



LAKE WHATCOM WATER AND SEWER DISTRICT

1220 Lakeway Drive
Bellingham, WA 98229

REGULAR MEETING OF THE BOARD OF COMMISSIONERS

AGENDA

December 11, 2019


6:30 p.m. – Regular Session

1. CALL TO ORDER
2. PUBLIC COMMENT OPPORTUNITY
At this time, members of the public may address the Board of Commissioners. Please state your name prior to making comments.
3. ADDITIONS, DELETIONS, OR CHANGES TO THE AGENDA
4. CONSENT AGENDA
5. SPECIFIC ITEMS OF BUSINESS
 - A. Geneva Sewer Lift Station Improvement Project Construction Contract Closeout
 - B. 1313 Oriental Street Compulsory Sewer Connection
 - C. Board of Commissioners Insurance Discussion
 - D. 2020 Budget Discussion
6. OTHER BUSINESS
7. STAFF REPORTS
 - A. General Manager
8. PUBLIC COMMENT OPPORTUNITY
9. EXECUTIVE SESSION
Executive Session per RCW 42.30.110(1)(h): To evaluate the qualifications of a candidate for appointment to elective office – 30 minutes
10. EXECUTIVE SESSION
Executive Session per RCW 42.30.110(1)(i)(ii): To discuss potential litigation with legal counsel – 15 minutes
11. EXECUTIVE SESSION
Executive Session per RCW 42.30.110(1)(g): To review the performance of a public employee (General Manager performance evaluation) – 30 minutes
12. ADJOURNMENT



**AGENDA
BILL
Item 4**

Consent Agenda

DATE SUBMITTED:	December 5, 2019	MEETING DATE:	December 11, 2019
TO: BOARD OF COMMISSIONERS		FROM: Rachael Hope	
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS		1. See below	
		2.	
		3.	
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input checked="" type="checkbox"/>	INFORMATIONAL /OTHER <input type="checkbox"/>

****TO BE UPDATED 12/11/19 ****

BACKGROUND / EXPLANATION OF IMPACT

- Revised 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 total to be added 12/11/19



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 OSDSs.

In February 2019, District staff identified three properties in District boundaries served by OSDSs 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 Orlowski 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



LAKE WHATCOM WATER AND SEWER DISTRICT

1220 Lakeway Drive
Bellingham, WA 98229

REGULAR SESSION OF THE BOARD OF COMMISSIONERS

Minutes

November 27, 2019

Board President Laura Abele called the Regular Session to order at 8:00 a.m.

Attendees: Commissioner Laura Abele
Commissioner John Carter
Commissioner Todd Citron
Commissioner Bruce Ford
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
Consulting Engineer Melanie Mankamyar

Excused Absences: Commissioner Leslie McRoberts

District Water Treatment Operator Kevin Cook and Utility Systems Specialist Miguel Gillis were also in attendance.

Consent Agenda

Commissioner Carter recognized that during review of the November 13, 2019 regular board meeting draft minutes, he became aware that there was no mention of sewer fees paid by the property owners at 1313 Oriental Ave, who submitted a proposal to the board at that meeting. Discussion followed.

Action Taken

Ford moved, Carter seconded, to amend the minutes for the November 13, 2019 board meeting to include the fact that the owners of 1313 Oriental Ave have been paying sewer fees since 1978 though they have not been connected to the District system. Motion passed.

Action Taken

Ford moved, Carter seconded, approval of:

- Payroll for Pay Period #23 (11/02/2019 through 11/15/2019) totaling \$43,978.53
- Payroll Benefits for Pay Period #23 totaling \$50,635.55
- Payroll Benefits correction totaling \$4,237.31
- Accounts Payable Vouchers totaling \$237,439.47

Motion passed.

Staff Presentation – Leak Detection via Data Analysis

Clary introduced the staff presentation, explaining that the District uses various techniques to monitor its water systems for leaks. He explained that having operations staff who have a strong understanding of the water system is crucial to efficient system management.

District Water Treatment Plant Operator Kevin Cook presented information on how leaks affect the District's system and methods for identifying leaks, including demonstrations of the data and software used to monitor reservoirs and identify problems. Utility Systems Specialist Miguel Gillis spoke to the board about water meters and software, and how staff uses the data produced to identify potential leaks, high usage, and other issues. They reported that in the last 20 years, the District has decreased water loss by over 15% due to employee skill and knowledge, equipment, and good leak detection. Discussion followed.

Adoption of 2020 Budget

Denton recalled that previous renditions of the draft 2020 budget were presented at the October 27 and November 13 board meetings. Changes and adjustments requested during those meetings have been incorporated into the current draft budget, as well as the addition of budget narrative and General Manager's message. Discussion followed, and the board elected to delay adoption of the final budget until the issue of commissioner insurance coverage has been decided.

Distribution of 2020 Update to the Comprehensive Sewer Plan for Agency Review

Hunter explained that the District maintains a comprehensive sewer plan that summarizes the existing system and defines future system improvements to accommodate growth and maintain existing system function through proactive replacement of applicable facilities. Per state statute, the District is required to update the plan every six years. The District's consultant engineer, Wilson Engineering, has developed an update to the plan that is now ready for agency review prior to final District adoption. The draft plan was provided electronically to the Board during its regularly scheduled November 11, 2019. The Board expressed the desire for more time to review the plan in detail. Discussion followed.

Contract with Whatcom County for Emergency Planning Services

Clary expounded that to assist the District in its emergency preparedness, the District previously entered into a three-year agreement with the Whatcom County Sheriff's Office Division of Emergency Management. With the current contract expiring on December 31, 2019, District staff have worked with County staff to develop a successor contract that allows for annual update to District emergency planning documents and holding routine emergency response exercises, as well as completion of the AWIA-required activities. It was noted that the annual cost of services of \$20,000 has been built into the draft 2020 Budget. Discussion followed.

Action Taken

Carter moved, Ford seconded, to authorize the general manager to execute the contract with Whatcom County for emergency planning services, as presented. Motion passed.

Interlocal Agreement with Whatcom County for Licensed Pictometry Imagery and Software

Hunter communicated that the District manages its water and sewer infrastructure through a GIS-based asset management system (Cartegraph). Up-to-date imagery of ground and built conditions around District infrastructure can play an important role in effective and efficient facility maintenance. With the cost of regularly obtaining current imagery extremely high, Whatcom County has taken the lead in developing a partnership of multiple cities and special purpose districts to provide a cost effective means of obtaining current imagery. This interlocal agreement establishes a cost sharing partnership for licensed pictometry imagery and software.

Action Taken

Citron moved, Ford seconded, to authorize the general manager to execute the interlocal agreement with Whatcom County to establish a cost sharing partnership for licensed pictometry imagery and software, as presented. Motion passed.

General Manager's Report

Clary updated the Board on several topics, including applications for the open Commissioner position, the hire of new Maintenance Worker I Reed Pennington, the status of several compulsory sewer connections, and the date for the 2020 staff recognition banquet. Discussion followed.

Engineering Department Report

Hunter briefed the Board on the progress of several projects, including the list of projects completed in 2019. Discussion followed.

At 9:58 a.m., Abele was excused from the meeting due to a prior commitment, and Citron assumed governance of the meeting.

Finance Department Report

Denton presented the Board with finance reports through the end of October, and reported that revenues and expenditures are tracking to budget within 1 percent. Discussion followed.

Operations Department Report

Winters highlighted the lack of any injuries or near misses for 2019, and reported that Sudden Valley Water Treatment Plant valves have arrived and are planned for installation. Discussion followed.

Change to Agenda

Commissioner Citron deferred the scheduled Executive Session to the December 11 regular board meeting, as responses have not been received and compiled.

With no further business, Citron adjourned the Regular Session at 10:16 a.m.

