorized, without prior Commission approval, to execute individual change orders to the contract following the guidelines set forth in the current Purchasing Policy. The General Manager's authorized approval limit for change orders is the same as the delegated purchasing limit (currently \$100,000), so long as the expenditure is within the limits of overall budgetary constraints as approved by the Commission, and the limits on approval of change orders including the cumulative change order limitations set forth in the District's Purchasing Policy.

V. POLICY GOVERNING CONTRACTS FOR ACQUISITION OF MATERIALS, EQUIPMENT, SUPPLIES AND SERVICES

A. Purchase of Materials, Equipment, Supplies, Work, and Services: The General Manager shall have the responsibility for following all required statutory procedures, where applicable, in connection with all contracts for the acquisition of materials, equipment, supplies work, and services. The General Manager or designee may, without prior Commission approval, execute on behalf of the District, contracts for materials, equipment, supplies, work, or services for amounts up to \$100,000 or such other amount as set forth in the District's Purchasing Policy, so long as the expenditure is within the limits of overall budgetary constraints as approved by the Commission, and the limits on approval of change orders including the cumulative change order limitations set forth in the District's Purchasing Policy.

B. Emergency Contracts for Acquisition of Materials, Equipment, Supplies, and Services: When an emergency shall require the immediate acquisition of materials, equipment,

supplies, and services, the General Manager is authorized to make a finding of the existence of such emergency and execute any contract for acquisition of materials, equipment, supplies, and services necessary to respond to the existing emergency, provided that the General Manager shall, at the first Commission meeting following the General Manager's finding of the existence of an emergency, request District Commission ratification of the finding of an emergency and any contract awarded or executed pursuant to this authority. From the inception of any such emergency, the General Manager shall continuously advise the Commission of the status of the emergency situation and the progress of any such public work contracts executed to remedy the emergency. Emergency acquisition contracts executed pursuant to the authority herein shall contain a clause which states that the contract is subject to ratification by the Commission and that if ratification does not follow, the contract shall terminate, and the Contractor shall be compensated for his/her work and materials used to the time of termination.

VI. POLICY GOVERNING ADJUSTMENT AND SETTLEMENT OF CLAIMS AND PENALTIES EXCEPTING THOSE COVERED BY PARAGRAPH XIV BELOW

A. Procedure for Settling Claims: The General Manager shall be responsible for the implementation of necessary procedures for the settlement of all claims, either against or on behalf of the District. Procedures in the handling of such claims shall, at a minimum, include the following:

1. For purpose of this Paragraph VI, "claim" shall mean the assertion of any position, penalty, right or responsibility by or against the District, its Commissioners or employees, but not including (1) uncollectible accounts only to the extent as covered in Paragraph X herein, or (2) claims asserted by or against the District which have or may become the subject of litigation.

2. No claims against the District shall be considered unless and until proper notice has been served by the claimant upon the District as provided by law.

3. All claims for or against the District may be processed in all respects (except for their final approval and payment) by the General Manager or Legal Counsel. No such claims shall be submitted to the Commission until a tentative agreement has been reached with the parties concerned for their settlement.

4. Except as provided under Section B below, no claims shall be finally approved for settlement except by the Commission and no claim shall be paid except as authorized by the Commission.

B. General Manager's Authority to Settle Claims Against the District: Any claim asserted against the District and arising from District operations and not exceeding .05% of annual District operating revenues for the last complete fiscal year for a single claim, or that does not personally name a Commissioner, may be adjusted and settled by the General Manager without approval by the Commission but only on the recommendation of Legal Counsel that the settlement of the claim proposed is in the best interest of the District taking into account all relative factors including, but not limited to, the cost of litigation and the effect of the particular settlement on the District's overall risk management strategy. All such claims, when settled, shall be reported to the Commission.

VII. POLICY GOVERNING TRAVEL OF EMPLOYEES AND OTHER AUTHORIZED REPRESENTATIVES OF THE DISTRICT

A. General Manager's Authority: The General Manager is authorized to approve travel by employees and/or other authorized representatives of the District in order to effectuate necessary District operations, provided that the travel expenses are within the annual budget approved by the Commission, and provided that the Commission shall be advised prior to all international travel (excluding Canada).

