



LAKE WHATCOM WATER AND SEWER DISTRICT

1220 Lakeway Drive
Bellingham, WA 98229

REGULAR SESSION OF THE BOARD OF COMMISSIONERS

Minutes

November 13, 2019

Board Secretary Todd Citron called the Regular Session to order at 6:30 p.m.

Attendees: Commissioner Todd Citron
Commissioner John Carter
Commissioner Bruce Ford
Commissioner Leslie McRoberts
District Legal Counsel Bob Carmichael
Recording Secretary Rachael Hope
General Manager Justin Clary
Assistant G.M./District Engineer Bill Hunter
Finance Manager/Treasurer Debi Denton
Operations & Maintenance Manager Brent Winters

Excused Absences: Commissioner Laura Abele

A list of interested participants is attached.

Changes to Agenda

Citron requested to table Item 10, Executive Session, until the next regular board meeting as the board is still working on the General Manager performance appraisal. The board agreed.

Consent Agenda

Action Taken

McRoberts moved, Ford seconded, approval of:

- **Minutes for the October 30, 2019 Board Meeting**
- **Payroll for Pay Period #22 (10/19/2019 through 11/01/2019) totaling \$43,379.27**
- **Payroll Benefits for Pay Period #22 totaling \$50,707.31**
- **Accounts Payable Vouchers totaling \$121,309.03**

Motion passed.

Customer Proposal: District Cost Sharing associated with Compulsory Sewer Connection

Clary explained that the District was founded in 1968 to facilitate the conversion of on-site sewage disposal systems (OSDS, also referred to as septic systems) within the Lake Whatcom watershed to a sewage system to address deteriorating water quality in the lake attributed to failing OSDs.

In February 2019, District staff identified three properties in District boundaries served by OSDs that meet the requirements as laid out in Section 5.1.3 of the District's Administrative Code for connection to District sewer. Staff provided legal notice of the requirement to connect within the administrative

code-prescribed 18-month period. One of those properties is located at 1313 Oriental Street, owned by Graham and Greta Melvin.

Subsequent to addressing the Board during the public comment period at the September 11, 2019 regular meeting, Mr. and Mrs. Melvin submitted a formal proposal to staff. The proposal was received on October 18, 2019 for Board review at the November 13 meeting. The proposal requests \$50,000 of District funds be annually allocated towards assisting properties served by OSDs in their connection to District sewer. District legal counsel review of the Melvins' proposal was presented along with the original proposal.

The Melvins addressed the board, explaining that they wrote the proposal in response to what they believe is a huge impact on members of the community by the current OSDS policy. District customers Tate Wilcox and Jenna Orłowski spoke in support of the Melvin's proposal. Discussion followed.

The board agreed that the proposal was well crafted and researched, and brought forth multiple ideas that warrant further discussion, however, they unanimously agreed that they were not in favor of approving the proposal at this time. The board recognized that the owners of 1313 Oriental Avenue have been paying monthly sewer base rates since 1978 without being connected to the District's sewer line, and that the Melvin's have paid over \$7,000 since purchasing the property. They requested that the Melvins meet with District management to discuss other potential avenues of mitigating the cost of connecting to the District's sewer system.

Sudden Valley Water Treatment Plant Facility Improvement Plan Project Award

Hunter reminded the board that the Sudden Valley Water Treatment Plant was constructed in 1972 and subsequently upgraded in 1992 to increase raw water and transmission pumping capacities to match the capacity of the filtration system. District staff identified the need to develop a facility improvement plan that outlines specific operations, maintenance, renewal, and replacement needs of the facility over the 20-year planning horizon.

To develop the facility improvement plan, the District issued a Request for Qualifications through publication in the Bellingham Herald and the Seattle Daily Journal of Commerce on September 30, 2019. The District received responses from three consultant teams and a proposal review team reviewed the three proposals. Based upon qualifications presented, the proposal review team recommended awarding the professional services agreement to Gray and Osborne, Inc. Discussion followed.