Recording Secretary, Rachael Hope

Date Minutes Approved

Laura Abele

Todd Citron

Bruce R. Ford

Leslie McRoberts

John Carter

CHECK REGISTER

Lake Whatcom W-S District

MCAG #: 2330

12/05/2019 To: 12/05/2019

Time: 07:34:52 Date: 12/04/2019

Page: 1

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
3894	12/05/2019	Payroll	5	EFT		117.68	11/16/2019 - 11/29/2019 PR 25
3895	12/05/2019	Payroll	5	EFT		215.15	11/16/2019 - 11/29/2019 PR 25
3896	12/05/2019	Payroll	5	EFT		470.74	11/16/2019 - 11/29/2019 PR 25
3897	12/05/2019	Payroll	5	EFT		3,818.37	11/16/2019 - 11/29/2019 PR 25
3898	12/05/2019	Payroll	5	EFT		2,876.56	11/16/2019 - 11/29/2019 PR 25
3899	12/05/2019	Payroll	5	EFT		2,764.58	11/16/2019 - 11/29/2019 PR 25
3900	12/05/2019	Payroll	5	EFT		3,514.88	11/16/2019 - 11/29/2019 PR 25
3901	12/05/2019	Payroll	5	EFT		1,803.80	11/16/2019 - 11/29/2019 PR 25
3903	12/05/2019	Payroll	5	EFT		1,212.05	11/16/2019 - 11/29/2019 PR 25
3904	12/05/2019	Payroll	5	EFT		2,691.81	11/16/2019 - 11/29/2019 PR 25
3905	12/05/2019	Payroll	5	EFT		1,786.93	11/16/2019 - 11/29/2019 PR 25
3906	12/05/2019	Payroll	5	EFT		3,029.50	11/16/2019 - 11/29/2019 PR 25
3907	12/05/2019	Payroll	5	EFT		2,863.43	11/16/2019 - 11/29/2019 PR 25
3908	12/05/2019	Payroll	5	EFT		3,624.66	11/16/2019 - 11/29/2019 PR 25
3909	12/05/2019	Payroll	5	EFT		640.55	11/16/2019 - 11/29/2019 PR 25
3910	12/05/2019	Payroll	5	EFT		235.37	11/16/2019 - 11/29/2019 PR 25
3911	12/05/2019	Payroll	5	EFT		1,912.03	11/16/2019 - 11/29/2019 PR 25
3912	12/05/2019	Payroll	5	EFT		2,399.62	11/16/2019 - 11/29/2019 PR 25
3913	12/05/2019	Payroll	5	EFT		739.32	11/16/2019 - 11/29/2019 PR 25
3914	12/05/2019	Payroll	5	EFT		1,460.30	11/16/2019 - 11/29/2019 PR 25
3915	12/05/2019	Payroll	5	EFT		1,994.91	11/16/2019 - 11/29/2019 PR 25
3916	12/05/2019	Payroll	5	EFT		2,709.09	11/16/2019 - 11/29/2019 PR 25
3917	12/05/2019	Payroll	5	EFT		2,419.13	11/16/2019 - 11/29/2019 PR 25
3902	12/05/2019	Payroll	5	9817		1,337.86	11/16/2019 - 11/29/2019 PR 25

401 Operating Fund

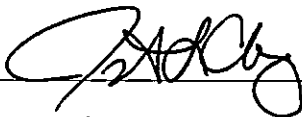
46,638.32

46,638.32 Payroll:

46,638.32

I do hereby certify, under penalty of perjury, that the above is an unpaid, just, and due obligation as described herein, and that I am authorized to certify this claim.

Sign



Date

12/4/2019

Board Authorization - As the duly elected board for this district we have reviewed the claims listed and approve the payment with our signatures below.

Commissioner

Commissioner

Commissioner

Commissioner

Commissioner

BENEFITS**CHECK REGISTER**

Lake Whatcom W-S District
MCAG #: 2330

12/05/2019 To: 12/05/2019

Time: 07:43:22 Date: 12/04/2019

Page: 1

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
3918	12/05/2019	Payroll	5	EFT	UNITED STATES TREASURY	16,561.90	941 Deposit for Pay Cycle(s) 12/05/2019 - 12/05/2019
3919	12/05/2019	Payroll	5	EFT	WA ST SUPPORT ENFORCEMENT REGISTRY	208.34	Pay Cycle(s) 12/05/2019 To 12/05/2019 - SUP ENF
3920	12/05/2019	Payroll	5	9818	AFLAC	354.85	Pay Cycle(s) 12/05/2019 To 12/05/2019 - AFLAC Pre-Tax; Pay Cycle(s) 12/05/2019 To 12/05/2019 - AFLAC Post-Tax
3921	12/05/2019	Payroll	5	9819	AFSCME LOCAL	372.25	Pay Cycle(s) 12/05/2019 To 12/05/2019 - Union Dues; Pay Cycle(s) 12/05/2019 To 12/05/2019 - Union Fund
3922	12/05/2019	Payroll	5	9820	DEPARTMENT OF RETIREMENT SYSTEMS	4,237.31	Pay Cycle(s) 12/05/2019 To 12/05/2019 - DCP
3923	12/05/2019	Payroll	5	9821	HRA VEBA TRUST (PAYEE)	530.00	Pay Cycle(s) 12/05/2019 To 12/05/2019 - VEBA
3924	12/05/2019	Payroll	5	9822	VANTAGEPOINT TRANSFER AGENTS - 306798	100.00	Pay Cycle(s) 12/05/2019 To 12/05/2019 - ICMA
3925	12/05/2019	Payroll	5	9823	WA ST DEPT OF ES/PFMLA	173.38	Pay Cycle(s) 12/05/2019 To 12/05/2019 - PFMLA
3926	12/05/2019	Payroll	5	9824	WA ST PUBLIC EMP RET PLAN 2	11,175.63	Pay Cycle(s) 12/05/2019 To 12/05/2019 - PERS 2
3927	12/05/2019	Payroll	5	9825	WA ST PUBLIC EMP RET PLAN 3	3,087.11	Pay Cycle(s) 12/05/2019 To 12/05/2019 - PERS 3
3928	12/05/2019	Payroll	5	9826	WASHINGTON STATE HEALTH CARE AUTHORITY	14,829.38	Pay Cycle(s) 12/05/2019 To 12/05/2019 - PEBB Medical; Pay Cycle(s) 12/05/2019 To 12/05/2019 - PEBB ADD LTD; Pay Cycle(s) 12/05/2019 To 12/05/2019 - PEBB SMK Surcharge; Pay Cycle(s) 12/05/2019 To 12/05
401 Operating Fund						51,630.15	
						51,630.15	Payroll:
							51,630.15

CHECK REGISTER

Lake Whatcom W-S District

Time: 07:43:22 Date: 12/04/2019

MCAG #: 2330

12/05/2019 To: 12/05/2019

Page: 2

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
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I do hereby certify, under penalty of perjury, that the above is an unpaid, just, and due obligation as described herein, and that I am authorized to certify this claim.

Sign  Date 12/4/2019

Board Authorization - As the duly elected board for this district we have reviewed the claims listed and approve the payment with our signatures below.

Commissioner

Commissioner

Commissioner


Commissioner

Commissioner



**AGENDA
BILL
Item 5.A**

**Geneva Sewer Pump Station
Improvements Construction
Contract Close-out**

DATE SUBMITTED:	December 2, 2019	MEETING DATE:	December 11, 2019
TO: BOARD OF COMMISSIONERS		FROM: Bill Hunter, Assist. GM/District Engineer	
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS		1. RH2 Engineering Recommendation Letter	
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input checked="" type="checkbox"/>	INFORMATIONAL /OTHER <input type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

Equity Builders LLC has completed all contract requirements and punch list items. Staff recommends accepting the Geneva Sewer Pump Station Improvements Project as complete.

FISCAL IMPACT

Original Construction Contract (Equity Builders LLC)	\$661,600.00	
CO#1 Delete Unused Unit Price Quantities	(\$9,977.15)	
Subtotal approved change orders to date	(\$9,977.15)	-1.5%
Total Construction Cost	\$651,622.85	
8.5% Sales Tax	\$55,387.94	
Grand Total Including Sales Tax	\$707,010.79	

RECOMMENDED BOARD ACTION

Staff recommends the Board accept the project as complete.