VIII. POLICY GOVERNING STAFF AND EMPLOYEE ADMINISTRATION

A. General Manager's Authority: The General Manager shall have the authority to manage all personnel matters of District employees and staff which includes hiring, firing, discipline, training, grievance procedures, employee benefits, and administration of the employee salary schedule and, if any, incentive programs. The General Manager shall carry out these

responsibilities according to guidelines and policies to be established by the General Manager and within overall budgetary constraints.

IX. POLICY GOVERNING GENERAL MANAGER'S AUTHORITY FOR PROPERTY ACQUISITIONS AND SALES

A. Authority of the General Manager for Acquisitions Authorized by the Commission: When the District Commission authorizes the acquisition of real property by purchase or condemnation, the General Manager shall take all necessary steps, including the securing of appraisals, to secure title of such property for the District. Acquisition price of individual properties (or ownerships) shall in no case exceed the District's appraisal by 10% (ten percent), nor shall the total price paid for all properties exceed the estimates of the District Commission's authorization without further specific Commission authorization.

B. Execution of Documents of Sale: The sale of real property is reserved to the specific Commission authorization. When the Commission authorizes the sale of real property, the General Manager shall take all necessary steps to complete the transaction, including but not limited to, accepting deposits, opening escrow and signing all necessary documents.

X. POLICY GOVERNING DISPOSITION OF UNCOLLECTIBLE ACCOUNTS:

A. Definition of "Write-off": The term "write-off" means the adjustment of the accounting records of the District to reflect the fact that the account is uncollectible in the normal course of operations. The General Manager may authorize Legal Counsel to initiate or continue with legal action to collect an account without regard to whether the account has been written off the accounting records of the District.

B. Procedures: The General Manager is authorized to establish procedures for and to write off any uncollectible account in the amount of .05% of annual operating revenues of the last complete fiscal year or less subject to the following general guidelines:

1. Prior to writing off any account receivable or uncollectible, the General Manager shall be satisfied that every reasonable effort has been made by the District to accomplish the collection of the account.

2. Any account in excess of .05% of annual operating revenues of the last complete fiscal year which is deemed to be uncollectible shall be referred to the District Commission for final write-off.

XI. POLICY GOVERNING LEASE SURETY, SURETY BONDS, RENTAL DEPOSITS, AND INSURANCE POLICIES

A. Authority of the General Manager: The General Manager or his designee is authorized to take all necessary actions on behalf of the Commission in connection with lease surety, lease surety bonds, rental deposits, or insurance coverage required pursuant to any leases of the District, including any of the following actions:

1. Where the lease is not in default, to release any surety, surety bond, or rental deposit where an adequate substitute surety or rental deposit has been provided.

2. To approve any surety, surety bond, rental deposit, certificate of insurance, or insurance policies submitted in fulfillment of the requirements of any lease, including substitute or replacement coverage for any terminated bond, surety, or rental insurance.

3. To approve any substitute or modifications of surety or insurance coverage, and to release any surety or insurance company when substitute or replacement insurance coverage has been provided in connection with any outstanding lease of the District.

XII. POLICY GOVERNING SALE OF PERSONAL PROPERTY

A. Sale of Property Pursuant to RCW 54.16.180: The General Manager or his designee is authorized, pursuant to RCW 54.16.180, to sell, convey, lease, or otherwise dispose of all or any part of the personal property which has become unserviceable, inadequate, obsolete, worn out, unfit, or which is no longer necessary, material to, and useful in such operations

subject to the following conditions:

1. That the market value of such personal property does not exceed \$10,000; and
2. That prior to any such sale or conveyance, the General Manager shall itemize and list the property to be sold and make written certification to the Commission that the listed property is no longer needed for District purposes; and
3. That the sale of surplus and obsolete property will make all reasonable attempts to receive the highest retrievable value; and
4. That any large block of such property having a value in excess of \$10,000 shall not be divided into components of a lesser value and sold unless done so by public competitive bid, and
5. That no property which is part of the District's Master plan of improvement or modification thereof shall be disposed of until the Master plan has been modified and until such property is found to be surplus to District needs, and
6. That in no case shall surplus personal property be sold to any District official or employee or members of their families without the specific approval of the Commission.

B. The General Manager shall develop and implement policies and practices regarding the circumstances in which District officials, employees, or members of their families, may participate in the purchase of surplus personal property.

XIII. POLICY GOVERNING INVESTMENT OF TEMPORARILY IDLE DISTRICT FUNDS

A. Authority of the General Manager: For purposes of this paragraph, "Temporarily Idle District Funds" shall mean those funds which are not required for immediate expenditure. In accordance with applicable law relating to the investment of public funds, the General Manager is authorized to direct the investment of temporarily idle District funds. These directives shall permit, but shall not be limited to, investments in authorized government securities, sale of such investment and necessary interfund transfers.

