

LAKE WHATCOM WATER AND SEWER DISTRICT

1220 Lakeway Drive Bellingham, WA 98229

REGULAR SESSION OF THE BOARD OF COMMISSIONERS

Minutes

October 09, 2019

Board Secretary Todd Citron called the Regular Session to order at 6:31 p.m.

Attendees: Commissioner Todd Citron

General Manager Justin Clary

Commissioner Bruce Ford

Assistant G.M./District Engineer Bill Hunter

Commissioner Leslie McRoberts

Finance Manager/Treasurer Debi Denton

District Legal Counsel Bob Carmichael Operations & Maintenance Manager Brent Winters

Recording Secretary Rachael Hope

Consulting Engineer Melanie Mankamyer

Excused Absences: Commissioner Laura Abele

Commissioner John Carter

Brian Smith of Wilson Engineering was also in attendance.

Changes to Agenda

Clary requested that Item 5B: Agate Heights Water Treatment Plant Expansion be moved to the top of the agenda. He also requested the addition of Item 5D regarding the resignation of Commissioner Laura Abele from Position 1. The board agreed.

Consent Agenda

Action Taken

McRoberts moved, Ford seconded, approval of:

- Payroll for Pay Period #20 (09/21/2019 through 10/04/2019) totaling \$42,838.10
- Payroll Benefits for Pay Period #20 totaling \$50,482.56
- Accounts Payable Vouchers totaling \$235,067.39

Motion passed.

Recommended Alternative – Agate Heights Water Treatment Plant Expansion

Hunter reminded the board that Wilson Engineering presented an analysis of alternatives associated with expansion of the Agate Heights water system treatment capacity during the May 29, 2019 regular meeting. Based upon Board direction, Wilson Engineering and District staff explored means of mitigating system replacement costs while ensuring the District continues to demonstrate expansion related to the District's water rights. Brian Smith of Wilson Engineering presented the staff recommended alternative for the Agate Heights water system, which includes distribution of work over 3 stages to spread budget impacts and maximize life of equipment. Discussion followed.

Preliminary 2020 Budget

Denton presented the first draft of the proposed 2020 Budget. The annual budget provides for the forecasting of revenues and expenditures and is presented to the Board of Commissioners for review and approval prior to the end of December in advance of the budget year. Using projected revenues based upon prior Board-adopted rate increases (4% and 2.5% water and sewer rates, respectively), actual 2019 operating expenses, and projects defined in the District's water and sewer capital improvement plans, District staff have developed the presented preliminary draft budget for Board discussion. Of note, the preliminary budget reflects a separation of revenues and expenditures into two independent utilities (water and sewer) in accordance with recommendations of the past rate study. Discussion followed.

Board of Commissioners Insurance Discussion

Clary recalled that during prior discussions on July 31 and August 28, questions were posed regarding the cost to the District of providing insurance coverage to its commissioners following the Washington State Legislature's passage of Senate Bill 5122. This bill revised RCW 57.08.100 removing the minimum customer base requirement (5,000 customers) for water/sewer districts to have the option of providing health insurance to commissioners. Staff presented information regarding several topics, including eligibility for Medicare rates, enrollment periods, and information on coverage provided to commissioners by other similarly sized Districts. Discussion followed.

Resignation of Commissioner Laura Abele

Clary explained that Commissioner Laura Abele has tendered her resignation from the Board of Commissioners with an effective date of December 31, 2019. Discussion followed, including suggested timelines for advertising and interviewing for a replacement to be appointed and begin serving in January 2020.

General Manager's Report

Clary updated the Board on several topics, including interviews with County Executive and Bellingham Mayor candidates and current projects out for bid and formation of review committee for Statements of Qualifications once received. Discussion followed.

<u>Executive Session Per RCW 42.30.110(1)(g) General Manager Performance Evaluation – 30 Minutes</u> Citron recessed the Regular Session to Executive Session at 8:30 p.m. It was estimated that the Executive Session would take 30 minutes. The purpose of the Executive Session was to discuss the General Manager's Performance Evaluation. Citron recessed the Executive Session and reconvened the Regular Session at 8:52 p.m.

With no further business, Citron adjourned the Regular Session at 8:52 p.m.

| 10/30/19 |
| Date Minutes Approved |
| Laura Abele | Todd Citron |
| Date McRoberts |