PROPOSED MOTION

A recommended motion is:

"I move to accept the Geneva Sewer Pump Station Improvements Project as complete and authorize staff to close-out the public works project."



November 22, 2019

Mr. George Hochstein
President
Equity Builders
PO Box 28940
Bellingham, WA 98228

Sent via: Email

**Subject: C1705-G Geneva Sewer Pump Station Improvements
Final Completion Met**

Dear Mr. Hochstein:

As of November 22, 2019, Equity Builders has reached final completion for the Geneva Sewer Pump Station Improvements project. RH2 Engineering, Inc., (RH2) appreciates your follow through and cooperativeness. It is RH2's understanding that you will be coordinating with Whitney Equipment to be on call after the District performs routine maintenance on Pump 2 to see if flow rate can match Pump 1 and be within specification. RH2 will work on the generator programming, as some unusual alarms have occurred based on the email from Ms. Kristin Hemenway on November 21, 2019. Finally, a fuel level probe for the generator will be replaced. These items will be considered warranty items.

Please contact me at 360 684-1548 or dburwell@rh2.com if you have any questions. I would be happy to be a reference for Equity Builders and will recommend you for future work. Thank you for a successful project.

Sincerely,

**Dan Burwell, PE
Project Manager**

DB/ms

**WASHINGTON
LOCATIONS**

Bellingham
Bothell (Corporate)
East Wenatchee
Issaquah
Richland
Tacoma


**OREGON
LOCATIONS**

Medford
Portland



**AGENDA
BILL
Item 5.B**

**Compulsory Sewer Connection
1313 Oriental Street**

DATE SUBMITTED:	December 4, 2019	MEETING DATE:	December 11, 2019
TO: BOARD OF COMMISSIONERS		FROM: Justin Clary, General Manager	
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS		1. Notification of Requirement to Connect to District Sewer dated February 21, 2019	
		2. Melvin Sewer Fee Payment History for Prior 6-Years	
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input checked="" type="checkbox"/>	INFORMATIONAL /OTHER <input type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

The District was founded in 1968 to facilitate the conversion of on-site sewage disposal systems (OSDS, also referred to as septic systems) serving existing development within the Lake Whatcom watershed to a sewage system to address deteriorating water quality in the lake attributed to failing OSDSs. The District's mission remains aligned with its founding purpose (*...in a way that contributes to protecting Lake Whatcom's water quality*). Section 5.1.3 of the District's Administrative Code defines District requirements specific to abandonment of existing OSDSs and connection to the District's sewage system:

5.1.3 Sewer Connections Required

When the public sewer collector and transmission lines have sufficient capacity, all property within the District boundaries shall be deemed capable of being served by a public sewer when such property has a sewer collector line located within 200 feet of the property and it is inside a UGA or LAMIRD, or within 150 feet elsewhere, and on an abutting alley, street, easement, or right of way. Appropriate connection and other charges shall be required.

The owner of each lot or parcel located within the District's boundaries, upon which lot or parcel there is situated any building or structure with interior plumbing fixtures that discharge liquid waste or liquid-borne solid waste, and said lot or parcel is capable of being served by the District's public sewer in accordance with this section, shall install suitable toilet facilities therein and shall connect such facilities, together with all other facilities in use therein which results in the existence of sewage, to the public sewer system, at his/her own expense. [Resolution Nos. 785, 834]

A lot or parcel that has been developed with on-site sewage disposal system (OSSDS) is required to abandon OSSDS systems and connect to the District sewer within 60 months after a District public sewer collector or transmission line adjoins the property in a public right-of-way or easement benefitting the District, and within eighteen months after the date of mailing or personal service of written notice to the lot or parcel owner that a public sewer collector or transmission line has sufficient capacity and is available for such lot or parcel. The District shall compel such connection under the provisions of RCW 57.08.005 should the property owner refuse to connect within eighteen months after the date of mailing or personal service of such written notice.

If a lot or parcel is capable of being served by the District's public sewer in accordance with this section and if a Health Officer finds that an existing onsite septic system has failed, that parcel must connect to the District sewer immediately. [Resolution Nos. 146, 683, 732, 785, 828, 846]

Historically, the District has, as OSDSs within the defined proximity to District sewer mains have been identified, required abandonment of the subject OSDS and connection to District sewer. Most recently, three properties were connected to District sewer at the owners' expense in 2018.

In February 2019, District staff identified three properties in District boundaries served by OSDSs that meet the requirements for connection to District sewer and provided legal notice of the requirement to connect within the administrative code-prescribed 18-month period (i.e., by August 2020). One of those properties is located at 1313 Oriental Street, owned by Graham and Greta Melvin (the District's notification of requirement to connect is attached). It should be noted that, specific to the 1313 Oriental Street property, 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.

During the Board's regularly scheduled meeting on September 11, 2019, Mr. and Mrs. Melvin requested during the public comment portion of the meeting 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. In summary, the proposal requested that the District create a program that annually allocates up to one percent of the District's budget to offset up to 50% of the private cost of connecting to the District's sewer system and abandonment of an OSDS (based upon the 2019 budget, the annual allocation would be approximately \$50,000). This program would be justified by the District's mission to protect the water quality of Lake Whatcom, its primary source for District-distributed drinking water. While District legal counsel indicated that the District could create and fund a program as proposed by the Melvins, the Board, through its deliberation, indicated that it was not supportive of creating such a program at this time. The Board did request that staff work with the Melvins to identify a potential means of providing some relief considering that they and previous owners of the 1313 Oriental Avenue property have paid sewer fees since 1978.

In consideration of the Melvins past payments of the District's monthly sewer charge without being connected to the District system, an unusual situation, staff proposes to reimburse the Melvins for all sewer fee-related payments made by them, going back a maximum of six (6) years, plus interest (10% annual interest rate), which equates to \$7,039.84. District staff met with the Melvins on December 2, 2019, to discuss reimbursement in this amount. The Melvins indicated support of this proposal.

The Melvin-specific issue has created a desire by the Board to 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 recommends 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).

FISCAL IMPACT

The fiscal impact would be a one-time cost of \$7,039.84 paid by the Operating Fund. Based upon anticipated overall fund expenditures through yearend, this cost can be accommodated under the existing approved 2019 Budget.

RECOMMENDED BOARD ACTION

Staff recommends that the Board approve the reimbursement of sewer fees and extension of the period to connect, as indicated in the summary above.

PROPOSED MOTION

Recommended motions are:

Motion No. 1

"I move 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 No. 2

"I move to:

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 to resolve a unique case whereby the sewer permit was paid in 1978 and subsequent bi-monthly sewer fees have been paid to the District since."



LAKE WHATCOM WATER & SEWER DISTRICT

1220 Lakeway Drive
Bellingham, WA, 98229

(360) 734-9224
Fax 738-8250

February 21, 2019

Graham B & Greta Melvin
1313 Oriental Ave
Bellingham, WA 98229

Re: **INITIAL (18 MONTH) NOTICE TO OWNER:
Abandon On-Site Sewer Disposal System and Connect to Public Sewer
1313 Oriental Ave (Assessor's Parcel Number 380334-120485-0000)**

Dear Mr. & Mrs. Melvin:

Over the last several years Lake Whatcom Water and Sewer District (LWWSD) began working with owners of property served by on-site sewage disposal systems (OSSDS) adjacent to public sewer lines to abandon their OSSDS and connect to public sewer. This effort is part of the implementation and reaffirmation of our decades-old mission statement that states:

Our mission is to provide the best possible water and sewer services to District customers at an affordable cost, and in a way that contributes to protecting Lake Whatcom's water quality.

The above-referenced property is located within LWWSD boundaries and is subject to its water and sewer regulations. Our records indicate that this developed property is utilizing an OSSDS, is adjacent to a public sewer line in a public right-of-way or easement with sufficient capacity to provide service, and has not yet connected to public sewer. Our records further indicate that the adjacent public sewer line has been in place for more than sixty (60) months.

