



LAKE WHATCOM WATER AND SEWER DISTRICT
1220 LAKEWAY DRIVE
BELLINGHAM, WASHINGTON 98229

REGULAR MEETING
OF THE BOARD OF COMMISSIONERS

AGENDA

November 14, 2012

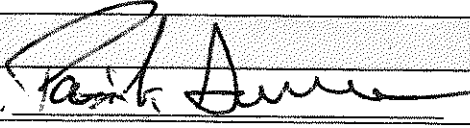
6:30 p.m. – Regular Session

1. CALL TO ORDER
2. PUBLIC COMMENT OPPORTUNITY
At this time, members of the public may address the Commission. Please state your name prior to making comments.
3. ADDITIONS, DELETIONS, OR CHANGES TO THE AGENDA
4. CONSENT AGENDA
5. SPECIFIC ITEMS OF BUSINESS:
 - A. Replacement of Sewer Camera Equipment
 - B. Summary of Existing District Projects
 - C. Draft 2013 Budget
6. OTHER BUSINESS
7. MANAGER'S REPORT
8. PUBLIC COMMENT OPPORTUNITY
9. ADJOURNMENT



LAKE WHATCOM WATER AND SEWER DISTRICT

AGENDA BILL

DATE SUBMITTED:	November 7, 2012		
TO BOARD OF COMMISSIONERS			
FROM: Patrick Sorensen	MANAGER APPROVAL 		
MEETING AGENDA DATE:	November 14, 2012		
AGENDA ITEM NUMBER:	5.A.		
SUBJECT:	Replacement of Sewer Camera Equipment		
LIST DOCUMENTS PROVIDED ⇔	1. Bid Summary		
NUMBER OF PAGES	2.		
INCLUDING AGENDA BILL:	3.		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input checked="" type="checkbox"/>	INFORMATIONAL/ OTHER <input type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

As part of the 2012 Capital Improvement Plan, \$37,960 was budgeted to replace the District's sewer camera equipment. Existing equipment is 10 years old and is frequently failing to the point the camera is not available when it is needed. The camera equipment is an essential piece of equipment used year-round by crews for sewer main inspections.

The District published an Advertisement for Bids in the Bellingham Herald on 6/7/2012. Four (4) bids were received and opened on 6/21/2012. Review of bid submittals showed a significant difference in equipment performance capabilities as well a wide variation in price. The variations were too large to reconcile and make a recommendation to the Board for award. Variations included form factor (portable vs. fixed), camera tractor functions, and take-up reel functions. Staff decided to throw out all the bids, and re-advertise the project with refined performance specifications.

The District published a 2nd Advertisement for Bids in the Bellingham Herald on 8/10/2012. Four (4) bids were received and opened on 8/23/2012. The bid summary is attached. Staff reviewed the bids and performance specifications. Only one bid met the District's performance specifications: Owens Equipment Company. Some examples of performance specifications held as essential by District crews are:

1. Camera system must be portable (2 person).
2. Camera tractor can crawl over offset joints

3. Camera has clutch that can be engaged and disengaged without needing to move the crawler.
4. Ability to operate crawler in cruise control.
5. Auto payout reel.
6. Portable handheld controller has camera view, records video, controls payout reel, and captures still images.
7. Ability to record digital video directly on the device without need for a secondary device such as DVD recorder.
8. System error code notification. Unit notifies user when current or pending operating and maintenance tasks need to be addressed.

Staff recommends awarding the bid to Owens Equipment Company. Staff does not recommend taking Option 1 to trade in the District's existing camera. The District will most likely be able to get a better salvage value through a surplus equipment auction.

FISCAL IMPACT

The 2012 budget amount for this project was originally \$37,960.

Staff recognized in early spring that the budget estimate for the camera was too low. Staff set aside \$40,000 of the \$160,000 Smoke Testing and Sewer Inflow & Infiltration project budget to supplement the camera purchase budget shortfall. Both the camera purchase and sewer inflow and infiltration projects are related as they both strive to locate and reduce sewer inflow and infiltration.

Combined with the original budget of \$37,960 and \$40,000 in funds set aside in the sewer inflow & infiltration project, the amount available for the sewer camera purchase is \$77,960.00.

Owens Equipment Company bid was \$84,708.39 (including sales tax and excluding trade-in option). Staff requested a quote to delete optional equipment and lower the total cost. Optional equipment included: remotely operated lift that can raise the camera a minimum of 7-inches and 8 sets of various wheel types and sizes. By deleting the optional equipment, the cost is \$67,828.78 (including sales tax). The remaining \$10k budget will be used to reconfigure the camera van and purchase a portable computer and video inspection software for use with the sewer camera.

RECOMMENDED BOARD ACTION

See proposed motion.

PROPOSED MOTION

Award the sewer camera purchase to Owens Equipment Company for a total of \$67,828.78 including sales tax.

Replace Sewer Camera Equipment
 LWWSD Project #C1213
 Staff's Recommended Selection of Bid Items for Award
 8/23/2012

SALES TAX NOT INCLUDED IN VALUES

		Name of Firm		Owen Equipment		Solid Waste Systems		Cues Inc.		Rapid View IBAK	
DISTRICT PRIORITY	ITEM	QUANTITY	UNIT	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT
1	Sewer Camera Equipment	1	LS	\$ 78,072.25	\$ 78,072.25	\$44,836.00	\$44,836.00	\$ 54,800.00	\$ 54,800.00	\$ 67,661.38	\$ 67,661.38
	Option 1: Trade In On Existing System	Subtotal			\$ 78,072.25		\$44,836.00		\$ 54,800.00		\$ 67,661.38
		1	LS	\$ 1,500.00	\$ 1,500.00	\$0.00	\$0.00	\$ 6,000.00	\$ 6,000.00	-	\$ -
	Subtotal w/ Option 1				\$ 76,572.25		\$44,836.00		\$ 48,800.00		\$ 67,661.38



