

Lake Whatcom Water and Sewer District
Regular Meeting of the Board of Commissioners
January 26, 2011

Board President Leslie Mc Roberts called the Regular Session to order at 8:08 a.m. Other District representatives present included Commissioners Deborah Lambert and Laura Weide, General Manager Patrick Sorensen, District Engineer Bill Hunter, Accounting Manager Debi Hill, Consulting Engineer Melanie Mankamyer and Recording Secretary Lyn Edwards. Special Guest Martin Chaw from FCS Group was also present. Commissioners Citron and Millar were excused from the meeting. No members of the public attended the meeting.

- FCSG Utility Rate Update

Martin Chaw from FCS Group gave a presentation on the recently completed utility revenue requirement analysis (rate update). The revenue requirement analysis evaluated the overall financial condition of the District by examining the operating reserves, capital reserves, depreciation fund, debt service management and debt service coverage. There are a set of rate adjustments that we previously prepared for the District in 2008 and we believe that those figures are still valid. One of the things that the Board could consider now would be to update that schedule of rates by adding another two years so that you consistently keep a five year rolling set of rates on the books. Extensive discussion followed Chaw's presentation. A public hearing on the District's rates for 2014 and 2015 was scheduled to take place at the March 9, 2011 meeting.

- Adams Second Leak Adjustment Request

Staff informed the Board that Geneva customer John Adams had a sizeable water leak which resulted in a bill of \$2,516.33 for November/December 2010. The standard leak adjustment has already been processed and applied to the account leaving a remaining balance of \$1,332.99. In his January 13th letter, Adams explains the circumstances surrounding the leak and requests a full exemption from the overage as paying the remaining balance would present a financial hardship. The District's Water Leak Billing Adjustment Policy allows for one leak adjustment per account per year with no cap to limit the customer's costs. Also per the policy, Adams may make payment arrangements on the remaining leak amount with late charges waived, provided that the payment schedule is adhered to. The Board considered Adam's request.

Action Taken

Lambert moved, Weide seconded, to adhere to the District's Water Leak Billing Adjustment policy of one leak adjustment per account per year and to direct staff to arrange a payment schedule with Adams on the remaining balance. Motion passed.

- Long Term Disability Insurance

Sorensen called the Board's attention to a proposal for the provision of Long Term Disability Insurance for the employees. The premium, which is based upon the total annual payroll, would be around \$4,862.16 to insure all of the employees. The board discussed Long Term Disability Insurance at length and requested more information from staff before making a decision.

- Other Business

Lakeview Maintenance Facility Remodel

Hunter noted that the pre-bid meeting for the Lakeview Maintenance Facility Remodeling Project is scheduled for Thursday, January 27th.

Sewage Pump Station Upgrade Projects

Hunter gave a brief status report on the Cable Street and Ranch House Pump Station Upgrade Projects.

Valley View Condominium Water Leak

Hunter reported on a water leak at the Valley View Condominiums in Sudden Valley.

- Manager's Report

Sorensen requested the Board's suggestions for topics to discuss at the February 11th Board Retreat. He also reported on a meeting that he had with John Hutchings from Whatcom County Public Works regarding several different subjects including watershed storm water management issues. Discussion followed.

- Consent Agenda

- Action Taken

- Lambert moved, Weide seconded, approval of:

- **General and Construction Fund Claims totaling \$23,630.99**
 - **Minutes for the January 12, 2011 meeting**
 - **Fee Adjustments Report dated January 11, 2011 totaling \$196.30**

- Motion passed.**

- General Manager Performance Evaluation – Executive Session

Mc Roberts recessed the Regular Session to Executive Session at 10:00 a.m. The purpose of the Executive Session was to evaluate the performance of the General Manager. It was estimated that the Executive Session would take about half an hour. Mc Roberts recessed the Executive Session and reconvened the Regular Session at 10:30 a.m.

With no further business, Mc Roberts adjourned the Regular Session at 10:30 a.m.

Recording Secretary, Lyn Edwards

Date Minutes Approved

Todd Citron

Leslie Mc Roberts

Deborah Lambert

Laura Weide