RCW 57.08.005(9) authorizes LWWSD to compel connection to its sewer system. This letter serves as formal initial notice to abandon the OSSDS on the above property and connect to public sewer. Under LWWSD Code, **you have 18-months from the date of this notice to complete abandonment of the OSSDS on the above property and make connection to the LWWSD public sewer.** To initiate the process, you must apply for and obtain a LWWSD sewer permit. You may then hire a bonded side sewer contractor to perform the work, and pay the required Initial Inspection Fee and the LWWSD General Facilities Charge to connect. *See p. 2.*

An alternate method is entering into with LWWSD an Agreement to Enter Property and Connect to District Sewer, and recording a Deed of Trust on the property to secure payment for the costs of connection over time. This method is very likely to cost more than the method described in the above paragraph. In addition to paying the General Facilities Charge, Permit Process, and the Initial Inspection Fee, all of the costs incurred by LWWSD, such as surveying, engineering, legal fees, public works contract, and staff time, will be owed and secured by the Deed of Trust that allows for annual payments of principal, plus interest, to LWWSD over 15 years. If you are interested in learning more about this option, please contact us for additional details.

In the event the property is not connected to the public sewer system within 18 months of the date of this letter, LWWSD Code requires that the District compel such connection. In this event, you will be liable to pay all of the costs described in the above paragraph, plus the reasonable legal fees and costs incurred by LWWSD in obtaining a court order to mandate the connection.

Current sewer connection fees (per equivalent residential unit) apply and are subject to change any time prior to your actual connection to the public sewer system. As of January 1, 2019 the sewer connection fees are:

Sewer Connection Fees

General Facilities	\$0.00
--------------------	--------

Note: A side sewer permit was issued in 1978 and it appears the property has been paying bi-monthly sewer rates since then to maintain the validity of the permit.

Permit Process	\$40.00
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Initial Inspection	\$75.00
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Latecomer's Fees	\$0.00
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Note: The property has a ULID 18 assessment.

Attached as Appendix 1 are some of the pertinent sections of LWWSD Code. As I am sure this letter comes as a surprise and creates a number of questions for you, please contact us with any questions and to begin coordination of abandoning your OSSDS and connecting to public sewer. Thank you for your cooperation.

Sincerely,



Bill Hunter, PE
District Engineer / Assistant General Manager

APPENDIX 1

Applicable Sections of District Code

3.5.12 Installment Payment Option

All persons whose property is located within 150 feet of a public sewer main shall connect to the district sewer system and the District shall compel such connection under the provisions of the RCW 57.08.005(9) should the property owner refuse to connect, subject to Sewer Comprehensive Plan conditions and Resolution No. 757. [Resolution No. 757]

Any property which is compelled to connect to the District system under the provisions of this section shall be given the option of paying the costs of physical connection and the connection fee in one lump sum or in installments over a period of not more than 15 years with interest at the rate imposed by the District at the arithmetic mean of the Districts' current bond issue. Any property which elects to pay in installments and fails to make an installment payment when due shall, at the District's option, immediately pay the entire unpaid balance of such charges, and failing such payment the District shall proceed to foreclose its lien against such property in the same manner as provided in RCW 57.08.081(3) regarding foreclosure of liens for charges. [Resolution No. 495, 842]

3.5.13 Installment Payment Option

For property compelled to connect to the District sewer system, the collection of the costs of physical connection and the connection fee due from owners qualifying as low-income seniors and low-income disabled persons (per section 2.10.9 of this code) may be delayed by agreement with the District until the property is transferred, under authority of RCW 57.08.014, so long as such obligations are secured by a lien or other security interest of the District's choosing against said property. Interest on said delayed payments of costs and charges by low-income seniors and low-income disabled persons for the period of deferment will be imposed by the district at the arithmetic mean of the District's current bond issue effective on the date of the lien or security interest and shall be collected with payment of principal upon transfer of the property. [Resolution No. 842]

5.1.3 Sewer Connections Required

When the public sewer collector and transmission lines have sufficient capacity, all property within the District boundaries shall be deemed capable of being served by a public sewer when such property has a sewer collector line located within 200 feet of the property and it is inside a UGA or LAMIRD, or within 150 feet elsewhere, and on an abutting alley, street, easement, or right of way. Appropriate connection and other charges shall be required.

*The owner of each lot or parcel located within the District's boundaries, upon which lot or parcel there is situated any building or structure with interior plumbing fixtures that discharge liquid waste or liquid-borne solid waste, and said lot or parcel is capable of being served by the District's public sewer in accordance with this section, shall install suitable toilet facilities therein and shall connect such facilities, together with all other facilities in use therein which results in the existence of sewage, to the public sewer system, at his/her own expense.
[Resolution Nos. 785, 834]*

A lot or parcel that has been developed with on-site sewage disposal system (OSSDS) is required to abandon OSSDS systems and connect to the District sewer within 60 months after a District public sewer collector or transmission line adjoins the property in a public right-of-way or easement benefitting the District, and within eighteen months

after the date of mailing or personal service of written notice to the lot or parcel owner that a public sewer collector or transmission line has sufficient capacity and is available for such lot or parcel. The District shall compel such connection under the provisions of RCW 57.08.005 should the property owner refuse to connect within eighteen months after the date of mailing or personal service of such written notice.

If a lot or parcel is capable of being served by the District's public sewer in accordance with this section and if a Health Officer finds that an existing onsite septic system has failed, that parcel must connect to the District sewer immediately. [Resolution Nos. 146, 683, 732, 785, 828, 846]

5.1.4 Failure to Connect to the Public Sewer

*Owners of on-site sewage disposal systems (OSSDS) which fail to connect to the public sewer system as required by Title 5.1.3 within 60 months after sewer becomes or became available for hook up as determined by District and within 18 months after date of mailing or personal service of notice that sewer is available will be compelled to connect under the provisions of RCW 57.08.005.
[Resolution No. 828, 846]*

Customer Credit Calculation Worksheet

Sewer Billing While on Septic

Account: 40000364
Site Address: 380334 120485
Owner: Graham & Greta Melvin
Mailing Address: 1313 Oriental Ave.
City: Bellingham
State: WA
Zip: 98229
Notes: None

Property Owner Beginning: 9/16/2013
Property Sold Date: n/a
Began Sewer Billing: 1978
Sewer Connection Date: Future
Credit Retroactive Beginning: 1/1/2014

Annual Interest Rate= 10%

Credit Calculation:

	Retro # Months for Period	Monthly Rate for Period	Amount Paid	Years Interest	Amount Paid with Interest
1/1/2014 to 12/31/2014	12.0	\$70.67	\$848.04	5	\$1,365.78
1/1/2015 to 12/31/2015	12.0	\$74.02	\$888.24	4	\$1,300.47
1/1/2016 to 12/31/2016	12.0	\$75.87	\$910.44	3	\$1,211.80
1/1/2017 to 12/31/2017	12.0	\$77.77	\$933.24	2	\$1,129.22
1/1/2018 to 12/31/2018	12.0	\$79.71	\$956.52	1	\$1,052.17
1/1/2019 to 12/31/2019	12.0	\$81.70	\$980.40	0	\$980.40
Total			\$5,516.88		\$7,039.84



**AGENDA
BILL
Item 5.C**

**Commissioner Insurance
Discussion**

DATE SUBMITTED:	December 2, 2019	MEETING DATE:	December 11, 2019
TO: BOARD OF COMMISSIONERS		FROM: Justin Clary, General Manager	
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS		1. June 5, 2019 Memorandum	
		2. Table-Commissioner Insurance Survey of WASWD Members (2,500-5,000 connections)	
		3. Table-Annual Cost of Providing Each Commissioner Health Insurance	
TYPE OF ACTION REQUESTED		RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input checked="" type="checkbox"/>
		INFORMATIONAL /OTHER <input type="checkbox"/>	

BACKGROUND / EXPLANATION OF IMPACT

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. Governor Inslee subsequently signed the bill into law, which became effective July 28, 2019. The District currently serves approximately 4,300 customers; therefore, the law now allows the District Board to consider providing insurance to its members. During its regularly scheduled July 31 meeting, the Board discussed the option of providing insurance to commissioners. During the discussion, a number of questions were raised by the Board. Following presents the Board's questions, and staff findings, which were discussed during the Board's August 28 meeting:

- 1) What would be the cost of providing insurance to Medicare-eligible commissioners through the Washington State Public Employees Benefits Board (PEBB)?
District staff contacted PEBB regarding this question. PEBB indicated that because commissioners are considered employees (they are compensated per State statute), they do not qualify for Medicare rates, and would therefore be required the same rates as non-Medicare-eligible employees. If health insurance is provided to commissioners, Medicare would become secondary insurance because the commissioners would be considered active employees covered by District insurance.
- 2) What would costs be to the District and commissioners if commissioners are considered part-time employees under District personnel policies?