LAKE WHATCOM WATER AND SEWER DISTRICT

AGENDA BILL

DATE SUBMITTED:	November 5, 2012		
TO BOARD OF COMMISSIONERS			
FROM: Bill Hunter and Staff	MANAGER APPROVAL <i>[Signature]</i>		
MEETING AGENDA DATE:	November 14, 2012		
AGENDA ITEM NUMBER:	5.B.		
SUBJECT:	Summary of Existing District Projects		
LIST DOCUMENTS PROVIDED ⇒	1. November 2012 Summary of Existing District Projects		
NUMBER OF PAGES INCLUDING AGENDA BILL:	2.		
	3.		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input type="checkbox"/>	INFORMATIONAL/ OTHER <input checked="" type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

Information only

FISCAL IMPACT

n/a

RECOMMENDED BOARD ACTION

Review and discuss

PROPOSED MOTION

n/a

LAKE WHATCOM WATER AND SEWER DISTRICT

Summary of Existing District Projects

Meeting Date		Effective Date		Prepared by
November 14, 2012		November 9, 2012		LE/BH
	Status of Water and Sewer Permit Issuance			
SCOPE	Provide a monthly update on permit activity.			
STATUS		Permits Issued 2012	Permits Issued 2011	
	No of permits issued	8	11	
	No of permits projected 2012	5		
<i>**Developer Extension Agreements**</i>				

D0534	Polly's Plat – Butch Kvamme		
SCOPE	Water and sewer improvements for 11 water and sewer connections. Water system to be looped per Wilson memo dated 10/12/2005 (see project file Wilson memo)		
SIGN DATE	March 30, 2011	EXPIRATION DATE	February 27, 2014
Prior to Commencing Construction		Prior to Final Acceptance	
<input checked="" type="checkbox"/> 1. District Engineer approves design <input checked="" type="checkbox"/> 2. Reimbursement of District Engineer review costs <input checked="" type="checkbox"/> 3. Copy of insurance policy <input checked="" type="checkbox"/> 4. Pay guarantee deposit <input type="checkbox"/> 5. Copies of recorded easement <input checked="" type="checkbox"/> 6. Copies of permits <input checked="" type="checkbox"/> 7. Pay conformance deposit <input checked="" type="checkbox"/> 8. Payment and performance bond <input checked="" type="checkbox"/> 9. Pay 25% general facilities fees <input checked="" type="checkbox"/> 10. Pays initial facilities inspection deposit <input checked="" type="checkbox"/> 11. District issue Notice to Proceed w/Construction		<input type="checkbox"/> 1. District inspects & approves facilities as complete. <input type="checkbox"/> 2. Record drawings <input type="checkbox"/> 3. Easements and title insurance <input type="checkbox"/> 4. Maintenance Bond <input type="checkbox"/> 5. Bill of Sale <input type="checkbox"/> 6. Latecomers Fees <input type="checkbox"/> 7. Supplemental, processing, or administrative fees <input type="checkbox"/> 8. Deliver water meters to District	
Tasks/Notes:			
<ul style="list-style-type: none">• 12/27/07 Board approved DEA time extension using new DEA template with 3 year term. Bill to prepare and send new DEA to developer for signature.• Sent new DEA to Doug Campbell 1/10/07• New 3-year DEA signed by District on 2/27/2008• Received drawings for review.• Transmitted drawings to Wilson on 2/21/2008 to check that plans meet District standards.• Transmitted review comments to Doug Campbell 4/1/08.• Plans received 5/23/08. Forwarded to Wilson Engineering 6/3/08 for plan review.• District approved plans 7/9/08.• Received request for time extension 12/22/10. Notified developer renewal fee is required.• District approved three year DEA time extension at the 1/12/2011 Board meeting.• Staff sent new agreement form to Developer for Execution on 2/22/2011.• New agreement form executed 3/30/2011• Met with Doug Campbell on 11/21/2011. Developer will be requesting design changes. District will review request when received.• Transmitted review comments to Doug Campbell 2/1/2012• Received Drawings from Doug Campbell on 3/20/2012. Forwarded to Wilson for review on 3/21/2012• Received drawings from Doug Campbell on 4/4/12. Forwarded to Wilson for review on 4/5/12.• No further review comments. Notified Doug Campbell to submit originals to be stamped "APPROVED" by the District on 4/11/12.• Sent checklist letter to obtain Notice to Proceed and account summary to Doug Campbell 7/12/2012• Notice to Proceed with Construction given to developer at pre-construction meeting on 8/14/2012• Construction still in progress as of 11/6/2012			

Completed Capital Projects in 2012	
C1105	Operations Building Remodel Construction
C1110	SVWTP Asphalt Driveway Repair
C1112	Beaver, Flat Car and Sudden Valley Pump Stations Electrical Study
C1201	Procure tool truck
C1202	Sudden Valley WTP and Division 30 Booster Pump Pipe Coatings
C1204	Reservoir Inspection and Maintenance
C1205	Annual CMOM Sewer I & I Repairs
C1212	Shop Pole Building Asphalt Apron
C1215	Water Service Rebuilds
C1217	Cathodic Corrosion Assessment
C1218	Annual Generator Load Test and Maintenance

Completed DEAs in 2012	
D0219	North Shore Estates – Cancelled; City bought property

