



1220 Lakeway Dr • Bellingham, WA 98229

## REGULAR SESSION OF THE BOARD OF COMMISSIONERS

# Minutes

*August 14, 2024*

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

**Attendees:**

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

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

### **Addition to Agenda**

Staff requested the addition of Item 6.D.: Division 7 Reservoir Replacement Public Works Contract Change Order No. 1. The Board agreed.

### **Consent Agenda**

#### **Action Taken**

**Knakal moved, Carter seconded, approval of:**

- **Minutes for the Minutes for the July 31, 2024 Regular Board Meeting**
- **Payroll for Pay Period #16 (07.20.2024 through 08.02.2024) totaling \$48,782.36**
- **Benefits for Pay Period #16 totaling \$55,3863.12**
- **Accounts Payable Vouchers totaling \$4,686.55**
- **Accounts Payable Vouchers totaling \$361,727.00**

**Motion passed.**

### **Geneva Reservoir Improvement Plan Discussion**

The Geneva Reservoir is a 500,000-gallon welded steel reservoir that serves the Geneva community of approximately 1,136 connections. Nicoll recalled that at the July 31, 2024 Regular Board Meeting, the Board requested further discussion of seismic upgrade alternatives proposed by the project Design Engineer, including the alternative of replacing the existing reservoirs rather than upgrading. District staff subsequently approached Washington State Emergency Management Department (EMD), who is administering the grant, and inquired if additional grant funding is available to replace the Geneva Reservoir with two new reservoirs rather than completing the seismic upgrades. EMD responded that

the requested change and additional budget request could not be considered due to funding limitations. Discussion followed with the Board agreeing to continue with design of seismic upgrades to the existing reservoir rather than the significantly more costly option of replacing it with new reservoirs.

**Rate Affordability Analysis Presentation**

Clary explained that historically, the District has periodically reviewed and updated its rates and fees to ensure its ability to finance anticipated operational, capital, and debt service obligations in a manner that maintains the District’s financial viability and preserves the effective operation of its water and sewer systems into the foreseeable future. The most recent comprehensive review of rates was completed in 2021, with the Board subsequently adopting a multi-year (2022-2026) rate program whereby water and sewer rates increase annually by 4.5% and 3.7%, respectively.

Recognizing the significant impacts that the national/global inflation rate has had upon District customers, the Board requested that a review of District rates be completed from an affordability perspective. Staff presented an analysis of the District’s rates using the U.S. EPA method and several other identified methods for determining rate affordability. Discussion followed.

**District Mission and Goals Review**

Clary summarized that the District’s current mission and goals have remained relatively unchanged for decades, with the most current revision adopted by the Board of Commissioners in February 2019, which added to the Goals attainment of fire flow requirements in the water system and providing a safe work environment for District staff. During the Board’s adoption of the 2025-2030 Six-year Strategic Business Plan, it was noted that it has been several years since the District’s mission and goals have been reviewed. Staff led the board through a strengths, weaknesses, opportunities and threats (SWOT) analysis to identify primary internal and external factors that have the potential to affect the District. Discussion followed, including suggestions for updating the mission and goals.

**Division 7 Reservoir Replacement Public Works Contract Change Order No. 1**

Nicoll explained that physical construction work on the Division 7 Reservoir Replacement project started on site in June 2024. As construction has progressed, multiple changes have been required because of differing site conditions, design revisions and cost reduction proposals. Staff summarized these changes and provided a proposed change order for Board approval.

**Action Taken**

**Knakal moved, Holland seconded, to authorize the general manager to execute Change Order No. 1 to the public works contract with Tiger Construction for construction of the Division 7 Reservoir Replacement project. Motion passed.**


**General Manager’s Report**

Clary updated the Board on several topics, including progress on the State Auditor’s accountability audit, a recent meeting with the Director of Whatcom County Emergency Services Division to talk about updating and extending the current interlocal agreement, and progress on the Environmental Protection Agency’s required Lead Service Line Inventory. Discussion followed.

With no further business, Citron adjourned the regular session at 8:43 p.m.



Board President, Todd Citron

Attest: 

Recording Secretary, Rachael Hope

Minutes approved by motion at  Regular  Special Board Meeting on 8/28/24