



# Memorandum

**TO:** Satpal Sidhu, County Executive  
**FROM:** Charlene Ramont, Assistant Director  
**RE:** Public Utility District No. 1 of Whatcom County – Water System Maintenance Interlocal Agreement  
**DATE:** FEBRUARY 26, 2026

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Attached is an Interlocal Agreement between Whatcom County and Public Utility District PUD No. 1 of Whatcom County (Whatcom PUD) for your review and signature.

▪ **Background and Purpose**

This Agreement provides for the terms and conditions related to operation and maintenance of Whatcom County water systems by Whatcom PUD at the request of and as an agent for Whatcom County in the event that the water systems are subject to receivership order(s) in Whatcom County Superior Court pursuant to RCW 43.70.195.

▪ **Funding Amount and Source**

- For capital requirements of water systems, the parties will pursue Public Works Trust Funds and other grants and loans, as available. If existing water systems reserves, rate charges and assessments are not adequate or readily available, Whatcom County will arrange interim financing as necessary, which will be reimbursed by special assessment imposed on the water system user/customers. The water system shall continue to repay in full, any loans from Whatcom County or Whatcom PUD.
- Any further borrowing for financial needs of the water system that cannot be funded by the means above, must be recommended by Whatcom PUD and authorized by Whatcom County. All existing indebtedness and such further indebtedness of the water system incurred during the receivership period will remain the obligation of the water system during and after the receivership period.

Please contact Sue Sullivan, Environmental Health Manager at 360-778-6026 ([SSullivan@co.whatcom.wa.us](mailto:SSullivan@co.whatcom.wa.us)) if you have any questions.

Encl.