State Required Report Status				
Report Title	Due	Preparation	Due Date	Last Date Submitted
Chlorination Report (Agate Heights)	Monthly	Kevin	Postmarked 10th of month	July 10, 2012
Community Right to Know (Hazardous Materials)	Annually	Bill and Rich	March 2013	January 6, 2012
Consumer Confidence Reports	Annually	Kevin	July	<ul style="list-style-type: none"> • Geneva – 5/12 • Sudden Valley 5/12 • Eagleridge – 5/12 • Agate Heights – 5/12
CPR/First Aid Training	Biennially	Rich	Nov/Dec 2012	Completed 11/29/10
Department of Revenue	Monthly	Debi	End of following month	November 1, 2012
Flagging Card Training	Triennially	Rich	8/11/13	8/11/10
Hazardous Waste Activity Report	Annual	Rich	Annual 3/31	February 27, 2012
Labor & Industries Payroll Report	Quarterly	Norma	Quarterly	October 2012
OSHA 300 Log	Annually	Rich	February 2013	January 30, 2012
Surface Water Treatment Rule Report (Sudden Valley WTP)	Monthly	Kevin	Postmarked 10th of month	July, 2012
Unemployment Report	Quarterly	Norma	Quarterly	October, 2012
WA State Cross Connection Report	Annual	Rich	Annual	May 16, 2012
Washington State Financial Report	Annual	Debi	May 29	April, 2012
Water Use Efficiency Perform Report	Annual	Kevin	July 1	March 8, 2011

2011 SAFETY PROGRAM SUMMARY (Completed by Rich Munson)

****Annual Safety Training****

Beginning in January of 2012 staff has been participating in a local government on-line training system. Each employee is assigned with an individual training course that is relevant to their position. The courses contain check points, quizzes and tests to ensure the training was completed and understood by the employee. Learners can track their progress through the assigned courses and manage their training with their workload.

****Weekly Crew Safety Meetings****

Safety meetings for the field crew take place every Tuesday at 7:30 a.m. (as of 11/13/2012)

****Dates of Safety Committee Meetings****

January 10, 2012 - Complete	July 10, 2012 - Complete
February 7, 2012 - Complete	August 7, 2012 - Complete
March 10, 2012 - Complete	September 25, 2012 - Complete
April 10, 2012 - Complete	October 9, 2012 - Postponed

May 8, 2012 -	November 13, 2012
June 12, 2012 - Complete	December 11, 2012
Summary Of Work-Related Injuries & Illnesses (2011)	
Total Number of Work Related Injuries	5
Total Number of Days of Job Transfer or Restriction	0
Total Number of Days Away From Work	0
Summary Of Work-Related Injuries & Illnesses (2012)	
Total Number of Work Related Injuries	8
Total Number of Days of Job Transfer or Restriction/Light Duty	24 days as of 11/5/2012
Total Number of Days Away From Work	9

Lake Whatcom Water & Sewer District

Capital Improvement Projects Staff Report

C0911 SVWTP Control System & Telemetry

Replace in-plant control system and telemetry system

C0911-ENG Project Administration

C0911-PH1 Design thru Bidding - Tetra Tech

- 10/6/2009 Engineering agreement amendment approved by Board on 10/13/2010. Amendment has been executed. Design kick-off meeting with District staff/crew tentatively scheduled for 11/9/2010.
- 9/2/2010 District working with Tetra Tech to develop scope/fee. A draft scope/fee will be presented to Board for approval.
- 10/6/2010 Professional services agreement amendment for design through bidding is on 10/13/2010 Board agenda for review/approval.
- 11/4/2010 Engineering agreement amendment approved by Board on 10/13/2010. Amendment has been executed. Design kick-off meeting with District staff/crew tentatively scheduled for 11/9/2010.
- 12/2/2010 Tetra Tech working on control system design following kick-off meeting with District staff/crew.
- 1/31/2011 Received 95% drawings and specs from Tetra Tech for District review. Planning to advertise for bids mid-February 2011.
- 4/4/2011 Advertise
- 4/5/2011 Re-bid advertisement published in Bellingham Herald on 4/7/2011. Pre-bid meeting 10am 4/19/2011, Bid Opening 2pm 4/28/2011. Tentative contract award at 5/11/2011 Board meeting.
- 4/19/2011 Pre-Bid Meeting 10am
- 4/28/2011 2nd re-bid opening. One bid received.
- 4/28/2011 Bid Opening 2pm
- 5/11/2011 Award

C0911-PH2 Constr Admin, Programming - Tetra Tech

- 6/1/2011 Staff reviewing proposal from Tetra Tech for services during construction and programming. Proposal will be tentatively presented to Board at 6/29/11 meeting.
- 6/29/2011 Board authorized scope of work and fee. Staff will execute agreement amendment.
- 10/4/2011 Staff working with Tetra Tech on PLC programming control descriptions. Programming meeting held 10/6/11 to finalize control strategy.
- 11/2/2011 Tetra Tech developing PLC and SCADA programs.
- 11/22/2011 Staff met with Tetra Tech and Contractor to witness factory test of controls and coordinate installation. Staff then met with Tetra Tech to review program logic.
- 1/4/2012 Tetra Tech working with contractor and staff to develop and implement controls programming.
- 7/25/2012 Staff and Tetra Tech waiting to make final PLC operational changes and program updates after summer peak demand (work scheduled for 1st 2 weeks in January 2013).