XIV. LITIGATION

A. Management and Supervision of Litigations: The General Manager and the District's Legal Counsel (appointed by the Commission) shall be responsible for the procedures necessary for management and supervision of all litigation in which the District has an interest, direct or indirect. For purposes of this section, "litigation" shall mean the assertion or potential assertion of any position, right or responsibility by or against the District, including actions which have been filed in any court or any quasi-judicial or administrative forum.

B. Special Legal Services: The General Manager, on consultation with the District's Legal Counsel, is authorized to retain other such special counsel at fees as may be negotiated to assist in the handling of any claims, litigation, or other matters necessary to attend to the legal affairs of the District, within overall budgetary constraints.

C. Engagement of Experts: The General Manager may engage or cause to be engaged through Legal Counsel, such experts as may be necessary for the orderly support of claims or litigation in which the District has a direct or indirect interest, without limitations otherwise prescribed in Paragraph IX of this resolution. Such engagement shall be upon authorization given by Legal Counsel after having satisfied himself that such expenditure is necessary to the adequate preparation and representation of the District's position in such litigation or claim and shall, wherever practicable, include evaluation of the litigation or claim and an estimate of the probable cost of such experts.

D. Consultation with Commission: In instances of litigation in which the value has, or is likely to exceed .05% of annual operating revenues of the last complete fiscal year, the General Manager will in conjunction with the District's Legal Counsel consult with the Commission regarding strategy and the economic impact of litigation.

XV. RENEWABLE ENERGY CREDITS (RECS) FROM BONNEVILLE POWER ADMINISTRATION (BPA)

A. General Manager's Authority: The General Manager shall have the authority to sell Renewable Energy Credits (RECS) from the Bonneville Power Administration (BPA) to a third party, subject to the terms and conditions set forth herein. Any such transaction shall be reported to the Commission at the next regularly scheduled commission meeting.

For each calendar year, the General Manager shall not sell RECS the District possesses for less than the aggregate dollar amount of the same number of RECS it has purchased that calendar year, without Commission approval.

XVI. PUBLIC RECORDS ACT COMPLIANCE, AND NON-DISCLOSURE AND CONFIDENTIALITY AGREEMENTS

A. The General Manager and his/her designee shall implement public record and retention policies adopted by the Commission, and shall implement the same in a manner consistent with State and Federal laws. Provided however, nothing in this resolution shall obligate or require the District to assert or to not assert any exemption under the Public Records Act. The General Manager in consultation with the District's legal counsel, may use his/her discretion in asserting any exemption to the disclosure of public records as provided in State or federal law.

B. Non-Disclosure and Confidentiality Agreements. From time to time potential and/or existing customers of the District may seek a confidentiality agreement with the District for a variety of reasons, which may include interests of national security, critical infrastructure facilities, and/or the protection of private party proprietary rights or interests. The General Manager is authorized to execute such agreement provided that such agreements expressly allowed disclosure of public records when (1) requested by any member of the public, (2) when such records are not exempt from disclosure under the Public Record Act or other State or Federal Law, and (3) such agreement is approved by the District's legal counsel.

XVII. TERM

The term for this Master Policy Directive shall be in effect upon adoption to December 31, 2026 unless amended or extended prior to that date.

XVII. PRIOR RESOLUTIONS TERMINATED

All prior resolutions in conflict with or inconsistent with this Resolution are hereby terminated.

ADOPTED by the Board of Commissioners of Public Utility District No. 1 of Whatcom County at a regular meeting thereof held this 9th day of December, 2025.

