



LAKE WHATCOM WATER AND SEWER DISTRICT
1220 Lakeway Drive
Bellingham, WA 98229

REGULAR SESSION OF THE BOARD OF COMMISSIONERS

Minutes

November 25, 2020

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

Attendees: Commissioner Laura Abele
Commissioner Todd Citron
Commissioner Bruce Ford
Commissioner Leslie McRoberts
General Manager Justin Clary
District Engineer/Assistant GM Bill Hunter
Finance Manager/Treasurer Debi Denton
Operations & Maintenance Manager Brent Winters

Excused Absences: Commissioner John Carter

Also present were District Engineering Technician/Safety Officer Rich Munson, Melanie Mankamyer of Wilson Engineering, and Keith Stewart and Russ Porter of Gray & Osborne.

All attendees participated remotely by phone or video conferencing.

Roll Call

General Manager Justin Clary performed a roll call to identify those in attendance, and then verbally confirmed that the meeting was noticed in accordance with Resolution No. 859 allowing remote meeting attendance as well as in compliance with current statutory requirements. It was confirmed that all participants were able to be heard and hear each other clearly.

Consent Agenda

Action Taken

Citron moved, Ford seconded, approval of:

- Minutes for the November 12, 2020 Regular Board Meeting
- Payroll for Pay Period #23 (10/31/2020 through 11/13/2020) totaling \$50,700.44
- Payroll Benefits for Pay Period #23 totaling \$54,577.31
- Motion passed.

Sudden Valley Water Treatment Plant Alternatives Analysis Briefing #2

Hunter recalled that Gray & Osborne was contracted after an initial condition assessment in July 2020, to perform an alternatives analysis of work to be done at the District's Sudden Valley Water Treatment Plant.

The assessment identified high and low priority items which were subsequently broken down by major system.

The major systems as written in the scope of work agreement are:

- Pump Performance Test (Presented to Board 9/30/2020, Briefing #1)
- Chemical Systems Analysis (Presented to Board as part of this agenda item)
- Disinfection Systems Analysis
- Backwash Systems Analysis
- Filtration System Analysis
- Tier 2/3 Seismic and Structural Analysis (Presented to Board as part of this agenda item)
- Structural/Arch Workspace Analysis
- NACE III Coating Inspection (Presented to Board 9/30/2020, Briefing #1)

For this meeting, Gray & Osborne completed the Tier 2/3 Seismic and Structural Analysis and the Chemical Systems Analysis. Keith Stewart and Russ Porter of Gray & Osborne provided a presentation to summarize their findings and recommendations and collect Board comments. Discussion followed.

Utility Rate Study Personal Services Agreement Approval

Denton explained that every 5 years the District reviews its rates and fees in order to ensure that we address both inflationary and projected operating and capital costs into the future. District rates were last reviewed during the summer of 2014 with an update performed in the fall of 2016. The approved rate/fee structure scheduled annual adjustments with the last adjustment of this cycle to go into effect on January 1, 2021.

With this study, the District aims to develop a long-range financial forecast that funds each utility on a standalone basis, considering its operating and maintenance expenditures, debt service, fiscal policy achievement, and capital project needs. FCS Group was the sole responder to the Request for Proposals issued by the District to three firms in September 2020. This rate study will determine the 5-year rate structure for 2022-2027. Discussion followed.

Action Taken

McRoberts moved, Ford seconded, to award the 2020 Water and Sewer Rate Study project to FCS Group and authorize the general manager to execute a personal services agreement for a cost not to exceed the amount of \$45,785 as presented. Motion passed.

Draft 2021 Budget Presentation

Denton presented the latest revisions to the proposed 2021 Budget, which included adjusting the employee COLA and updating some fund carryovers and estimates. There were no other changes since the Board's review of the draft budget at the November 12 Board meeting.

Using projected revenues based upon prior Board-adopted rate increases (4% and 2.5% water and sewer rates, respectively), actual 2020 operating expenses and projects defined in the District's water and sewer capital improvement plans, District staff developed the presented draft budget for Board discussion focused on the capital improvement portion. Discussion followed.

Disposal of Surplus Property

Clary recounted that, several years ago during the first on-site sewage system assessment completed by Herrera Consulting, the District purchased an optical brighter probe and data logger that Herrera used to gather data. The equipment has been kept at Herrera since and was used to some degree in this year's study.

At the conclusion of the study, as the District has no staff trained in operation of the device nor a regular need for its use, staff recommended surplussing the item. Herrera previously communicated interest in purchasing the equipment. The Board discussed the item, and no action was taken as they agreed to postpone further discussion to the December 9, 2020, regular Board meeting.

General Manager's Report

Clary updated the Board on several topics, including the District's continued response to the Covid-19 pandemic, the City of Bellingham's Biosolids Handling facility plan progress, and contact regarding a potential cell tower on 1010 Lakeview property. Discussion followed.

Engineering Department Report

Hunter highlighted several projects, including the status of the Dellesta and Edgewater sewer lift stations improvements, the Euclid sewer lift station improvements, and the Agate Heights water treatment plant improvements (scheduled for bid in early December). Discussion followed.

Finance Department Report

Denton reported that revenues and expenditures are still tracking well. She also highlighted impacts to revenue due to the Covid-19 pandemic, which have been minimal. Discussion followed.

Operations & Maintenance Department Report

Winters gave a brief report on ongoing projects and development in the Operations Department, including close of the watershed construction window, continued focus on safety, and sewer cleaning along Lake Whatcom Boulevard. Discussion followed.

Executive Session Per RCW 42.30.110(1)(g) General Manager Performance Evaluation - 30 Minutes

Abele recessed the Regular Session to Executive Session at 9:58 a.m. It was estimated that the Executive Session would take about 30 minutes. The purpose of the Executive Session was for considering issues related to evaluating the performance of a public employee. Abele recessed the Executive Session and reconvened the Regular Session at 10:03 a.m.

Action Taken

Citron moved, McRoberts seconded, to increase the General Manager's salary by \$2,000 per year effective January 1, 2021. Motion passed.

With no further business, Abele adjourned the Regular Session 10:04 a.m.




Recording Secretary, Rachael Hope

Dec. 30, 2020


Date Minutes Approved



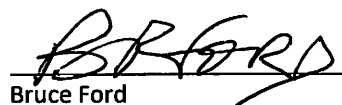
Laura Abele




Todd Citron



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Bruce Ford



Leslie McRoberts