C0911-CON Construction Contract - Technical Systems Inc

- 6/1/2011 Contractor preparing bonds, insurance and contract forms.
- 7/12/2011 Notice to Proceed (180 day contract)
- 7/12/2011 Notice to Proceed was given to Technical Systems, Inc. A pre-construction meeting was held 7/12/2011. Substantial completion is 1/7/2012.
- 8/3/2011 District accepts contractors construction schedule. Installation of panels set for 11/9/2011.
- 12/7/2011 Contractor began installation of new controls on 11/28/2011. Installation is about 90% complete as of 12/7/2011. Contractor continuing installation of wiring for chart recorder and other minor work.
- 1/4/2012 Contractor installing remaining components week of 1/2/2012. Work very close to done. Staff and consultant will be developing punch list in the next week or two.
- 1/7/2012 Substantial Completion
- 2/6/2012 Final Completion (30 days after Substantial Completion)
- 3/6/2012 Contractor installing remaining equipment on punch list 3/7/2012.
- 5/31/2012 Contractor provided training to District staff on new equipment. Tetra Tech reviewing O&M manuals submitted by Contractor.
- 7/3/2012 All work appears complete. Tetra Tech reviewing contract requirements and will be issuing a recommendation to close out the project.

C1006 Sewer Emergency Response Equipment (2)

Replace stationary generator at Agate Bay, install portable generator receptacles at Edgewood and Rock Ridge, install float in low MH along LWB near Strawberry Point, upgrade Country Club impellers, and restore Old Flat Car Pump Station.

C1006-ADM Project Administration

- 11/4/2010 Shoreline exemption application paperwork completed. Staff scheduling appointment with County for application submittal.
- 4/5/2011 Staff working on shoreline exemption application for tentative submittal to County April 2011.
- 5/3/2011 Shoreline exemption application paperwork completed. Staff scheduling appointment with County for application submittal.
- 5/9/2011 Staff submitted shoreline exemption permit application to county.
- 8/3/2011 Staff finalizing generator sizing prior to submitting for building permit for slab.
- 9/7/2011 Staff obtaining quotes from contractors to install generator plugs and manual transfer switches at Rocky Ridge and Edgeway Sewer Pump Stations.
- 9/7/2011 60KW generator sized for current and future pump station improvements. Staff gathering weight/dimensions for Wilson to perform structural design. Will have Wilson assist preparation of Whatcom County permit application forms.
- 10/11/2011 Notice To Proceed signed by Riteway Electric. 60 Day contract.
- 11/2/2011 Whatcom County building permit for Agate Bay generator slab pending any day. Quotes were solicited from contractors for work. Low bid was selected, contract ready to execute as soon as permits released. Generator has been ordered.
- 12/7/2011 Agate Bay Generator. Contractor began installation of generator slab, removal of old above ground diesel fuel tank and underground generator. Pad was poured 11/30/2011. As of 12/7/2011, pad ready to receive generator as soon as it arrives.
- 1/3/2012 Agate Bay Generator has been installed on new concrete slab.
- 2/15/2012 Riteway Electric completed installation of generator plugs and manual transfer switches at Rock Ridge and Edgewater Sewer Pump Stations.
- 3/6/2012 Electrical permits and materials to wire new generator and transfer switch have been obtained. District crews to make wiring connection in next week or so. Startup with supply to be scheduled soon after.
- 5/3/2012 District crews almost finished with transfer switch wiring.
- 5/29/2012 Agate Bay generator startup completed by supplier. Training provided to District crew. Generator and automatic transfer switch online. Tetra Tech will update PLC and telemetry to include new generator alarms next time they are here.
- 7/3/2012 Staff and Tetra Tech working together to implement telemetry to monitor generator status.
- 9/6/2012 Float in low MH along LWB near Strawberry Point installed. Crew scheduling Tetra Tech to make PLC programming changes at Strawberry Point PS and SCADA for new alarm.
- 9/19/2012 Strawberry Point MH float alarm put into service.

C1106 LWB and Cable FM Sonar Planning

Lake Whatcom Boulevard and Cable Sewer Force Mains. Review force main alignments and access points to plan future sonar assessment of internal pipe. Determine logistics and access point installations required to perform sonar scan.

C1106-ADM Force Main Inspection / Cleaning Investigation - Wilson

- 8/1/2011 Received preliminary task order from Wilson. Staff reviewing.
- 8/11/2011 Authorize Task Order
- 8/11/2011 Task order executed. Wilson proceeding with research and planning.
- 9/20/2011 Present/Discuss Alternatives with District
- 9/30/2011 Deliver final Technical Memo to District
- 5/2/2012 District staff working with Wilson to complete planning report.
- 7/3/2012 Received draft study from Wilson. Staff reviewing document.

C1203 Replace Water Meter Data Collectors

Replace handheld water meter data collectors used for radio reading meters

C1203-ADM Project Administration

7/3/2012 Staff researching meter reading equipment options.

C1206 Agate WTP Restroom

Add restroom at Agate Water Treatment Plant.

C1206-ENG Project Administration and Engineering

- 3/28/2012 Task Order executed with Wilson Engineering to assist in permitting, plans, and structural design.
- 5/2/2012 Wilson preparing conditional use permit revision application for submittal to County.
- 6/6/2012 Wilson working with County on conditional use permit revision.
- 7/3/2012 Staff and Wilson working with County to complete project permitting.
- 8/1/2012 Permitting almost complete at County.
- 9/6/2012 Still waiting for County to issue permit.
- 10/2/2012 County issued building permit. Staff will begin construction this fall.

C1206-CON Construction Contract

C1207 Reservoir Overflow Drains to Daylight

Route reservoir overflow drains to daylight.

C1207-ENG Project Administration and Engineering

C1207-CON Construction Contract

C1208 Lowell & Oriental PRV's

Install pressure reducing valve stations at Lowell and Oriental near Lakeway to create a new pressure zone.

C1208-ENG Project Administration and Engineering

- 2/24/2012 Wilson Task Order executed 2/24/2012. Wilson started topographic survey work, plans, and specifications for construction contract documents.
- 4/16/2012 Wilson completes design and construction documents for bidding.

