

Lake Whatcom Water and Sewer District
Regular Meeting of the Board of Commissioners
June 14, 2017

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, Bruce R. Ford, and John Carter, General Manager Patrick Sorensen, District Engineer Bill Hunter, Finance Manager Debi Denton, consulting engineer Melanie Mankamy, legal counsel Robert Carmichael and Recording Secretary Lyn Edwards. A list of interested participants is on file.

- Consent Agenda

- Action Taken

- Casey moved, Citron seconded, approval of:

- Accounts Payable Vouchers totaling \$480,833.31
 - Accounts Payable Vouchers totaling \$94,537.45
 - Payroll for Pay Period #11 (5/6/2017 through 5/19/2017) totaling \$40,658.92
 - Payroll Benefits for Pay Period #11 totaling \$43,462.00
 - Payroll for Pay Period #12 (5/20/2017 through 6/2/2017) totaling \$39,367.01
 - Payroll Benefits for Pay Period #12 totaling \$43,039.69
 - Minutes for the May 10, 2017 and May 30, 2017 Meeting

- Motion passed.

- North Shore Water Quality Testing – Presentation by Herrera Environmental

Rob Zissette from Herrera Environmental presented his draft report regarding the results of the North Shore Water Quality Testing Project. In his presentation, Zissette explained how, when, and where the samples were collected and the methods used to analyze the water samples. Discussion followed.

- Connection Fees

Sorensen reported that earlier this year FCS Group was asked to examine the District's General Facilities Charges (Connection Fees) for their adequacy. These fees were last modified in January 1, 2009. At the May 10, 2017 meeting FCSG presented their findings to the Board. After discussing the findings, the Board agreed that the fees needed to be increased and that they should be increased annually over the next four to five years using the Construction Cost Index inflation factor of 2.5% each year. The only remaining policy issue for the Board to decide upon is the initial implementation date. Discussion ensued.

- Action Taken

- Casey moved, Ford seconded to:

- 1. Adopt both the water and sewer General Facilities Charge schedule through 2021 presented in Exhibit G1 of the May 31, 2017 FCSG report. (copy attached)
 2. Use the 2.5% annual Construction Cost Index to inflate the General Facilities Charge effective January 1 of each year.
 3. Initiate the new General Facilities Charge fee schedule on January 1, 2018.

- Motion passed.

- Accounting Clerk Position Description Amendment

Sorensen explained that the Accounting Clerk Position Description needs to be amended to add new duties and increase work hours from ½ time to ¾ time. As proposed, the Accounting Clerk position will be utilized as back up for the monthly meter reading function as well as processing all travel/training arrangements for the crew. The increased hours for the position will also help to maintain adequate office coverage on a day to day basis. Discussion ensued.

Action Taken

Citron moved, Casey seconded, to approve the amended Accounting Clerk Position Description and work schedule as presented. Motion passed.

• **Monthly Budget Analysis**

The Monthly Budget Analysis for May was discussed.

• **Other Business**

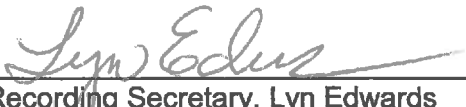
Meeting Attendance

The Board members summer schedules and availability for regular meetings were discussed.

• **Manager's Report**

The Manager's Report was briefly discussed.

With no further business, Weide adjourned the Regular Session at 8:45 p.m.



Recording Secretary, Lyn Edwards


6-28-2017

Date Minutes Approved

Laura Weide



Todd Citron



Bruce R. Ford



Curtis J. Casey

John Carter

G. SUMMARY

The following exhibit shows the existing GFCs by utility, the updated GFC calculation in 2017, and the forecasted charges through 2021, assuming an annual Construction Cost Index (CCI) inflation factor of 2.5% per year. The District is allowed to increase the calculated 2017 charge by the annual increase in the Engineering News Record's CCI.

If the District wants to adopt a multi-year schedule, as they currently do for customer service rates, we believe the 2.5% per year used in Exhibit G-1 is conservative and defensible (the five-year annual historical average is 2.7% and the ten-year average is 2.9%).

Exhibit G-1: Summary of GFC Calculation plus Projected Charges

Meter Size (inch)	District Existing GFCs		Update		Forecasted GFCs with Estimated CCI Inflation (2.5% / yr.)				
	Continuous Flow (gpm)	Meter Capacity Ratio	Existing 2017	Calculated 2017	2018	2019	2020	2021	
Water									
5/8 x 3/4	15	1	\$4,110	\$5,602	\$5,742	\$5,885	\$6,033	\$6,183	
1	30	2	\$8,220	\$11,204	\$11,484	\$11,771	\$12,065	\$12,367	
1.5	75	5	\$20,550	\$28,009	\$28,710	\$29,427	\$30,163	\$30,917	
2	120	8	\$32,880	\$44,815	\$45,935	\$47,084	\$48,261	\$49,467	
3	330	22	\$90,420	\$123,241	\$126,322	\$129,480	\$132,717	\$136,035	
4	440	29.33	\$120,546	\$164,303	\$168,411	\$172,621	\$176,936	\$181,360	
Sewer									
5/8 x 3/4		1	\$5,201	\$7,538	\$7,726	\$7,919	\$8,117	\$8,320	
1		2	\$10,402	\$15,075	\$15,452	\$15,839	\$16,235	\$16,640	
1.5		5	\$26,005	\$37,688	\$38,631	\$39,596	\$40,586	\$41,601	
2		8	\$41,608	\$60,302	\$61,809	\$63,354	\$64,938	\$66,562	
3		22	\$114,422	\$165,829	\$169,975	\$174,224	\$178,580	\$183,044	
4		29.33	\$152,545	\$221,080	\$226,607	\$232,273	\$238,079	\$244,031	

A two-year, phase-in strategy was initially presented to the District's Board of Commissioners, but the general feedback was that they would lean towards adopting the full increase at once. The full charge is reflected in Exhibit G-1, and no phase-in strategy is shown in this documentation.

While the District may adjust the GFC at any time, we suggest allowing enough time for public outreach and communication before the new, higher charge goes into effect.