**Public Utility District No. 1 of
Whatcom County**

Atul Deshmane, President/Commissioner

Jaime Arnett, Vice President/Commissioner

Eddy Ury, Secretary/Commissioner

Public Utility District No. 1 of Whatcom County
Authorized Purchasing Limits

POSITION	AUTHORIZED LIMIT*
Commissioners.....	\$3,000
General Manager.....	\$100,000
Assistant General Manager.....	\$25,000
Director of Finance	\$10,000
Director of Utility Operations.....	\$10,000
Engineering Manager.....	\$10,000
Director of Broadband/New Power Supply	\$10,000
Director of HR & Communications.....	\$5,000
Manager – Automation & Technology Services	\$5,000
Electric System Supervisor.....	\$3,500
Chief Water Operator.....	\$2,500
Project Manager.....	\$2,500
Manager – Contracts and Regulatory Compliance	\$2,500
Clerk to the Board/Records.....	\$1,000
Accountant 1	\$1,000
IT/SCADA Technician	\$1,000
Automation Technician.....	\$1,000
Substation Technician.....	\$1,000
Water System Operators	\$500

*Exclusive of sales tax



Memo

To: Commissioners Deshmane, Arnett, and Ury
From: Chris Heimgartner, General Manager
Date: December 9, 2025
Re: Approve Resolution 887 Amending Salary Ranges List for Administrative Employees

Requested Actions: APPROVE RESOLUTION 887 AMENDING THE SALARY RANGES LIST FOR DISTRICT ADMINISTRATIVE EMPLOYEES

Background: We believe it is in the best interest of the District to regularly review the compensation of Administrative Employees (non-bargaining unit). Adjusted salary ranges include increases for four positions that no longer met market demand, along with a cost of living increase for all employees.

Fiscal Impact: Approval of this action will result in higher costs that are already included in the 2026 Budget.

Recommended Actions: APPROVE RESOLUTION 887 AMENDING THE SALARY RANGES LIST FOR DISTRICT ADMINISTRATIVE EMPLOYEES

PUBLIC UTILITY DISTRICT NO. 1 OF WHATCOM COUNTY
P.O. Box 2308 | 1705 Trigg Road
Ferndale, WA 98248-9383
(360) 384-4288
www.pudwhatcom.org

Commissioners: Jaime Arnett, Atul Deshmane, Eddy Ury | Chris Heimgartner, General Manager

RESOLUTION NO. 887

RESOLUTION BY THE BOARD OF COMMISSIONERS OF PUBLIC UTILITY DISTRICT NO. 1 OF WHATCOM COUNTY (“DISTRICT”) AMENDING THE SALARY RANGES LIST FOR DISTRICT ADMINISTRATIVE EMPLOYEES

WHEREAS, RCW 54.12.090 authorizes the Board of Commissioners of the District (“Commission”) to create positions and fix salaries; and

WHEREAS, the Commission finds it in the best interest of the District to regularly review the compensation of Administrative Employees (non-bargaining unit); and

WHEREAS, RCW 54.16.100 authorizes the General Manager to recommend to the Commission compensation of the Administrative Employees (non-bargaining unit), including salaries; and

WHEREAS, the General Manager has reviewed the organization of the District and the positions and salary ranges required to efficiently manage and achieve the goals of the District; and

NOW THEREFORE BE IT RESOLVED by the Commission as follows:

Effective January 1, 2026, the position titles shown on the attached *Salary Ranges List for District Administrative Employees (Exhibit A)* are hereby authorized and classified in the salary ranges shown and supersede any previous lists.

ADOPTED by the Commission of Public Utility District No.1 of Whatcom County at its regular meeting held on the 9th day of December, 2025.

**PUBLIC UTILITY DISTRICT NO.1
Of WHATCOM COUNTY**

Atul Deshmane, President/Commissioner

Jaime Arnett, Vice President/Commissioner

Eddy Ury, Secretary/Commissioner

Resolution No. 879
Exhibit A
Salary Ranges List for District Administrative Employees



**SALARY SCHEDULE
ADMINISTRATIVE EMPLOYEES 2026
Effective January 1, 2026**

Position Title	2026 Base Salary Range	
	Accountant I	57,700
Assistant General Manager	152,500	197,800
Automation Technician	93,900	121,900
Clerk of Board/Records	61,800	77,300
Director of Broadband & New Power	130,000	169,500
Director of Finance	139,100	180,300
Director of HR & Communications	129,800	169,000
Electric System Supervisor	173,100	-
Engineer	116,600	144,300
IT/SCADA Technician	83,500	108,200
Manager of Automation/Tech Serv.	143,200	186,500
Manager of Contracts & Regulatory Compliance	101,000	130,900
Project Manager	87,100	113,300
Wireman/Substation Technician* *4% Differential Pay added when serves as Supervisor for full shift	154,500	-

PUBLIC UTILITY DISTRICT NO. 1 OF WHATCOM COUNTY

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Commissioners: Jaime Arnett, Atul Deshmane, Eddy Ury | Chris Heimgartner, General Manager