C1208-CON Construction Contract

- 4/16/2012 Advertisement for Bids - Published in Bellingham Herald
- 4/24/2012 Non-mandatory Pre-Bid Meeting - 10:00am
- 5/2/2012 Bid Opening - 2:05pm
- 5/9/2012 Award Contract to Dirt Works Bellingham, Inc.
- 5/31/2012 Pre-Construction meeting held. Notice to Proceed will be given to contractor mid-June.
- 6/18/2012 Notice to Proceed (90 day contract)
- 7/25/2012 Oriental PRV put into service. Contractor moving on to install Lowell PRV.
- 9/16/2012 Substantial Completion
- 10/3/2012 Contractor working on minor punch list items.
- 10/16/2012 Final Completion (30 days after Substantial Completion)
- 11/6/2012 Contractor has completed all work. Staff preparing final project documentation. Project will be ready to accept as complete soon.

C1209 SVWTP Raw Water Motor

Purchase and install new raw motor. Inspect and refurbish old motor for spare.

C1209-ADM Project Administration

- 10/3/2012 Staff issued purchase order for new motor. Existing motors will be swapped out, inspected, and refurbished. At completion of project District will have one spare motor in stock.

11/6/2012 District received new motor. Crews will install new motor.

C1210 SVWTP Generator Replacement Pre-Design

Pre-design study to look at generator replacement alternatives, permit requirements, and construction cost estimates.

C1210-ENG Project Administration and Engineering

11/6/2012 Staff preparing Request for Proposals for pre-design, design, and construction administration. Tentatively will advertise in November and select consultant in December.

C1211 Wet Well Pressure Transmitters

Install pressure transmitters at sewer pump station to monitor liquid level in wet wells.

C1211-ADM Project Administration

7/3/2012 Staff preparing materials list for each site.
8/1/2012 Staff obtaining quotes for 15 pressure transducers.
9/6/2012 Received transducers. Crews beginning installation. Staff will coordinate with Tetra Tech for PLC programming to incorporate new SCADA information and alarms.
10/3/2012 Installation and SCADA integration of transducers is in progress.
11/6/2012 Transmitters have been installed at Strawberry Point, Edgewater, Geneva, and Dellesta. Crews continue to install equipment.

C1213 Replace Sewer Camera Equipment

Replace sewer camera equipment in sewer camera van.

C1213-ADM Project Administration

5/3/2012 Staff have been researching various manufacturers of sewer camera equipment. Equipment vendors have been onsite for demos as well as providing budget quotes and equipment specifications. Budget quotes have been significantly more than what was budgeted in the 2012 CIP. Staff is preparing specifications for bid advertisement tentatively slated for mid-summer.
6/7/2012 Advertisement for Bids - Published in Bellingham Herald
6/21/2012 Bid Opening - 10:05am
7/3/2012 Staff reviewing bids and plan to make a recommendation at 7/25/2012 board meeting.
7/25/2012 TENTATIVE - Award Contract at Board meeting.
8/6/2012 After considering variations in bids, staff determine to re-bid using revised equipment performance specifications.
8/10/2012 Re-Advertisement for Bid Published in Bellingham Herald.
8/23/2012 Bid Opening. 4 bids were received. Staff reviewing bids and plan to make a recommendation to board soon.

C1214 Dead End Blow Offs

Install blow offs at water main dead ends.

C1214-ADM Project Administration

C1214-CON Construction Contract

C1216 SVCA Polo Park Bridge Water Main

Relocate water main to accomodate new SVCA bridge.

C1216-CON Construction Contract

7/16/2012 Email Advertisement for Bids to MRSC Shared Small Works Roster Contractors
7/31/2012 Bid Opening 2:05pm
8/1/2012 Bid cancelled 7/26/2012. All plan holders were notified 7/27/2012 of cancellation. Cancellation was

--, ---- due to permitting delays on SVCA's project. Project now tentativley scheduled for Summer 2013.

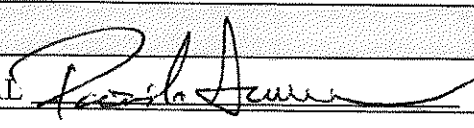
C1216-ENG Project Administration and Engineering

- 6/4/2012 Staff reviewing Task Order scope received from Wilson 6/4/2012. SVCA hoping to get permits mid-July with construction starting in August.
- 6/21/2012 Site visit with staff and Wilson. District staff to install isolation valves in July prior to bridge construction.
- 11/6/2012 Crews in progresss of relocating water services to prepare for installation of isolation valves and thrust blocks.



LAKE WHATCOM WATER AND SEWER DISTRICT

AGENDA BILL

DATE SUBMITTED:	November 5, 2012		
TO BOARD OF COMMISSIONERS			
FROM: Patrick Sorensen	MANAGER APPROVAL 		
MEETING AGENDA DATE:	November 14, 2012		
AGENDA ITEM NUMBER:	5.C.		
SUBJECT:	Draft 2013 Budget		
LIST DOCUMENTS PROVIDED ⇒ NUMBER OF PAGES INCLUDING AGENDA BILL: _____	1. Draft Budget for 2013		
	2. _____		
	3. _____		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input type="checkbox"/>	INFORMATIONAL/ OTHER <input checked="" type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

Attached is the proposed operating, capital and debt fund Budget for FY 2013.

FISCAL IMPACT

See attached budget.

RECOMMENDED BOARD ACTION

Evaluate, ask questions and prepare to adopt the 2013 Budget at the November 30, 2012 meeting.

PROPOSED MOTION

No action is required at this time.



