

Lake Whatcom Water and Sewer District
Regular Meeting of the Board of Commissioners
June 8, 2016

Board President Laura Weide called the Regular Session to order at 6:30 p.m. Other District representatives present included Commissioners Todd Citron, Curtis Casey and Bruce R. Ford, General Manager Patrick Sorensen, District Engineer Bill Hunter, consulting engineer Melanie Mankamyer, legal counsel Robert Carmichael, Finance Manager Debi Denton and Recording Secretary Lyn Edwards. Commissioner Millar was excused from the meeting. Bond Counsel Cynthia Weed from K & L Gates was also present. There were no other members of the public present.

- Consent Agenda

- Action Taken

- **Casey moved, Citron seconded, approval of:**

- **Accounts Payable Vouchers totaling \$261,056.74**
 - **Payroll for Pay Period #11 (5/7/2016 through 5/20/2016) totaling \$40,799.36**
 - **Payroll Benefits for Pay Period #11 totaling \$40,150.55**
 - **Payroll for Pay Period #12 (5/21/2016 through 6/3/2016) totaling \$38,897.89**
 - **Payroll Benefits for Pay Period #12 totaling \$39,900.72**
 - **Minutes for the May 25, 2016 Meeting**

- **Motion passed.**

- Resolution 827 – 2016 Bond Issue

Bond Counsel Cynthia Weed from K & L Gates LLP spoke to the Board about the proposed 2016 Bond Issue. The bonds will cover refunding of the 2009 Bonds, pay-off the District's portion of the Post Point Improvements debt with the City of Bellingham and finance \$1.2 million for the new Division 22 Reservoir and the Strawberry Point Sewage Pump Station Improvements Projects. Discussion followed.

- Action Taken

- Ford moved, Casey seconded, to approve Resolution 827 authorizing the issuance of water and sewer revenue and refunding bonds of the District in the aggregate principal amount of not to exceed \$7,400,000.00. Motion passed.

- Sewer Connection Issue Follow-up

At the May 25, 2016 meeting, the Board was informed that a residence in the Geneva area has been receiving a sewer bill since 1982 but had never actually been connected to District sewer as the current property owner and the District thought. Staff and legal counsel were directed to do more research regarding the issue and report back to the Board at the next regular meeting.

District Legal Counsel Bob Carmichael presented a proposal with two options for dealing with the unconnected Geneva residence and the eight other residences that still have not connected to sewer after they were requested by the District to do so.

Option #1: Enforce existing District policy and compel connection of the unconnected properties using District authority under RCW 57.08.005(9).

Option #2: Adopt a new policy which permanently reserves sewer system capacity and "guarantees" each unconnected property the right to connect and recasts the bi-monthly sewer charge as a penalty, segregates revenue for certain regulatory purposes, and eliminates the current District policy to compel sewer connection.

The Board discussed the two presented options and their potential ramifications in detail.

Action Taken

Casey moved, Ford seconded to direct staff to pursue Option 1 - Compel Sewer Connection. Motion passed.

• **Monthly Budget Analysis**

The Monthly Budget Analysis for May 2016 was briefly discussed.

• **Summary of Existing District Projects**

Hunter reported regarding the Strawberry Point Pump Station Improvements project, the Whatcom Falls Manhole Repair project and the Cedar Hills Waterline Relocation project. Discussion followed.

• **Division 22 Reservoir Project – Contract Award**

Hunter reported that the Division 22 Reservoir No. 2 project will construct a 626,000-gallon welded steel reservoir adjacent to the existing 500,000-gallon Division 22 Reservoir in Sudden Valley. An Advertisement for Bids was published on 5/2/2106 and 5/12/2016 and two bids were received and opened on June 2, 2016. The apparent low bidder is T. Bailey, Inc. with a bid of \$1,402,525.25 including Bid Schedules A, B and C. The Board discussed the Division 22 Reservoir Project.

Action Taken

Citron moved, Casey seconded to Select Additive Alternates in addition to Schedule A - Base Bid; Schedule B: Additive Alternate for Full Circumference Reservoir Railing and Schedule C: Additive Alternate for Expanded Utility Vault and to award the Division 22 Reservoir No. 2 construction contract to T. Bailey, Inc. for a total contract amount of \$1,402,525.25 including state sales tax and to authorize the General Manager to execute the construction contract. Motion passed.

• **District Comments Regarding Whatcom County Comprehensive Plan Update**

Commissioner Citron presented two draft letters he wrote to the Whatcom County Council members on behalf of the Board. One of the letters was regarding the formation of a Lake Whatcom Watershed Stormwater Utility District by the County. The other letter addressed trailhead parking fees for the watershed re-conveyance land trails. Discussion followed.

Action Taken

Casey moved, Ford seconded, to approve the letter to the Whatcom County Council as written regarding the formation of a Stormwater Utility District and authorize staff to submit the letter to the Council on behalf of the Board. Motion passed.

Action Taken

Casey moved, Ford seconded, to approve the letter to the Whatcom County Council as written regarding the proposal to charge trailhead parking fees for the watershed reconveyance land trailhead and authorize staff to submit the letter to the Council on behalf of the Board. Motion passed.

- North Shore Water Quality Testing RFP

Sorensen reported that the District received one proposal for the North Shore Water Quality Testing Project. The submission was made by Herrera Environmental Consultants of Seattle. Based upon their proposal they appear to have significant experience in the areas of expertise that we are looking for. Staff would like to have the Commissioners evaluate the proposal between now and the next Board meeting on June 29, 2016. The proposer will be invited to the meeting to address any questions that the Board may have at that time.

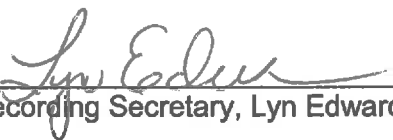
- Manager's Report

The Manager's Report was briefly discussed.

- Executive Session Per RCW 42.30.140(4) Personnel – 10 Minutes

Weide recessed the Regular Session to Executive Session at 8:30 p.m. The purpose of the Executive Session was to discuss a personnel matter. It was estimated that the Executive Session would take about 10 minutes. Weide recessed the Executive Session and reconvened the Regular Session at 8:40 p.m.

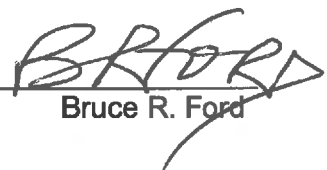
With no further business, Weide adjourned the Regular Session at 8:41 p.m.

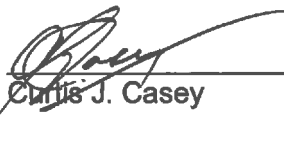

 Recording Secretary, Lyn Edwards

6-29-2016
 Date Minutes Approved


 Laura Weide


 Todd Citron


 Bruce R. Ford


 Curtis J. Casey

