



LAKE WHATCOM WATER AND SEWER DISTRICT

1220 Lakeway Drive
Bellingham, WA 98229

REGULAR SESSION OF THE BOARD OF COMMISSIONERS Minutes

February 8, 2023

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

Attendees: Commissioner Todd Citron
Commissioner John Carter
Commissioner Laura Abele (v)
Commissioner Bruce Ford
Commissioner Jeff Knakal (v)
General Manager Justin Clary
District Engineer/Assistant GM Bill Hunter
Finance Manager/Treasurer Jenny Signs
Operations & Maintenance Manager Jason Dahlstrom
Recording Secretary Rachael Hope
District Legal Counsel Bob Carmichael

Roll Call

General Manager Justin Clary performed a roll call. Also in attendance were Scott Goodall & Tyler Andrews, consulting engineers representing Sudden Valley Community Association; and Sam Shahan, Sudden Valley Community Association Board Vice President.

Attendees noted with (v) attended the meeting virtually.

Consent Agenda

Action Taken

Carter moved, Ford seconded, approval of:

- **Minutes for the 01.11.23 Regular Board Meeting**
- **Minutes for the 01.25.23 Regular Board Meeting**
- **Payroll Taxes for 4th Quarter 2022 totaling \$8,865.94**
- **Payroll for Pay Period #03 (01.21.2022 through 02.03.23) totaling \$44,898.11**
- **Payroll Benefits for Pay Period #03 totaling \$52,182.21**
- **Accounts Payable Vouchers totaling \$109,486.94**

Motion passed.

Developer Extension Agreement Application for Sudden Valley Community Association Culvert 315

Hunter explained that the Sudden Valley Community Association (SVCA) plans to replace an existing culvert near 225 Polo Park Drive with a new box culvert. The proposed culvert grade and alignment requires that the existing 8-inch diameter District water main be relocated below the new culvert and the existing 8-inch diameter District gravity sewer main be protected. A Developer Extension Agreement (DEA) is a contract between the District and a developer or property owner to construct water and/or sewer facilities. This DEA will allow SVCA to work with the District to ensure protection of the District's infrastructure. Discussion followed.

Action Taken

Carter moved, Abele seconded, to authorize the General Manager to execute a Developer Extension Agreement with the Sudden Valley Community Association to reroute water and sewer mains that conflict with the proposed box Culvert 315 alignment with the following conditions:

- 1. Water and sewer mains crossing under the culvert are installed to allow future replacement or repair of mains without disruption to the culvert, and**
- 2. No new water or sewer connections are included in the project.**

Motion passed.

Commissioner Protocol Manual Revision—Social Media Use Policy Addition

Clary recalled that at the Board's regular meeting on January 11, 2023, staff were directed to draft a commissioner social media use policy for the Board's considered inclusion in the Commissioner Protocol Manual. Staff presented a revised Commissioner Protocol Manual adding a subsection under 4.01, Communications from Commissioners, that is specific to personal social media use by commissioners, as well as updating Section 1.02(E) to reflect the relatively recent shift from annual to biennial budgeting. Discussion followed.

Action Taken

Ford moved, Knakal seconded, to adopt the revised Commissioner Protocol Manual as presented. Motion passed.

Capital Surplus Policy Creation Discussion

Signs recalled that on February 17, 2022, FCS Group submitted to the Board of Commissioners a comprehensive study of rates for the water and sewer utilities. The main goal of the rate study was to develop a funding plan for the District's water and sewer utilities for the 2021-2040 study period with a shorter rate setting period to cover years 2022-2026. Within the study, FCS Group identified two specific large capital projects in each utility that would have a significant impact on required revenue and likely require debt; Sudden Valley Water Treatment Plant improvements in the Water Fund and the Post Point Resource Recovery Project within the Sewer Fund.

At that time, FCS Group also recommended the creation of a capital surplus from the proposed rate increases to limit debt financing when the projects were completed. This surplus will gradually increase as revenues increase with rate increases and then be utilized in the appropriate year for large capital projects. In order to identify these funds within the District's adopted budget as well as the District's Administrative Code, staff recommended changes to language in Section 2.3 of the Administrative Code, which defines the District's Capital Improvement Policy. Discussion followed with the Board directing staff to develop a resolution for consideration at a future meeting that incorporates the staff-recommended changes into the administrative code.

Review of District Compensation Policy

Clary summarized the District's compensation structure for its employees, including those represented by the American Federation of State, County and Municipal Employees (AFSCME) Council 2 Local 114WD as well as the at-will employees who are not represented. He explained that since at least 2010 the District has implemented a salary matrix that defines compensation for all staff positions aside from the General Manager, who is employed under an individual employment contract. This salary matrix is integrated into the current collective bargaining agreement with AFSCME and in the offer of employment letters executed by the non-represented staff.

The salary matrix is revised annually to reflect a cost-of-living-adjustment (COLA) defined in the current AFSCME agreement. Traditionally and to maintain the uniformity of the squared salary matrix, the Board

has annually approved COLAs for non-represented staff consistent with the COLA defined in the AFSCME agreement. During its December 14, 2022 meeting, the Board approved a COLA and one-time payment for non-represented staff consistent with that provided represented staff. During December 14, 2022 meeting discussion, Commissioner Ford requested that discussion pertaining to the District's compensation philosophy be placed on a future board meeting agenda. Discussion followed with the Board electing to maintain the current compensation policy (squared salary matrix).

Manager's Report

Clary updated the Board on several topics, including his recent attendance at an informational meeting regarding the Nooksack River Basin (Water Resource Inventory Area No. 1) Adjudication, attendance at the Washington Association of Sewer & Water Districts quarterly General Manager meeting, and an update on the Department of Health's acceptance of Lead & Copper Service Line Inventories. Discussion followed.

With no further business, Citron adjourned the Regular Session at 8:10 p.m.



Board President, Todd Citron

Attest: 

Recording Secretary, Rachael Hope

Minutes approved by motion at Regular Special Board Meeting on Feb 22, 2023
Date Minutes Approved