LAKE WHATCOM WATER AND SEWER DISTRICT

**DRAFT
2013
ANNUAL BUDGET**



FY 2013 BUDGET

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FY 2013 Budget

Lake Whatcom Water & Sewer District
1220 Lakeway Drive
Bellingham, Washington
98229

Approved: **November 30, 2012**

Board of Commissioners:

Leslie McRoberts, President

Deborah Lambert, Secretary

Todd Citron, Commissioner

Laura Weide, Commissioner

John Millar, Commissioner

General Manager
Patrick Sorensen

November 30, 2012

November 14, 2012

Board of Commissioners
Lake Whatcom Water and Sewer District
1220 Lakeway Drive
Bellingham, WA 98229

Re: Proposed 2013 Budget

Dear Commissioners:

Attached is a copy of the proposed 2013 budget for your consideration and discussion. As illustrated within the Operations section of the budget, overall expenditures are proposed to increase by approximately 7% over the approved 2012 budget. This includes planning for projected labor and health insurance costs in 2013. As we are in the process of concluding an upcoming three-year labor contract with our employees starting in 2013, we have budgeted for a reasonable place setter for these costs in the New Year. In addition, this 7% increase includes a combination of other on-going operating expenses such as chemicals, materials, professional services, liability insurance, Revenue Taxes, and wastewater treatment with the City of Bellingham.

2012 Accomplishments

Following the completion of the 2009 Bond issuance projects in 2011 the District re-focused its efforts on a number of smaller but important maintenance efforts in 2012. One noteworthy project included the initiation of an effort to curb inflow and infiltration within the sewer collection system in Geneva. This effort assisted in eliminating significant infiltration problems, which in turn will result in a longer term decreased flow and wastewater treatment costs. Otherwise, we installed needed pressure reduction valves within Geneva, eliminated a number of large water leaks, inspected our water storage tanks and water treatment intake, and completed some remaining elements of the Operations Building remodel.

In addition to these important maintenance projects the District also completed a number of other goals in 2012 in order to reach greater efficiencies while also internally strengthen the organization. Examples include initiating an Asset Management Program, while also reconciling our utility billing records to actual service provided by conducting an internal review of our records. 2012 proved to be a very busy and productive year for the District.

2012 and Beyond

As described previously, the District has fully utilized the proceeds from the 2009 Bond on a number of pump station rehabilitation projects. As the District continues to focus on maintenance and replacement of its aging infrastructure we look to our six-year

capital improvement plan for cash funded projects recommended for implementation in 2013. Highlighted projects include more funding for inflow and infiltration repairs, replacing the existing 230 kw natural gas emergency generator at the Sudden Valley Water Treatment Plant with a larger and more reliable diesel unit, cathodic corrosion protection in our steel reservoirs, and initiating a required update to our sewer comprehensive plan.

In preparing for larger rehabilitation and replacement projects identified with our capital improvement plan, the District applied for low interest Public Works Trust Funds (PWTF) in 2012. We have been recommended for award of approximately \$5.5 for use beginning in late 2013 through 2015. This recommended funding needs to be approved by the State Legislature in their 2013 session. If approved, we are planning to initiate engineering and construction for the previously planned "Geneva Area AC Water Main Replacement Project" during the second half of 2013. If the District is not successful in obtaining the PWTF funding we may need to re investigate funding through another bond issuance.

With the anticipated completion of the Bellingham Wastewater Treatment Agreement in late 2012 or early 2013, the District will need to initiate its financial planning efforts later in 2013 in order to fund \$3+ million in our contribution toward wastewater treatment plant upgrades. The District will also be reevaluating the sufficiency of its rate structure for the funding of future operations and needed capital improvements. The District typically reviews its fee and rate structure every three years.

Again, because of economic conditions, low growth, near build out conditions, and development restrictions, the District is now 100% dependent on user rates to fund both operations costs and future capital improvements. Future connection and permit fees will likely never again be sufficient to support the required improvements and maintenance of our system. The District will need to rely on its rate structure for all of its future capital improvement and operations costs.

Finally, in June 2013 the District has an opportunity to pay off the ULID # 18 Public Works Trust Fund loans. If done, the District will realize a remaining one-time unrestricted balance of approximately \$1.1 million. Staff is proposing that the fund be reflected in the 2013 for use in emergencies and for the one time purchase of \$225,000 in needed equipment including the replacement of our Flush and Vac trucks and a needed Boom truck used for lifting pumps. The remaining fund balance is proposed to be called "An Emergency Project Equipment Fund" set aside for unanticipated emergencies.