District Personnel Policies Manual Section 6.09 (Benefits for Part Time and Temporary Employees) reads:

Regular Part Time Employees: All leaves, including holidays, and insurance premiums are pro-rated. Pro-rated means the ratio between the number of hours in the employee's normal work schedule and forty (40) hours per week.

Under [RCW 57.12.010](#), commissioners are compensated based upon a per meeting basis, regardless of the length of each meeting, not on an hourly basis. Because both length of meetings and number of meetings attended per week vary greatly, administration of a proportionate cost sharing arrangement for insurance premiums could be burdensome from an audit perspective. In addition, the District would need to develop a procedure for collection of premium payments from commissioners, and penalties should a commissioner fail to provide timely payment. That said, the following table provides a rough breakdown on annual costs to the District and individual commissioners based upon various scenarios under 2019 rates:

Coverage	5 Hours per Week		10 Hours per Week		20 Hours per Week	
	12.5% District	87.5% Commission	25% District	75% Commission	50% District	50% Commission
Commissioner	\$ 1,249.50	\$ 8,746.50	\$ 2,499.00	\$ 7,497.00	\$ 4,998.00	\$ 4,998.00
Commissioner/Spouse	\$ 2,271.00	\$ 15,897.00	\$ 4,542.00	\$ 13,626.00	\$ 9,084.00	\$ 9,084.00
Commissioner/Family	\$ 3,037.50	\$ 21,262.50	\$ 6,075.00	\$ 18,225.00	\$ 12,150.00	\$ 12,150.00

- 3) Commissioner Carter volunteered to work with Debi Denton to clarify how PEBB works relative to Medicare-eligible individuals.

Debi Denton and Commissioner Carter discussed this topic on August 20. The two concluded that since commissioners are considered employees, Medicare rates do not apply. Further discussion will need to include the factors of commissioner contribution level as well as non-participation waiver fees if all commissioners do not wish to participate in PEBB coverage.

- 4) Would a change in policy to provide insurance to commissioners qualify as a "change in status" that would enable enrollment at any time, or would the District need to wait until the annual open enrollment period (November of each year)?

District staff contacted PEBB regarding this question. PEBB indicated that the Board of Commissioners would be considered a separate group under the District and would be eligible for initial enrollment at any time (i.e., not subject to the annual November enrollment period). PEBB also indicated that, because the Board of Commissioners would be a separate group, the District would be responsible for the monthly waiver fee (currently \$150) for any commissioner that elects not to be covered by PEBB insurance.

During its discussion during the August 28 meeting, the Board decided to inquire during the Fall WASWD conference if other districts with less than 5,000 connections are considering providing insurance to their boards. Discussion during the Small Districts meeting at the conference indicated that none of the districts in attendance were considering this option due to financial constraints. However, it should be noted that, aside from the District, all others in attendance were 1,400 connections or fewer. Since the WASWD conference, District staff contacted WASWD members in the 2,500 to 5,000

connection range (more comparable to the District size). Attached is a table summarizing those findings.

During discussion during the Board's October 9 meeting, Commissioner Citron requested that the table provided under Item No. 2 above be expanded to reflect the cost of providing health insurance to commissioners consistent with full-time employees. That table is attached.

FISCAL IMPACT

The fiscal impact of providing insurance to District commissioners is estimated to be between approximately \$50,000 (commissioner only) and \$95,000 per year (commissioner and partner/family), based on 2020 rates, anticipated Board makeup, and if insurance is provided consistent with represented employees (95% District—5% commissioners).

RECOMMENDED BOARD ACTION

Staff recommends that the Board define what level of health insurance will be provided to commissioners of the District so that the financial impact may be incorporated in the 2020 Budget prior to its adoption (scheduled for Board consideration during its regularly scheduled meeting on December 26, 2019).

PROPOSED MOTION

If the Board elects not to provide health insurance to its members, no action is necessary.

If the Board elects to provide health insurance to its members at a level that is solely to commissioners, a recommended motion is:

“I move to authorize the provision of health insurance solely to commissioners of the Lake Whatcom Water and Sewer District, effective January 1, 2020, consistent with that provided to District employees.”

If the Board elects to provide health insurance to its members at a level that provides insurance to commissioners and qualifying partners and/or family, a recommended motion is:

“I move to authorize the provision of health insurance to commissioners of the Lake Whatcom Water and Sewer District and their qualifying family members, effective January 1, 2020, consistent with that provided to District employees.”



LAKE WHATCOM WATER & SEWER DISTRICT

1220 Lakeway Drive
Bellingham, WA, 98229

(360) 734-9224
Fax 738-8250

MEMORANDUM

To: Board of Commissioners

From: Justin Clary, General Manager

Date: June 5, 2019

RE: Board of Commissioner Insurance Analysis

The Lake Whatcom Water and Sewer District (District) operates as a special purpose district under the authority of [Title 57 Revised Code of Washington](#) (RCW), Water-Sewer Districts. During its 2019 session, the Washington State Legislature passed Senate Bill 5122 (see attachment), 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. Governor Inslee subsequently signed the bill into law, which becomes effective July 28, 2019. The District currently serves approximately 4,300 customers; therefore, the pending law will allow the District Board of Commissioners (Board) to consider providing insurance to its members. The purpose of this memorandum is to facilitate Board discussion relative to consideration of setting policy by which commissioners may be provided health insurance through the District.

Provisions Under RCW 57.08.100

As revised, RCW 57.08.100 provides "A district providing health, group, or life insurance to its employees may provide its commissioners with the same coverage. However, the per person amounts for such insurance paid by the district shall not exceed the per person amounts paid by the district for its employees."

District-provided Insurance

The District currently provides health insurance to its employees and qualifying family members through contract with the Washington State Public Employees Benefits Board (PEBB) Program; a base level life insurance policy (\$35,000) is also provided by the District through PEBB, but only to employees (not family members). The 2019 monthly costs per employee, based upon dependent eligibility are:

- Employee only—\$833 per month
- Employee/spouse—\$1,514 per month
- Employee/family—\$2,025 per month

Under its collective bargaining agreement with AFSCME, the District pays for 95% of applicable insurance costs for union-represented employees (14 employees), with individual employees

paying the remainder. The District pays 100% of the insurance costs for non-represented employees (five employees).

Clarification of RCW Ambiguity

The language in RCW 57.08.100 is relatively general, when considered specific to application under the District's insurance provisions. For example, the District provides insurance to employees and their eligible family members, creating ambiguity relative to if insurance could only be provided to commissioners, or if their spouses and/or family members are also eligible for coverage. Similarly, the District provides a different level of monetary contribution to employee insurance (95% of represented employee costs and 100% of non-represented employee costs). Based on these ambiguities, District staff requested an opinion from the Municipal Research Service Center (MRSC). The MRSC staff recommendation relative to eligibility of coverage for commissioners was:

The district may provide the same benefits to the commissioners that it is providing to its employees. So if the district is providing benefits to its employees and their families, the same benefits could be extended to the commissioners and their families, however the per person cost that the district pays may not exceed the per person cost paid by the district for its employees/spouses/families.

