



LAKE WHATCOM WATER AND SEWER DISTRICT

1220 Lakeway Drive
Bellingham, WA 98229

REGULAR SESSION OF THE BOARD OF COMMISSIONERS

Minutes

December 11, 2019

Board President Laura Abele called the Regular Session to order at 6:30 p.m.

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

Excused Absences: Commissioner Leslie McRoberts

Also in attendance were District customers Graham & Greta Melvin.

Consent Agenda

Action Taken

Carter moved, Citron seconded, approval of:

- Minutes for the November 13, 2019 Board Meeting
- Minutes for the November 27, 2019 Board Meeting
- Payroll for Pay Period #24 (11/16/2019 through 11/29/2019) totaling \$46,638.32
- Payroll Benefits for Pay Period #24 totaling \$51,630.15
- Accounts Payable Vouchers totaling \$109,192.93

Motion passed.

Geneva Sewer Pump Station Improvements Construction Contract Close-out

Hunter informed the Board that the Geneva Sewer Pump Station Improvements Project finished within budget, including a negative change order for some parts that weren't needed. Equity Builders LLC has completed all contract requirements and punch list items. Staff recommended accepting the Geneva Sewer Pump Station Improvements Project as complete. Discussion followed.

Action Taken

Carter moved, Citron seconded, to accept the Geneva Sewer Pump Station Improvements Project as complete and authorize staff to close-out the public works project. Motion passed.

1313 Oriental St Compulsory Sewer Connection

Clary reminded the Board that in February 2019, District staff identified three properties in District boundaries served by on-site sewage disposal systems (OSDSs) that meet the requirements for

connection to District sewer and provided legal notice of the requirement to connect by August 2020. One of those properties is located at 1313 Oriental Street, owned by Graham and Greta Melvin. This property is unique in that a prior owner paid a side sewer permit in 1978 and subsequent property owners have paid the bi-monthly sewer bills to the District while continuing to use the OSDS.

Mr. and Mrs. Melvin attended the September 11, 2019 regularly scheduled board meeting, and spoke during the public comment period, asking for Board assistance in the cost to connect. Following Board direction, the Melvins submitted a formal proposal, dated October 18, 2019, which was considered by the Board during its regularly scheduled November 13, 2019 meeting. The Board then requested that staff work with the Melvins to identify a potential means of providing some relief considering their unique situation. In consideration of the Melvins past payments of the District's monthly sewer charge without being connected to the District system, staff proposed to reimburse the Melvins for all sewer fee-related payments made by them, going back a maximum of six years, plus interest (10% annual interest rate), which equates to \$7,039.84.

Following the November 13 meeting, the Board also expressed a desire holistically analyze District policy pertaining to compulsory sewer connections. Recognizing that this is a large undertaking that may involve multiple meetings of the Board and could result in other means of providing relief to the Melvins, staff recommended that the Board grant the Melvins and other property owners under compulsory sewer connection notice that have not connected to the District system a one-year extension on the required date of connection (from August 2020 to August 2021).

Discussion followed, including a brief executive session on the advice of legal counsel.

Action Taken

Citron moved, Carter seconded, to extend the period of performance from August 2020 to August 2021 for connection to the District's sewer system for those properties notified in February 2019 of the requirement to connect, unless connection is required through order of the Whatcom County Health Department. Motion passed.

Action Taken

Citron moved, Carter seconded, that the Board recess to executive session to discuss the legal issues surrounding the recommended motions for approximately 20 minutes. Motion passed.

Executive Session Per RCW 42.30.110(1)(i) To Discuss Agency Matters with Legal Counsel – 20 Minutes

Abele recessed the Regular Session to Executive Session at 7:00 p.m. It was estimated that the Executive Session would take 20 minutes. The purpose of the Executive Session was to discuss with legal counsel representing the agency matters relating to agency enforcement actions. Abele recessed the Executive Session and reconvened the Regular Session at 7:12 p.m.

Action Taken

Citron moved, Carter seconded, that in order to resolve a unique case in which the sewer permit at 1313 Oriental was paid in 1978 and subsequent bi-monthly sewer fees have been paid to the District since then, that

- 1. Authorize payment of \$7,039.84 from the Operating Fund to Graham and Greta Melvin, which equates to the total amount in sewer fees, plus interest, paid by the Melvins since January 1, 2014 thru December 31, 2019, payable upon the Melvin's future connection to the District sewer system; and**

- 2. Cease the assessment of additional sewer fees as of January 1, 2020 until the Melvin Property properly connects to District sewer; and**
 - 3. Vest the Melvin Property from any further sewer permit connection fees owed provided the Melvin Property connects to District sewer by August 21, 2021.**
- Motion passed.**

Commissioner 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. At the November 27, 2019 regular meeting, Clary presented the board with an extended table of costs related to providing health care to commissioners consistent with full-time employees. Discussion followed, including discussion of Public Employee Benefits Board information regarding Medicare rates and retirement as related to the District's insurance plan.

2019 Budget discussion

Clary explained that earlier revisions of the budget were presented during regularly scheduled meetings of the Board held on October 9, November 11, and November 27, 2019. Comments provided by the Board during those meetings have been incorporated into the draft budget. Of note, during the November 27, 2019 meeting, the Board directed staff to provide budget summaries that accommodate various levels of providing commissioner health insurance (no insurance, commissioner-only insurance, and commissioner and qualifying partner/family members) while maintaining positive balances of both utility funds (water and sewer). A final version of the 2020 Budget is expected to be presented to the Board during its regularly scheduled December 26, 2019 meeting.

General Manager's Report

Clary updated the Board on several topics, including interviews for Commissioner Position #1, the upcoming Legislative Breakfast on December 18, 2019, and the status of the On Site Sewage Impact Assessment Interlocal Agreement and Scope of Work development with the City of Bellingham and Whatcom County. Discussion followed.

Clary and the Board also commended District Employees Tim Keener, Jonathan Lydiard, Cyrus Gates, and Jason Dahlstrom for coming in on the Thanksgiving holiday weekend to quickly and efficiently repair a water main break discovered during that time.

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.

Executive Session Per RCW 42.12.070(1) To Evaluate the Qualifications of Candidates for Appointment to Elected Office – 30 Minutes

Abele recessed the Regular Session to Executive Session at 7:43 p.m. It was estimated that the Executive Session would take 30 minutes. The purpose of the Executive Session was to evaluate the qualifications of candidates for appointment to elective office. Abele recessed the Executive Session and reconvened the Regular Session at 7:58 p.m.

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

Abele recessed the Regular Session to Executive Session at 7:58 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. Abele recessed the Executive Session and reconvened the Regular Session at 8:13 p.m.

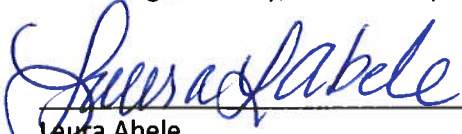
With no further business, Abele adjourned the Regular Session at 8:13 p.m.



Recording Secretary, Rachael Hope

01.08.2020

Date Minutes Approved



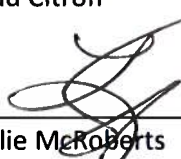
Laura Abele




Todd Citron



Bruce R. Ford



Leslie McRoberts



John Carter