



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

## REGULAR SESSION OF THE BOARD OF COMMISSIONERS

# Minutes

*January 10, 2024*

Board President Todd Citron called the Regular Session to order at 6:37 p.m.

<b>Attendees:</b>	Commissioner Todd Citron	General Manager Justin Clary
	Commissioner John Carter	Engineering Manager Greg Nicoll
	Commissioner Bruce Ford	Finance Manager Jenny Signs
	Commissioner Jeff Knakal (v)	Operations Manager Jason Dahlstrom
	Commissioner David Holland	District Legal Counsel Bob Carmichael
		Recording Secretary Rachael Hope

No public were in attendance. Attendees noted with a (v) attended the meeting virtually.

### **Oaths of Office**

During the November 2023 general election, Commissioners Todd Citron and John Carter were elected to serve in their current positions for a new six-year term expiring December 31, 2029. Both Commissioners were sworn into office.

### **Consent Agenda**

#### **Action Taken**

Ford moved, Carter seconded, approval of:

- Minutes for the 12.13.23 Special Meeting
- Minutes for the 12.13.23 Regular Board Meeting
- Payroll for Pay Period #26 (12.09.2023 through 12.22.2023) totaling \$49,147.37
- Benefits for Pay Period #26 totaling \$52,907.29
- Accounts Payable Vouchers totaling \$118,699.27
- Payroll for Pay Period #1 (12.23.2023 through 01.05.2024) totaling \$61,074.44
- Benefits for Pay Period #1 totaling \$62,574.55
- Accounts Payable Vouchers totaling \$173,840.63

Motion passed.

### **Election of Board Officers**

Clary recalled that Lake Whatcom Water & Sewer District operates under the authority of Revised Code of Washington (RCW) Title 57, Water-Sewer Districts. Under RCW 57.12.010, Commissioners-President and Secretary-Compensation, "the board shall annually elect one of its members as

president and another as secretary.” The District has historically fulfilled this statutory obligation during its first meeting of the calendar year.

**Action Taken**

**Carter moved, Ford seconded, to appoint Commissioner Citron to serve as District Board president for the 2024 calendar year. Motion passed.**

**Holland moved, Ford seconded, to appoint Commissioner Carter to serve as District Board secretary for the 2024 calendar year. Motion passed.**

**Appointment of Board Representatives to the District’s Investment Committee**

Clary further recalled that Chapter 2.14 of the District’s administrative code establishes an Investment Committee, which is comprised of the finance manager/treasurer, general manager, and two commissioners. Duties of the committee include, at a minimum, quarterly review of the District’s investment portfolio and rate structure and annual review of the District’s investment policy. Discussion followed.

**Action Taken**

**Ford moved, Carter seconded, to appoint Commissioner Holland and Commissioner Knakal to serve as the Board’s representatives on the District’s Investment Committee for the 2024 calendar year. Motion passed.**

**Appointment of Board Representatives to the Whatcom County Council of Governments & Lake Whatcom Management Program Policy Group**

Clary further recalled that the District annually appoints a representative to serve on the Whatcom County Council of Governments and a representative to serve on the Lake Whatcom Management Program Policy Group. Discussion followed.

**Action Taken**

**Carter moved, Ford seconded, to appoint Commissioner Knakal to serve as the District’s representative on the Whatcom County Council of Governments for the 2024 calendar year. Motion passed.**

**Carter moved, Holland seconded, to appoint Commissioner Ford to serve as the District’s representative on the Lake Whatcom Management Program Policy Group for the 2024 calendar year. Motion passed.**

**Amendment No. 1 to Hazard Mitigation Grant Agreement for FEMA Funding Supporting the Division 7 Reservoir Replacement Project**

Clary explained that in 2018, the District submitted a FEMA Hazard Mitigation Grant application to replace the Division 7 Reservoir with two new reservoirs constructed to meet seismic standards, and to implement ShakeAlert (earthquake early warning system) on the new reservoirs. The grant application was developed in conjunction with Washington State Emergency Management Division (WA-EMD) of the Washington State Military Department and the Federal Emergency Management Agency (FEMA) as a hazard mitigation project. The cost sharing is as follows: FEMA 75% (\$1,710,750), WA-EMD 12.5% (\$285,125), and Lake Whatcom Water and Sewer District 12.5% (\$285,125).

As design and permitting progressed, and recognizing significant escalations in the construction industry, the cost estimate for the entire project was updated in October 2022 at \$2,950,000 (\$669,000 beyond the FEMA-approved grant agreement). Due to the significant increase, the District

requested additional funding from FEMA. The District was recently notified by WA-EMD staff that there are no additional federal funds that may be allocated toward the project, and that if the District wished to proceed, it would have to finance the estimated additional \$669,000 (in addition to the District's grant commitment of \$285,125). Since that notice, the District been notified of receipt of a \$220,000 federal earmark through Congressman Larsen's Office and was recently awarded an \$800,000 low interest construction loan through the Washington State Public Works Board. Receipt of the PWB loan will fully fund the project, even if the federal earmark is not ultimately received.

**Action Taken**

**Carter moved, Ford seconded, to authorize the general manager to execute Amendment No. 1 to Hazard Mitigation Grant Agreement No. D24-016 with the Washington State Military Department to enable receipt of federal funds for construction of the Division 7 Reservoir Replacement Project as presented. Motion passed.**

**Public Works Board Loan Agreement Supporting the Division 7 Reservoir Replacement Project**

In addition to the amendment to the Hazard Mitigation Grant agreement for funding the Division 7 Reservoir Replacement Project, Clary indicated that the District has been awarded an \$800,000 low interest loan from the Washington State Public Works Board, which fully funds the project. Clary presented the PWB loan agreement to the board for consideration of approval.

**Action Taken**

**Carter moved, Ford seconded, to authorize the general manager to execute Loan Agreement No. PC24-96103-041 with the Washington State Public Works Board to enable receipt of \$800,000 for construction of the Division 7 Reservoir Replacement Project as presented. Motion passed.**

**General Manager's Report**

Clary updated the Board on several topics, including the upcoming Lake Whatcom Management Program Joint Councils meeting set for March 27 and the Employee Recognition Banquet on Feb 2. Clary recognized Dahlstrom's continued participation in the American Water Works Association Emerging Leaders Academy, and staff for another full calendar year without lost time injury in 2023. Discussion followed.

With no further business, Citron adjourned the regular session at 7:25 p.m.



Board President, Todd Citron

Attest:



Recording Secretary, Rachael Hope

Minutes approved by motion at ☒ Regular ☐ Special Board Meeting on 1/31/24