The MRSC opinion relative to monetary contribution of commissioners for insurance coverage was:

While the statute is silent on this issue, I do believe that a comparison of groups, so that the benefits being provided to the commissioners do not exceed a similar group would be appropriate. If Group 1 is covered by a union contract and represents the majority of the employees of the district, while Group 2 represents a smaller pool (for example – management), our guidance would be that Group 1 represents the intent as SB 5122. It would be our recommendation that the district take the more cautious approach and provide the same benefit level as Group 1 (in other words the minimal approach – rather than the maximum). The district should carefully evaluate the differences between these two groups of employees.

Therefore, based upon MRSC's recommendation, District commissioners and their spouses and/or eligible family members are eligible for coverage of 95% of the costs of insurance through the District.

Other Jurisdictions Providing Commissioner Insurance

As the Board may wish to consider how other organizations address this issue, following summarizes insurance coverages provided to elected officials for public agencies that the District has historically used as comparables during development of staff salary surveys:

- City of Bellingham—provides city councilmembers insurance consistent with benefits provided to permanent, part-time exempt employees
- City of Ferndale—does not provide insurance to councilmembers

- Birch Bay Water and Sewer District—provides commissioners insurance as a contribution into a health reimbursement account (HRA) consistent with that provided district employees
- City of Anacortes—provides councilmember insurance at the same level as part-time employees
- Mukilteo Water and Wastewater District—provides commissioners insurance as a contribution into an HRA consistent with that provided district employees
- Alderwood Water and Wastewater District—provides commissioners insurance consistent with that provided district employees
- City of Marysville—no response received at time of publication
- Lake Stevens Sewer District—does not provide insurance to commissioners
- City of Lynden—does not provide insurance to councilmembers

Financial Cost to District

To develop a succinct understanding of the cost to the District if the Board provides insurance to commissioners, staff obtained from each current commissioner the coverage status (i.e., commissioner only, commissioner/spouse, commissioner/family) that would likely apply to them. Under the current Board make up, one commissioner would be commissioner only coverage, four commissioners would be commissioner/spouse, and no commissioners would be commissioner/family. The following table reflects to annual cost to the District, under 2019 costs, for providing insurance to commissioners.

Coverage Category	Annual Cost per Commissioner			Number of Commissioners	Total Annual Cost to District
	Total	District Share	Comm. Share		
Commissioner Only	\$10,044	\$9,542	\$502	1	\$9,542
Commissioner/Spouse	\$18,216	\$17,305	\$911	4	\$69,220
Commissioner/Family	\$24,348	\$23,131	\$1,217	0	\$0
TOTAL					\$78,762

Pros

Positive impacts to the District of providing insurance to each commissioner include, but are not limited to:

- Encourage competitive pool of candidates. Commissioners are currently limited in compensation to what is statutorily allowed (currently \$114/meeting). Increasing the personal benefit to commissioners could result in attracting a larger candidate pool from which the voters may choose from.

Cons

Negative impacts to the District of providing insurance to each commissioner include, but are not limited to:

- Financial Impact. The annual financial impact to the District would be approximately \$79,000. As these costs are not currently accounted for in revenue projections, the cost would need to be built into future rate increases, or the current level-of-service expectation would need to be reduced (for example, the projected insurance cost would equate to nearly to the cost of employing one full time equivalent entry-level maintenance worker, or the price of purchasing and equipping one full-size maintenance truck).
- Ratepayer Perception. With some of the highest utility rates in the region, there is already a sense of customer stress associated with District rates. Any inclusion of expenses that are not considered essential to providing utility services runs the risk of being heavily scrutinized and/or challenged by the ratepayers.
- Staff Morale. District management has already received some feedback from staff regarding the appearance of fairness in providing the same level of benefits to part-time commissioners (commissioner meeting attendance averaged 3.2 meetings per month in 2018) as are provided to full time employees.
- Potential shift in reason for serving. With a relatively low personal benefit to serving (limited to salary based on meeting attendance), commissioners largely serve as a means of community service. Through increasing the personal benefit, ulterior motives for serving could occur, prompting commissioners to make decisions based upon what will get them re-elected, rather than what is right for the utility.

Commissioner Insurance Survey
WASWD Members (2,500-5,000 connections)

District	Connections		Commissioners	Employees	Provides Commissioner Insurance	Considering Commissioner Insurance
	Water	Sewer				
Beacon Hill Water & Sewer District	3,975	2,772	3	9	no	considered
Coal Creek Utility District	4,021	3,590	3	17	yes	NA
King County Water District #49	4,107	0	3	7	yes	NA
King County Water District #125	3,500	0	3	7	yes	NA
Lake Whatcom Water & Sewer District	4,000	4,300	5	18	no	yes
Liberty Lake Sewer & Water District	5,004	4,341	3	13	no	no
Manchester Water District	3,358	0	3	8	yes	NA
North Beach Water District	2,713	0	3	8	no response received	
Northeast Sammamish Sewer & Water District	3,302	4,859	3	9	yes	NA
Olympic View Water & Sewer District	4,800	3,700	3	13	yes	NA
Skyway Water & Sewer District	3,355	4,074	3	10	no	considered

2020 District Insurance Rates

Coverage	Health		Life	
	Month	Annual	Month	Annual
Employee	\$ 841	\$ 10,092	\$ 4	\$ 48
Employee/Spouse	\$ 1,528	\$ 18,332	NA	NA
Employee/Family	\$ 2,043	\$ 24,512	NA	NA

Monthly Cost of Providing Each Commissioner Health Insurance

Coverage	5 Hours per Week		10 Hours per Week		20 Hours per Week		40 Hours per Week	
	12.5% District	87.5% Commission	25% District	75% Commission	50% District	50% Commission	95% District	5% Commission
Commissioner	\$ 105.13	\$ 735.89	\$ 210.26	\$ 630.77	\$ 420.51	\$ 420.51	\$ 798.97	\$ 42.05
Commissioner/Spouse	\$ 190.96	\$ 1,336.71	\$ 381.92	\$ 1,145.75	\$ 763.84	\$ 763.84	\$ 1,451.29	\$ 76.38
Commissioner/Family	\$ 255.33	\$ 1,787.34	\$ 510.67	\$ 1,532.00	\$ 1,021.34	\$ 1,021.34	\$ 1,940.54	\$ 102.13


Annual Cost of Providing Each Commissioner Health Insurance

Coverage	5 Hours per Week		10 Hours per Week		20 Hours per Week		40 Hours per Week	
	12.5% District	87.5% Commission	25% District	75% Commission	50% District	50% Commission	95% District	5% Commission
Commissioner	\$ 1,261.53	\$ 8,830.71	\$ 2,523.06	\$ 7,569.18	\$ 5,046.12	\$ 5,046.12	\$ 9,587.63	\$ 504.61
Commissioner/Spouse	\$ 2,291.51	\$ 16,040.54	\$ 4,583.01	\$ 13,749.03	\$ 9,166.02	\$ 9,166.02	\$ 17,415.44	\$ 916.60
Commissioner/Family	\$ 3,064.01	\$ 21,448.04	\$ 6,128.01	\$ 18,384.03	\$ 12,256.02	\$ 12,256.02	\$ 23,286.44	\$ 1,225.60



**AGENDA
BILL
Item 5.D**

2020 Budget Discussion

DATE SUBMITTED:	December 2, 2019	MEETING DATE:	December 11, 2019
TO: BOARD OF COMMISSIONERS		FROM: Justin Clary, General Manager	
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS		1. 2020 Budget Scenarios	
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input type="checkbox"/>	INFORMATIONAL /OTHER <input checked="" type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

Through the powers granted under [Revised Code of Washington Title 57](#) (Water-Sewer Districts) and codified under the District's [Administrative Code](#) Title 2, Chapter 2.2 (1):

The General Manager shall develop an operating and capital improvement budget annually for both the water and sewer systems. The annual budget shall provide for the forecasting of revenues and expenditures for the following year. The budget shall be 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 a draft budget for Board discussion. 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). The attached budget summary sheets provide those three scenarios, all while projecting positive fund balances through 2020 yearend. Dependent upon direction provided by the Board during commissioner insurance discussion portion of the December 11 meeting, and final direction relative to the budget, a final revision of the 2020 Budget will be presented to the Board for consideration during its regularly scheduled December 26, 2019 meeting.

