

Lake Whatcom Water and Sewer District  
Regular Meeting of the Board of Commissioners  
May 29, 2013

Board President Leslie Mc Roberts called the Regular Session to order at 8:00 a.m. Other District representatives present included Commissioners Deborah Lambert and John W. Millar, General Manager Patrick Sorensen, District Engineer Bill Hunter, Consulting Engineer Melanie Mankamyer, Legal Counsel Tom Fryer, Finance Manager Debi Hill and Recording Secretary Lyn Edwards. Commissioner Weide attended the meeting via speakerphone. Commissioner Citron was excused from the meeting. A list of interested participants is on file.

- Consent Agenda

- Action Taken

- Lambert moved, Millar seconded, approval of:

- Meeting Minutes for May 7, 2013

- Motion passed.

- Background Information on Billing/Permitting Reconciliations

Sorensen explained that in late 2012 staff conducted an audit of the District's water and sewer accounts in order to identify any "phantom" or unauthorized connections. The goal of the audit was to insure that the properties that are receiving service are actually paying for the services received, and that permit fees have been collected for each connection. The review, concluded in April of this year, identified eight properties needing further examination. A letter was subsequently sent to each of the property owners outlining the District's findings and requesting that they schedule an appointment to meet with District staff to discuss their account. District legal counsel advised the Board that the District has the ability to collect for up to six years of unpaid user fees and permitting fees under the statute of limitations.

The three following property owners have met with District staff and are appealing the staff's decisions to the Board:

- Billing/Permitting Reconciliation – 1143 Lakewood Lane

The findings for 1143 Lakewood Lane indicate that the residence was built in 2003 and a water account was established at that time. Staff found that the residence is connected to the District's sewer system but there is no record of a sewer connection/permit fee being collected nor is there a sewer service account established for the property.

- Billing/Permitting Reconciliation – 2058 Dellesta Drive

The findings for 2058 Dellesta Drive indicate that a sewer permit was paid for and issued on July 26, 1979; however the current residence was not built until 1984. The residence appears to have been connected to the sewer system without the District's knowledge, so the property has apparently enjoyed the benefit of sewer service since 1984 without a sewer service account ever having been established.

- Billing/Permitting Reconciliation – 1185 Lakewood Lane

The findings for 1185 Lakewood Lane indicate that an accessory dwelling unit has been constructed on the property, presumably in 2004 when the building permit was issued by Whatcom County. Although the original residence is connected to the District's water and sewer system and an account for both utilities is being billed and paid for there is no record of a connection fee being paid, however there is correspondence regarding the connection fee being

waived in exchange for an easement to allow service to an adjacent property. In addition, there was no water or sewer account established for the accessory dwelling unit. Per the District's Administrative Code, two residential units on one piece of property qualify as a duplex requiring two water and sewer connection permits and a utility billing account for two dwelling units instead of the one unit that has been being billed.

- Public Comment

The affected property owners that were present at the meeting spoke to the Board about their individual circumstances and other issues that came to light as a result of the District's audit.

- Board Discussion on Billing/Permitting Reconciliation

The Board discussed the District's utility reconciliation findings and deliberated on the various policy options pertaining to the collection of unpaid fees and considering the parameters under which the District is required to operate. The results of the board's extensive deliberations are as follows:

1. The policy regarding the 2012/2013 account reconciliation is not intended to be a long term policy; it will apply to the eight accounts affected by the audit only.
2. Any uncollected connection fees for the eight accounts will not be pursued if they are beyond the six-year statute of limitations.
3. The eight property owners will be responsible for the last six months of unpaid utility balances.
4. Payment plans on the uncollected utility balances are to be negotiated with District staff.
5. The uncollected utility balances will not incur late fees provided that the pre-arranged payment plan is adhered to.
6. Issues that are specific to each of the properties will be negotiated with District staff; if necessary, staff's decisions can then be appealed to the Board.

**Action Taken**

**Lambert moved, Millar seconded, that for the District's 2012/2013 Billing and Permitting Reconciliation audit, based upon the fact that there is inconclusive data or a lack of a record in some instances and that the District's bi-monthly billings are not clear, the Board has determined that the District will bill for six months of unpaid user fees for the eight affected properties. Motion passed.**

- Polo Park Bridge Replacement Waterline Relocation Project – Award Contract

Hunter reported that the Sudden Valley Community Association (SVCA) is replacing a large culvert with a bridge to cross Beaver Creek on Polo Park Drive. The project was originally scheduled for construction last summer, but was delayed due to permitting issues. The Community Association has contracted with Strider Construction to build the bridge this year.

As a consequence of SVCA's bridge project, the District's water main will need to be relocated to hang on the bridge. The District's water main relocation portion of the project is a public works project. Therefore, District staff has independently prepared construction contract documents, advertised for bids, and will work with its own contractor in accordance with public works project laws. An Advertisement for Bids was published and two bids were received.

**Action Taken**

**Lambert moved, Millar seconded, to award the Polo Park Bridge Replacement Waterline Relocation Project to Strider Construction in the amount of \$31,200.00 plus tax. Motion passed.**

• Surplus/Sale of Vactor Truck

At the April 10, 2013 Meeting, the Board declared the District's Vactor Truck as surplus and directed staff to advertise the District's intent to sell the truck to the City of Ilwaco for \$6,000 as required by law. Hunter reported that the public notice was published in the Bellingham Herald on May 19th and May 26<sup>th</sup>.

Action Taken

**Millar moved, Lambert seconded, to approve the sale of the District's 1983 Camel Vactor Truck to the City of Ilwaco for the amount of \$6,000.00. Motion passed.**

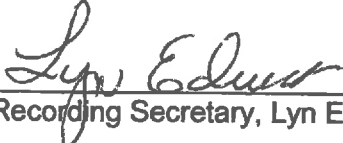
• Purchase of Flush/Vac Truck

Hunter explained that staff has found a 2005 Vac-con truck that seems to fit the District's requirements and specifications. An oil analysis and an evaluation by a third party mechanic is currently in process, so staff will not be ready to make a recommendation until those results are in. Action was postponed until the next meeting on June 12, 2013.

• Manager's Report

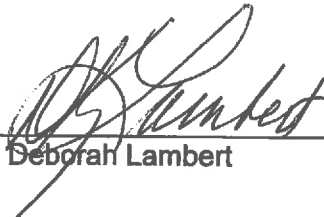
Sorensen reported on sewer contract negotiations with the City of Bellingham and capital project funding alternatives.

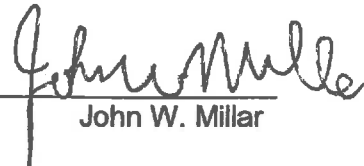
With no further business, Mc Roberts adjourned the Regular Session at 9:20 a.m.


  
Recording Secretary, Lyn Edwards

6-26-2013  
Date Minutes Approved

  
Leslie Mc Roberts

  
Deborah Lambert

  
John W. Millar

  
Laura Weide