In Conclusion

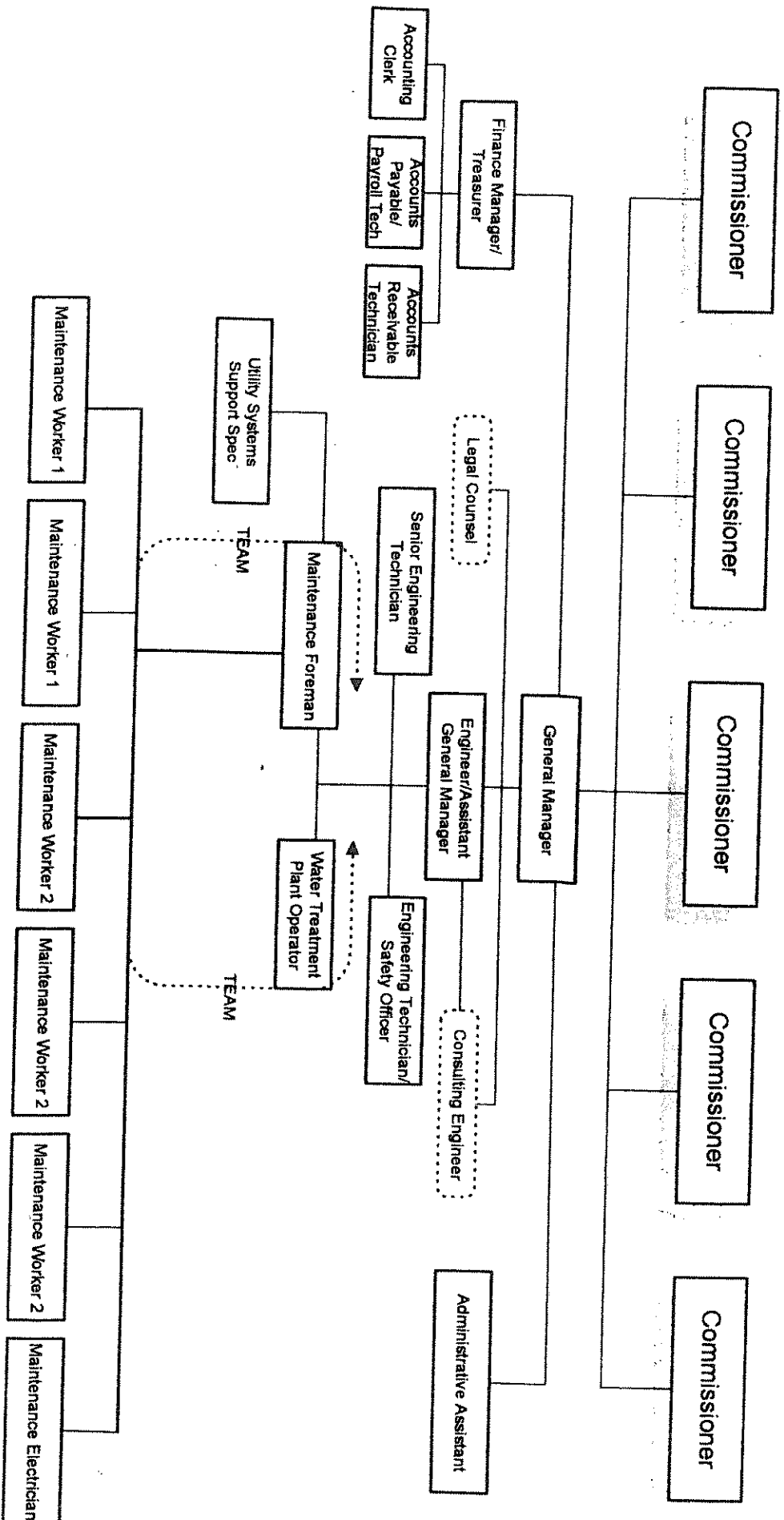
The District continues to follow long established conservative financial budgeting practices; however the Commissioners and staff will need to continue to be vigilant to changing conditions as we move into the future. The District's financial condition in summary is healthy. Debit service requirements are being met. Resources are being saved for future capital requirements. This on-going effort of planning and preparing for the future along with the day-to-day financial and operational maintenance of the District

and its infrastructure are being met. This is a consequence of the dedication and diligence exhibited by staff and the Board of Commissioners. In particular, credit needs to be given to the employees of the District who, on a daily basis, are responsible for doing a great job in managing the resources we are entrusted with on behalf of the ratepayers.

Respectively submitted,


Patrick Sorensen
General Manager

Lake Whatcom Water & Sewer District Organization Chart



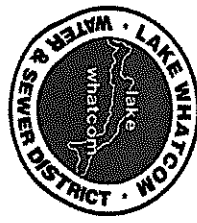
Effective May 25, 2011

LAKE WHATCOM WATER AND SEWER DISTRICT

PERSONNEL SUMMARY

2013 BUDGET DATA

POSITION	NO. OF EMPLOYEES	ANNUAL GROSS	ADMINISTRATION	OPERATIONS
General Manager	1	\$ 130,000	\$ 130,000	
Asst. Manager/Engineer	1	112,754	112,754	
Finance Manager/Treasurer	1	93,666	93,666	
Administrative Assistant	1	72,006	72,006	
Accounts Receivable	1	59,237	59,237	
Accounts Payable/Payroll	1	56,945	56,945	
Accounting Clerk	1	51,182	51,182	
Senior Engineering Tech	1	74,105	74,105	
Engineering Tech/Safety Officer	1	65,322	65,322	
Utility Systems Specialist	1	65,322		\$ 65,322
Water Treatment Plant Operator	1	69,200		69,200
Maintenance Supervisor	1	91,887		91,887
Maintenance Worker 2	5	314,396		314,396
Maintenance Worker 1	0			
Maintenance Electrician	1	83,339		83,339
Sub-Totals	18	<u>\$1,339,361</u>	<u>\$ 715,217</u>	<u>\$ 624,144</u>
Social Security		\$ 102,461	\$ 54,714	\$ 47,747
PERS		120,944	64,584	56,360
Unemployment		32,198	16,099	16,099
Worker's Comp (L&I)		26,919	9,254	17,665
Medical/Dental Benefits		259,319	124,898	134,421
Sub-Totals		<u>\$ 541,841</u>	<u>\$ 269,549</u>	<u>\$ 272,292</u>
GRAND TOTALS		<u><u>\$1,881,202</u></u>	<u><u>\$ 984,766</u></u>	<u><u>\$ 896,436</u></u>



LAKE WHATCOM WATER AND SEWER FUND SUMMARY 2012

	401	415	420	425	430	450	460	470	480	490	
	OPERATING	RATE FUNDED REPLACEMENT	SYSTEM REPLACEMENT PROJECTS	EMERGENCY PROJECT/ EQUIPMENT	BOND PROJECTS	2009 BOND DEBT SERVICE	2009 BOND RESERVE	WATER LOAN DEBT SERVICE	ULID 18 DEBT SERVICE	ULID 18 RESERVE	TOTAL
2013 REVENUES	5,078,028	-	841,500	1,178,175	-	445,500	3,000	92,000	103,100	175	7,741,478
2013 EXPENDITURES	(5,137,500)	(13,500)	(838,900)	(225,000)	(87,000)	(445,500)	-	(92,216)	(4,000,400)	(178,175)	(11,018,191)
CASH/INVESTMENTS 2012 CARRYOVER	150,000	13,500	-	-	87,000	-	500,000	375	3,900,000	178,000	4,828,875
PROPOSED 2013 YEAR END BALANCE	\$90,528	\$0	\$2,600	\$933,175	\$0	\$0	\$503,000	\$159	\$2,700	\$0	\$1,552,162