FISCAL IMPACT

The budget for 2020 proposes a budget of approximately \$3 million for the water utility, and budget of \$4.8 million for the sewer utility, resulting in a total budget of approximately \$7.8 million.

RECOMMENDED BOARD ACTION

No action is recommended at this time.

PROPOSED MOTION

Not applicable.

42% water 58% sewer Carryover Allocation

No Commissioner insurance

LAKE WHATCOM WATER AND SEWER FUND SUMMARY 2020



	401	402	460	
	WATER	SEWER	BOND RESERVE (RESTRICTED)	TOTAL
2020 REVENUES	2,886,739	4,379,446	-	7,266,185
2020 EXPENDITURES	(3,022,547)	(4,773,280)	-	(7,795,827)
CASH/INVESTMENTS 2019 CARRYOVER \$1,700,000	714,000	986,000	772,334	2,472,334
CONTINGENCY FUNDS TRANSFER IN	\$460,000	\$787,000		\$1,247,000
	-----	-----	-----	-----
PROPOSED 2020 YEAR END BALANCE	\$1,038,192	\$1,379,166	\$772,334	\$3,189,692
2020 ALLOCATED TO OPERATING RESERVES	-\$520,000	-\$420,000		-\$940,000
2020 ALLOCATED TO CONTINGENCY	-\$460,000	-\$796,000		-\$1,256,000
AVAILABLE 2020 YEAR END BALANCE	\$58,192	\$163,166		\$221,358

42% water 58% sewer Carryover Allocation

\$50,000 Commissioner Insurance (Commissioner only)

LAKE WHATCOM WATER AND SEWER FUND SUMMARY 2020



	401	402	460	
	WATER	SEWER	BOND RESERVE (RESTRICTED)	TOTAL
2020 REVENUES	2,886,739	4,379,446	-	7,266,185
2020 EXPENDITURES	(3,047,547)	(4,798,280)	-	(7,845,827)
CASH/INVESTMENTS 2019 CARRYOVER \$1,700,000	714,000	986,000	772,334	2,472,334
CONTINGENCY FUNDS TRANSFER IN	\$460,000	\$787,000		\$1,247,000
	-----	-----	-----	-----
PROPOSED 2020 YEAR END BALANCE	\$1,013,192	\$1,354,166	\$772,334	\$3,139,692
2020 ALLOCATED TO OPERATING RESERVES	-\$520,000	-\$420,000		-\$940,000
2020 ALLOCATED TO CONTINGENCY	-\$460,000	-\$796,000		-\$1,256,000
AVAILABLE 2020 YEAR END BALANCE	\$33,192	\$138,166		\$171,358

42% water 58% sewer Carryover Allocation

\$95,000 Commissioner Insurance (including spouse/family)

LAKE WHATCOM WATER AND SEWER FUND SUMMARY 2020




	401	402	460	
	WATER	SEWER	BOND RESERVE (RESTRICTED)	TOTAL
2020 REVENUES	2,886,739	4,379,446	-	7,266,185
2020 EXPENDITURES	(3,070,047)	(4,820,780)	-	(7,890,827)
CASH/INVESTMENTS 2019 CARRYOVER \$1,700,000	714,000	986,000	772,334	2,472,334
CONTINGENCY FUNDS TRANSFER IN	\$460,000	\$787,000		\$1,247,000
	-----	-----	-----	-----
PROPOSED 2020 YEAR END BALANCE	\$990,692	\$1,331,666	\$772,334	\$3,094,692
2020 ALLOCATED TO OPERATING RESERVES	-\$520,000	-\$420,000		-\$940,000
2020 ALLOCATED TO CONTINGENCY	-\$460,000	-\$796,000		-\$1,256,000
AVAILABLE 2020 YEAR END BALANCE	\$10,692	\$115,666		\$126,358



**AGENDA
BILL
Item 7.A.**

General Manager's Report

DATE SUBMITTED:	December 5, 2019	MEETING DATE:	December 11, 2019
TO: BOARD OF COMMISSIONERS		FROM: Justin Clary	
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS		1. General Manager's Report	
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input type="checkbox"/>	INFORMATIONAL /OTHER <input checked="" type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

Updated information from the General Manager in advance of the Board meeting.

FISCAL IMPACT

None.

RECOMMENDED BOARD ACTION

None required.

PROPOSED MOTION

None.



LAKE WHATCOM WATER AND SEWER DISTRICT

General Manager's Report

Upcoming Dates & Announcements

Regular Meeting – Wednesday, December 11, 2019 – 6:30 p.m.

Important Upcoming Dates

Lake Whatcom Water & Sewer District			
Regular Board Meeting	Wed Dec 26, 2019	8:00 a.m.	Board Room
Employee Staff Meeting	Thu Dec 12, 2019	8:00 a.m.	Board Room Commissioner Abele to Attend
Investment Comm Meeting	Wed Jan 8, 2020	6:00 p.m.	Small Conference Room
Safety Committee Meeting	Mon Dec 17, 2019	1:00 p.m.	Small Conference Room
Lake Whatcom Management Program			
Data Group Meeting	Thu Dec 12, 2019	9:00 a.m.	City of Bellingham PW Offices 2221 Pacific Street
Policy Group Meeting	Mon Feb 24, 2020	3:00 p.m.	City of Bellingham Fireplace Room 625 Halleck Street
Joint Councils Meeting	March 2020	TBD	TBD
Other Meetings			
WASWD Section III Meeting	Tue Jan 14, 2020	6:15 p.m.	Bob's Burgers, 8822 Quil Ceda Pkwy, Tulalip, WA
Whatcom Water Districts Caucus Meeting	Wed Dec 18, 2019	1:00 p.m.	Board Room
Whatcom County Council of Governments Board Meeting	Wed Dec 11, 2019	3:30 p.m.	Council of Governments Offices 314 E Champion Street

Committee Meeting Reports

Safety Committee:

- No meeting has been held since the last board meeting.

Investment Committee:

- No meeting has been held since the last board meeting.

Upcoming Important Agenda Topics and Meetings

- Adoption of Fiscal Year 2020 Budget (December 26)
- Approval of contract for Lake Whatcom On-site Sewage Impact Assessment (December 26)
- Approval of professional services agreement for Sudden Valley Water Treatment Plant Facility Improvement Plan (December 26)
- Annual election of officers and appointment of board representatives (January 8)

2019 Initiatives Status

Administration and Organizational Document Review/Revision

Personnel Policies Manual

- Workplace Violence Policy Update
Approved by the Board during February 27 meeting.
- Drug Testing Policy Update
Approved by the Board during February 27 meeting.
- Paid Family & Medical Leave Act Policy Addition
Approved by the Board during February 27 meeting.

Administrative Code

- Board Meeting Dates/Times
Adopted by the Board during January 30 meeting (Resolution No. 854).
- Purchasing Policy
Adopted by the Board during March 13 meeting (Resolution No. 857).
- Master Fees and Charges Schedule
Adopted by the Board during September 11 meeting (Resolution No. 860).
- Fiscal Management Policies
Adopted by the Board during September 25 meeting (Resolution No. 861).
- Bonded Side Sewer Contractor Policies
Adopted by the Board during October 30 meeting (Resolution No. 862).

Commissioner Protocol Manual

- Work session to review/revise
Adopted by the Board during April 10 meeting.

Health & Safety Program

- Review programs
Ongoing. Safety Committee has updated the District's Employee Safety Manual, and Return to Work, Respirator, Chlorine Safety, Confined Space, Vehicle Operation, Fire Safety, Hazardous Communications, and Meter Reader Safety programs.

