1220 Lakeway Dr • Bellingham, WA 98229

REGULAR SESSION OF THE BOARD OF COMMISSIONERS

Minutes

October 14, 2026

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

Attendees:	Commissioner Todd Citron	General Manager Justin Clary
	Commissioner David Holland (v)	Engineering Manager Greg Nicoll
	Commissioner Jeff Knakal	Operations Manager Jason Dahlstrom
	Commissioner Nick Greif	Recording Secretary Rachael Hope
	Commissioner John Carter	Legal Counsel Bob Carmichael

Also in attendance was member of the public Michael Miller (v). Attendees noted with a (v) attended the meeting virtually.

Consent Agenda

Action Taken

Knakal moved, Greif seconded, approval of:

- **Payroll for Pay Period #19 (08.29.2026 through 09.11.2026) totaling $50,590.51**
- **Benefits for Pay Period #19 totaling $57,003.84**
- **Accounts Payable Vouchers totaling $781,251.84**
- **Payroll for Pay Period #20 (09.12.2026 through 09.25.2026) totaling $51,976.85**
- **Benefits for Pay Period #20 totaling $57,347.61**
- **Payroll for Pay Period #21 (09.26.2026 through 10.09.2026) totaling $54,243.72**
- **Benefits for Pay Period #21 totaling $58,076.10**
- **Accounts Payable Vouchers totaling $230,372.44**

Motion passed.

Customer Appeal – Suspension of Sewer Service Requirements

Clary explained that the property located at 2125 Northshore Road formerly included a single-family residential home connected to the District's sewage conveyance system via a grinder pump. After the home remained vacant for over a decade, neighboring property owners Tim and Leslie Farris purchased the property and demolished the house in 2015.

In 2017, Mr. Farris approached the District about termination of sewer service for the 2125 Northshore Road property due to the demolition of the home. The Farrises were informed that the District Administrative Code required capping of the side sewer at the point at which it enters Northshore Road right-of-way to be eligible for service suspension. The Farrises appealed the Administrative Code requirement to the Board and during its May 10, 2017 meeting, the Board declined the Farris's appeal.

In November 2023 the District received an email from Mr. Farris requesting that the District reconsider suspension of sewer service to the subject property, subject to capping the side sewer at the prior location of the demolished home rather than at the road right-of-way. The General Manager provided a response, citing the District Administrative Code.

No further correspondence occurred until July 2025, when Mr. Farris requested that the District reconsider his request, or consider revising the Administrative Code to provide a reduced sewer service rate for connected properties without structures. Staff determined that the next appropriate step was for the Board to officially hear Mr. Farris's appeal of the General Manager's interpretation of the Administrative Code. The appeal hearing was conducted during the regular Board meeting on July 30, 2025. The Board denied Mr. Farris's appeal, thus requiring adherence with the Administrative Code and capping of the side sewer at the right-of-way line.

In June of 2026, Mr. Farris again contacted the District regarding a desire to proceed with capping of the sewer connection. The District responded on June 30 with the steps necessary to complete the capping in accordance with the Administrative Code, and district staff performed locate services for the point where the public service lateral connects with the public sewer main on July 9.

On Friday, July 24, without scheduling and attending the required pre-construction conference, Mr. Farris's District-bonded side sewer contractor proceeded with excavation, but was unable to locate the side sewer or service lateral. As work was taking place outside normal District business hours, no inspector was available to answer questions or provide inspection. Subsequently, Mr. Farris requested that the Board re-consider his request to appeal the Board's prior decisions and allow the line to be capped at the location of the former home.

Staff presented the Board with information and correspondence between Mr. Farris and staff, and provided two options under the District's Administrative Code for Board consideration:

1. Direct development of a resolution revising Administrative Code Sections 2.10.5, Suspension of Billing for Unoccupied Premises, and 5.6.6, Disconnection of Side Sewer, to allow for capping of side sewers at locations other than at the right-of-way or as close to the sewer main as possible.
2. Uphold the General Manager's interpretation of the Administrative Code requiring continued payment of sewer service until the side sewer is capped in accordance with the Administrative Code.

Staff advised that revising the required location for capping of side sewers/sewer laterals other than at the public right-of-way would create a potential pathway for groundwater infiltration or other contaminants to enter the District's sewage conveyance system and/or an unregulated space for sewage to back up into and potentially leak on private property as the side sewer pipe ages/deteriorates. Discussion followed.

Action Taken
Holland moved, Knakal seconded, to uphold the District Administrative Code as written and implemented by the General Manager, and decline Mr. Farris's appeal to revise the Administrative Code. Motion passed by unanimous vote.

Resolution No. 908—Master Fees and Charges Schedule Update
Clary recalled that the current revision of the Master Fees & Charges Schedule (Schedule 30) was adopted by the Board via Resolution No. 906 during its regularly scheduled meeting on July 29, 2026. Schedule 30 reflects the results of review of the District's rates for water sales and sewer service conducted earlier this year. Following its adoption, the District was contacted by a customer who owns a duplex regarding their utility bill.

In reviewing the Master Fees and Charges Schedule pertaining to sewer rates, the overall ERU rate is composed of an *account charge* and a *volume charge*. During the recent rate analysis, the overall ERU charge was the only charge reviewed relative to the revenue-based needs of the sewer utility. Similarly, review of prior

rate studies conducted in 2021, 2017, and 2014 contains little or no reference to the sewer rate components. Because current rates, as well as those recently adopted by the Board for 2027-2031, are based on an overall per ERU charge and do not appear based upon the two component charges, District staff proposed simplifying the sewer rate structure to the flat per ERU charge. In addition, staff noted that the District's relatively few multi-unit customers (82 accounts) have historically been charged the overall per ERU charge, plus a "multi-unit allowance" charge that is equivalent to the current account charge. Because each unit is already being charged the combined (account and volume based) sewer charge, current District staff cannot determine why an additional account charge is being billed to multi-unit customers. Staff recommended removing this multiunit allowance charge, as well. Those changes were incorporated into the draft Master Fees and Charges Schedule associated with Resolution No. 908.

Action Taken
Greif moved, Knakal seconded, to adopt Resolution No. 908, as presented. Motion passed.

General Manager's Report
Clary updated the Board on several topics, including recent coordination meetings with City of Bellingham Public Works Department regarding upcoming projects and completion of the crew's annual wet weather preparedness exercise in advance of storm season. Clary also recognized Operations & Maintenance Manager Jason Dahlstrom for his presentation at the Washington Association of Sewer & Water Districts conference last month.

Executive Session Per RCW 42.30.110(1)(g)
Citron recessed the Regular Session to Executive Session at 7:45 p.m. It was estimated that the Executive Session would take 22 minutes and end at 8:07 p.m. The purpose of the Executive Session was to review the performance of a public employee (General Manager performance evaluation). Citron recessed the Executive Session and reconvened the Regular Meeting at 8:07 p.m. No action was taken.

With no further business, Citron adjourned the regular session at 8:07 p.m.

Board President, Todd Citron

Attest: _____
Recording Secretary, Rachael Hope

Minutes approved by motion at ☑ Regular ☐ Special Board Meeting on October 28, 2026