



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

## REGULAR SESSION OF THE BOARD OF COMMISSIONERS

# Minutes

*September 14, 2022*

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

<b>Attendees:</b>	Commissioner Laura Abele	General Manager Justin Clary
	Commissioner Todd Citron	District Engineer/Assistant GM Bill Hunter
	Commissioner John Carter	Finance Manager/Treasurer Jenny Signs
	Commissioner Bruce Ford	Operations Manager Brent Winters
	Commissioner Jeff Knakal	Recording Secretary Rachael Hope

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.

### Changes to Agenda

Clary requested the addition of Item 7C to discuss the City of Bellingham's Post Point Resource Recovery Project. The Board agreed.

### Consent Agenda

#### Action Taken

Citron moved, Ford seconded, approval of:

- Minutes for the 8/24/22 Special Board Meeting
- Minutes for the 8/31/22 Regular Board Meeting
- Payroll for Pay Period #18 (08/20/2022 through 09/02/2022) totaling \$48,725.28
- Payroll Benefits for Pay Period #18 totaling \$53,900.68
- Accounts Payable Vouchers totaling \$306,724.

Motion passed.

### Utility Local Improvement District (ULID) No. 18 Reconciliation Discussion

Clary described that as a Washington State special purpose district, the Lake Whatcom Water and Sewer District (District) has from time-to-time established utility local improvement districts (ULIDs) under RCW

36.94.230. ULIDs are special assessments on properties determined to benefit from the associated capital improvement project. The sole remaining active District ULID is ULID No. 18, which was created in 2001 to finance the Lake Louise Road Sewer Interceptor project.

As allowed under statute, some owners of properties located within the ULID No. 18 benefiting area exercised the option to “opt out” of paying the assessment, which resulted in a restrictive covenant being recorded on the property that prohibits its development until January 30, 2028 (25 years). However, the District later determined that there were a number of undeveloped properties within the benefiting area that were neither charged the ULID No. 18 assessment, nor had a restrictive covenant recorded against them due to “opting out” of the ULID assessment. To address this issue, in March 2003, the Board adopted Resolution No. 672, creating a charge in lieu of the ULID assessment that allowed the subject properties to connect to District infrastructure through payment of the ULID No. 18 assessment escalated through a 9.5% multiplier applied annually through the date of connection application.

With the expiration of this fee approaching on December 31, 2022, the question was recently raised as to whether properties whose owner neither formally “opted out” of ULID No. 18, nor paid the ULID No. 18 assessment, will have the ability to develop after the expiration of the charge in lieu of assessment. District staff provided a summary sheet defining the issue and potential policy options. Discussion followed.

#### **General Facilities Charges Cost Basis Analysis**

Under the Revised Code of Washington 57.08.005 (11), the Lake Whatcom Water and Sewer District may fix rates and charges to property owners seeking to connect to the District’s water and sewer systems using reasonable connection charges so that property owners bear their equitable share of the cost of the system. The most recent review of the District’s cost-based General Facilities Charges (GFCs) was conducted in 2017, with an annual escalation of 2.5% applied to each (water and sewer) GFC since.

Hunter recalled that at the July 27, 2022 board meeting, the board requested additional information on the increase in the proposed sewer GFC relative to the current GFC. Information describing the methodology, including contributing factors for the changes between the 2017 and current GFC analyses was requested. Staff presented a memorandum prepared by staff that provides additional information and proposed considerations for the next iteration of GFC original cost basis calculations. Discussion followed.

#### **City of Bellingham Post Point Resource Recovery Project Update**

Clary recollected that at the August 31, 2022 board meeting, Eric Johnston from the City of Bellingham gave a brief update on the status of the City of Bellingham’s Post Point Resource Recovery capital project; including information about a statement from Bellingham Mayor Seth Fleetwood requesting that the city council pause the project and re-evaluate available options.

In light of the City of Bellingham City Council’s decision to formally consider halting efforts on the Post Point Resource Recovery Project during its upcoming September 26 meeting, in alignment with past Board discussion, Clary presented a letter for Board consideration in formal support of Mayor Fleetwood’s decision. Discussion followed.

#### **Action Taken**

**Carter moved, Ford seconded to formally support the General Manager signing the letter and sending it to the Bellingham City Council and Mayor Fleetwood. Motion passed.**

**General Manager's Report**

Clary updated the Board on several topics, including updates to Washington State's Open Public Meetings Act and the end of Governor Inslee's COVID-19 Emergency Proclamations, a leak on the District's emergency intertie with the City of Bellingham, and receipt of paperwork for the final stages of FEMA Hazard Mitigation grants related to the November 2021 flooding event. Discussion followed.

**Executive Session Per RCW 42.30.140(4) General Manager Performance Evaluation – 30 Minutes**

Abele recessed the Regular Session to Executive Session at 7:52 p.m. It was estimated that the Executive Session would take about 30 minutes. The purpose of the Executive Session was to discuss the General Manager's Performance Evaluation. Abele recessed the Executive Session and reconvened the Regular Session at 8:09 p.m.

With no further business, Abele adjourned the Regular Session 8:09 p.m.

  
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Board President, Laura Abele

Attest:   
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Recording Secretary, Rachael Hope

Minutes approved by motion at  Regular  Special Board Meeting on 10/12/2022  
Date Minutes Approved