File Management System

- Electronic file management structure revision
File management structure has been revised and migration of documents is complete.
- Digitize applicable hard copies and file in DocuWare
Staff attended DocuWare training on June 13; R Hope developing process for ensuring digitalization of applicable documents in accordance with State regulations.

Community/Public Relations Enhancement

Website

- Reconfigured the layout of the *About* dropdown menu to make more user friendly.
- Expanded content for the *Board of Commissioners* page (commissioner bios and photos).
- Routinely providing alerts, as appropriate, on page (e.g., water main flushing notice).

Intergovernmental Relations

- J. Clary scheduled to provide a District update to the Sudden Valley Community Association board on December 12.
- J. Clary and R. Hope finalizing December 18 legislative breakfast format/agenda.

Social Media Program

- Develop/implement social media program
Program implemented February 14.
- Create/manage District LinkedIn account
LinkedIn account is live (www.linkedin.com/company/lake-whatcom-water-and-sewer-district) with new information posted regularly.
- Create/manage District Facebook account
Facebook account is live (<https://www.facebook.com/Lake-Whatcom-Water-Sewer-District-455872278278848>) with new information posted regularly.
- Create/manage District NextDoor account
NextDoor currently limits public agency pages to only emergency response agencies, J. Clary registered individually to monitor “neighborhoods” within District service area.

Press Releases

- District staff recognition press release issued on January 14.
- ShakeAlert implementation press release issued on July 23.
- Department of Health Treatment Optimization Program Platinum Award press release issued on November 5.

50-Year Anniversary

- Press release/logo
Release issued November 21, 2018; logo developed November 20, 2018.
- Banner
Installed January 10.
- Commissioner/employee jackets with 50th anniversary logo
Jackets distributed to staff during March 14 staff meeting.
- Celebration
Completed during the annual employee banquet on January 11.

Fact Sheets

- Develop District fact sheets
General informational fact sheet on the District created on April 15.
Water conservation fact sheet created in June and distributed with July/August utility bills.
Winter Readiness fact sheet under development to be distributed with the November/December utility bills.

Lake Whatcom Water Quality

Management Program

- Attend organized meetings; initiate additional meetings/discussions outside of program
J. Clary participating on the Interjurisdictional Coordinating Team (ICT) in the development of the Lake Whatcom Management Program 2020-2024 Work Plan (next meeting held scheduled for December 19).

Onsite Septic System Impact Assessment

- North shore monitoring
One proposal (Herrera) was received for conducting the on-site sewage impact assessment (proposals were due December 2). The District, County, and City will work with the consultant on development of a scope of work for the effort (to be completed winter 2020).

Onsite Septic System Conversion Program

- Identify applicable lots
Staff identified lots to pursue connection to District collection system.
- Implement conversion notification process
Notice of requirement to connect to District sewer system sent to three property owners on February 21. District staff issued a reminder to each property owner on September 4.
- Complete conversion
Of the three properties, one has been issued a requirement to connect by November 27 by the Whatcom County Health Department, one has submitted a request to the Board for policy revision regarding the financial burden of the connection, and one has not responded to-date.

Watershed Stormwater Utility

- Participate in utility development process
*J Clary attended multiple meetings of the citizen advisory committee, the April 30 public meeting; and multiple County Council meetings.
County Council held a public hearing and adopted (vote of 5-2) the rate structure during its July 23 meeting; the utility will become effective (begin assessing rates) January 1, 2020.*

Board Technology Upgrades

Board-issued Tablets

- Identify/implement appropriate systems to board
Tablets have been issued to each commissioner.

Electronic Board Packets

- Implement electronic-only packet production process
District has converted to electronic-only packet production.

Asset Management

Asset Location

- GPS District infrastructure in Sudden Valley
The project has largely been completed.

Preventative Maintenance

- Develop/refine automatic work order notification process in Cartegraph
District staff have developed the hierarchy of assets for the system with Cartegraph and are testing the system on a pilot scale. Anticipate full implementation by the end of year.

O&M Workload Capacity Analysis

- Implement process in Cartegraph for tracking resource use
Engineering and operations staff are tracking resources specific to utilities.
- Analyze resource allocation data
Staff are analyzing data.


New Development Process Refinement

- Revise/implement new development permit/inspection/approval process
The District issued a letter in May to all individuals that have obtained a Water Availability determination from the District over the past 12 months, notifying them of District limited resources for side sewer inspections and water service installations, and first come-first serve policy relative to the Lake Whatcom land disturbance window (June 1 – September 30). This letter is also being issued with water/sewer availability requests received since May.



**AGENDA
BILL
Item 9**

**Executive Session
Qualifications of Candidate
For Appointment to Board**

DATE SUBMITTED:	December 2, 2019	MEETING DATE:	December 11, 2019
TO: BOARD OF COMMISSIONERS	FROM: Justin Clary, General Manager		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. none		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input checked="" type="checkbox"/>	INFORMATIONAL /OTHER <input type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

Laura Abele, Commissioner Position No. 1, tendered her resignation from the Board of Commissioners on October 7, 2019, with an effective date of December 31, 2019. Pursuant to [Revised Code of Washington 42.12.070\(1\)](#), the District advertised for applicants for appointment to Position No. 1 on October 30, with applications due December 2, 2019. The District received three applications from individuals confirmed to reside within Position No. 1 boundaries. Prior to its December 11, 2019 regularly scheduled meeting, the Board held a special meeting to interview each of the candidates.

This Executive Session is for the purposes of evaluating the qualifications of candidates for appointment to elective office per [RCW 42.12.070\(1\)](#) and is expected to last 30 minutes. The Board *may* select its preferred candidate following recess from Executive Session.

FISCAL IMPACT

No impact is anticipated.

RECOMMENDED BOARD ACTION

Staff recommends that the Board select the most-qualified candidate from the pool of applicants for appointment to Board of Commissioners Position No. 1.

PROPOSED MOTION


A recommended motion is:

"I move to select _____ for consideration of appointment to Lake Whatcom Water and Sewer District Board of Commissioners Position No. 1 during the first regularly scheduled meeting of January 2020."



**AGENDA
BILL
Item 10**

**Executive Session
To Discuss
Potential Litigation**

DATE SUBMITTED:	December 2, 2019	MEETING DATE:	December 11, 2019
TO: BOARD OF COMMISSIONERS		FROM: Justin Clary, General Manager	
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS		1. none	
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input type="checkbox"/>	INFORMATIONAL /OTHER <input checked="" type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

This Executive Session is for the purposes of discussing potential litigation with legal counsel per [RCW 42.30.110\(1\)\(i\)\(ii\)](#) and is expected to last 15 minutes.

FISCAL IMPACT

No impact is anticipated.

RECOMMENDED BOARD ACTION

No action is recommended at this time.


PROPOSED MOTION

Not applicable.



**AGENDA
BILL
Item 11**

**Executive Session
General Manager Annual
Performance Evaluation**

DATE SUBMITTED:	December 2, 2019	MEETING DATE:	December 11, 2019
TO: BOARD OF COMMISSIONERS	FROM: Justin Clary, General Manager		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. none		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input type="checkbox"/>	INFORMATIONAL /OTHER <input checked="" type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

The District entered into an employment agreement on August 29, 2018, with Justin Clary to serve as the District's general manager. Mr. Clary's first day of employment with the District was October 1, 2018. Per Section 10, Performance Evaluation, of the agreement, the Board of Commissioners is to evaluate Mr. Clary's performance annually, on or about the anniversary of appointment. During its September 25 meeting, the Board defined an approach and schedule for conducting the performance evaluation. The Board also requested that Mr. Clary submit an annual report summarizing District achievements over the past year, as well as proposed initiatives for 2020. The requested document was included in the packet of the Board's October 9th regularly scheduled meeting.

This Executive Session is for the purposes of evaluating the performance of a public employee per [RCW 42.30.110\(1\)\(g\)](#) and is expected to last 30 minutes.

FISCAL IMPACT

No impact is anticipated.

RECOMMENDED BOARD ACTION

No action is recommended at this time.

PROPOSED MOTION

Not applicable.