Action Taken

Carter moved, McRoberts seconded, to authorize the general manager to enter into negotiations of a professional services agreement with Gray and Osborne, Inc. for development of the Sudden Valley Water Treatment Plant Facility Improvement Plan. Motion passed.

Dellesta/Edgewater & Euclid Sewer Pump Stations Improvement Project Architectural/ Engineering Agreement Contract Amendment No. 3

Hunter explained that the original 2020 capital improvement plan (CIP) scheduled Euclid pump station improvements for 2020 and Dellesta/Edgewater construction for summer 2021. However, based on internal discussions with field maintenance staff, Dellesta/Edgewater stations are a higher priority than the Euclid Sewer Pump Station Improvement Project.

Staff and RH2 Engineering developed a scope of work and fee estimate for Dellesta and Edgewater Sewer Pump Stations Improvements design through bidding (Amendment No. 3). The intent is to

advertise for construction bids in February 2020 with construction to occur during the spring/summer of 2020. The updated CIP presented to the Board at this meeting associated with the draft 2020 Budget discussion includes schedule updates that reflect these infrastructure priority changes. Discussion followed.

Action Taken

Ford moved, McRoberts seconded, to authorize the general manager to execute Amendment No. 3 to the Architectural/Engineering Agreement with RH2 Engineering for Euclid, Dellesta, and Edgewater Sewer Pump Station Improvements per the attached scope of work and fee estimate for time and materials not to exceed a \$62,210. Motion passed.

2019 Asphalt Patching Contract Close Out

Hunter reported that Western Refinery Services, Inc. (WRS) completed all contract requirements for the 2019 Asphalt Patching Project (District Capital Project No. C1903). Staff recommended accepting the project as complete and closing the contract.

Action Taken

McRoberts moved, Ford seconded, to accept the 2019 Asphalt Patching Project as complete and authorize staff to close out the public works project. Motion passed.

Disposal of Surplus Property

Winters presented the board with a list of miscellaneous surplus items that the District no longer needs, which included a backhoe that is no longer of use to the District.

Action Taken

McRoberts moved, Ford seconded, to declare the property defined in the list dated October 31, 2019, as surplus and authorize staff to dispose of each item in a manner that is most beneficial to the District and consistent with state law. Motion passed.

Board of Commissioners Insurance Discussion

Clary re-iterated that during its 2019 session, the Washington State Legislature passed Senate Bill 5122, which 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. During previous board meetings, commissioners requested staff gather further information. Clary presented the board with an extended table of costs related to providing health care to commissioners consistent with full-time employees. Discussion followed.

Draft 2020 Budget Presentation

Denton presented the board with an updated draft of the 2020 annual budget. This budget was developed 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. Discussion followed.

General Manager's Report

Clary updated the Board on several topics, including coordination of a legislative breakfast at the District office in December, the vacancy for commissioner position #1, the open Maintenance Worker I position, and upcoming cyber security training for staff. Discussion followed.

Public Comment

District customer Brian Lydiard addressed the board. He first indicated support of the option of developing a customer assistance fund that allows constituents to make voluntary contributions on their bill to help other customers who are struggling financially to pay their bill. Secondly, he expressed to the board his belief that adding commissioner insurance would potentially increase base rates, which are already a significant expense for ratepayers.

Executive Session Per RCW 42.30.110(1)(i)(ii) To Discuss Potential Litigation – 15 Minutes

Citron recessed the Regular Session to Executive Session at 9:05 p.m. It was estimated that the Executive Session would take 15 minutes. The purpose of the Executive Session was to discuss potential litigation with legal counsel. Citron recessed the Executive Session and reconvened the Regular Session at 9:20 p.m.

With no further business, Citron adjourned the Regular Session at 9:21 p.m.



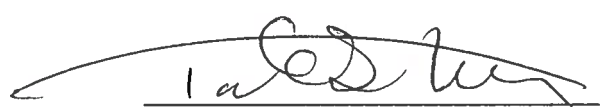
Recording Secretary, Rachael Hope




Date Minutes Approved



Laura Abele




Todd Citron



Bruce R. Ford

Leslie McRoberts



John Carter