LAKE WHATCOM WATER AND SEWER DISTRICT

YEAR 2013 TRANSFERS

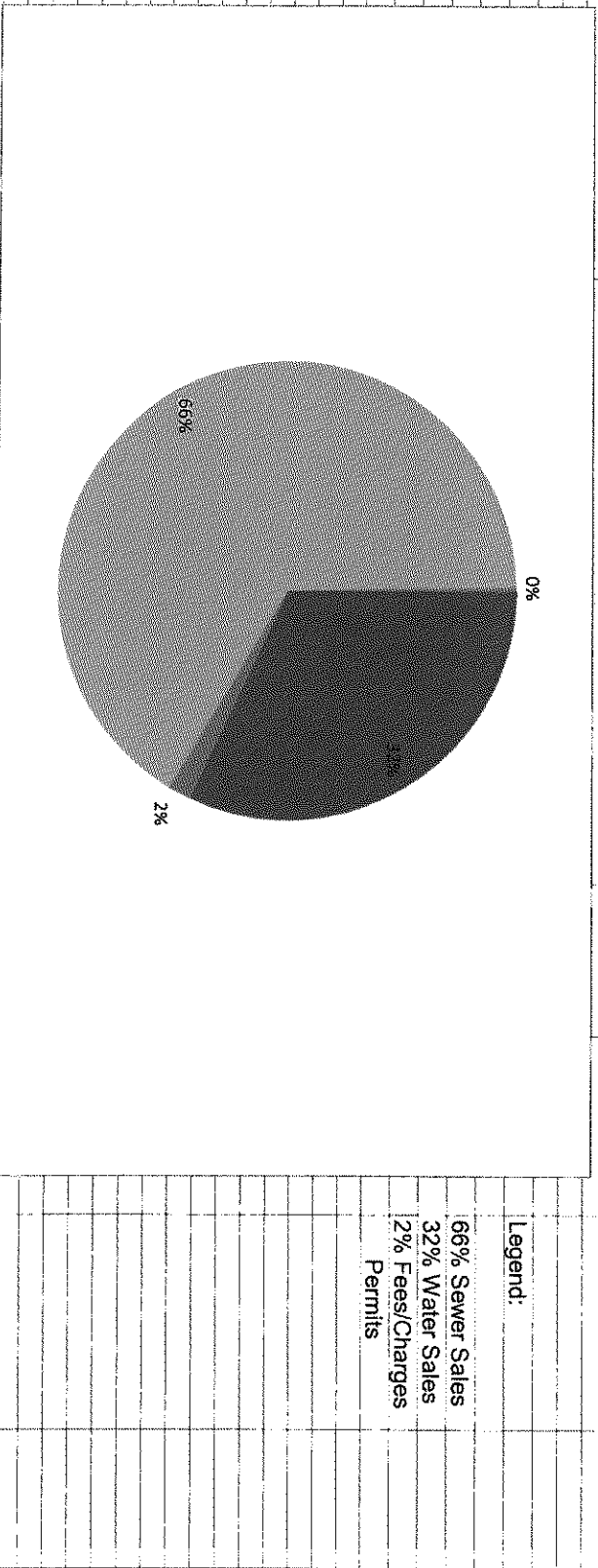
DESCRIPTION	FROM FUND	AMOUNT	TO FUND	AMOUNT
For System Replacement	001	690,000	420	690,000
For System Replacement (per rate study)	001	100,000	420	100,000
For 2009 Bond Debt Service	001	445,500	450	445,500
For Water Loans Debt Service	001	92,000	470	92,000
For System Replacement (Close fund 415)	415	13,500	420	13,500
For Emergency Equipment/Project (create unrestricted fund)	480	1,000,000	425	1,000,000
For Emergency Equipment/Project (close Reserve Fund)	490	178,175	425	178,175
TOTAL TRANSFERS		<u>\$ 2,519,175</u>		<u>\$ 2,519,175</u>



OPERATING FUND SUMMARY 401

This fund is maintained as the primary operating fund of the District. The majority of the revenue is derived from rates charged to water and sewer customers. Other revenue sources are interest income, interest and late payment fees, recording fees, permit fees and miscellaneous charges and fees. All fees and charges are set by the Board of Commissioners. Funds collected are used to pay for operating and maintenance expenditures in accordance with the annual operating budget.

	Description	Actual 2011	Adopted 2012	Projected 2012	2013 Budget
	OPERATING FUND - 401				
	REVENUES				
401-343-20-00	Latecomer Fee	976	1,000	977	1,000
401-343-40-10	Water Sales Metered (9% rate increase) *	1,373,547	1,478,133	1,469,159	1,601,383
401-359-80-00	Water Sales Late Charges	65,751	64,000	65,388	65,000
401-343-40-18	Water Sales Lock/Unlock	7,040	7,500	9,648	9,500
401-343-40-19	Water Sales Other	22,259	24,000	28,693	25,000
401-343-50-11	Sewer Service Residential (4.5% rate increase) *	3,074,699	3,207,832	3,213,248	3,357,845
401-343-50-19	Sewer Service Other	1,070	1,300	1,284	1,300
401-360-10-00	Bank fees	1,421	1,100	1,951	2,000
401-361-11-10	Investment Interest	4,709	-	-	-
401-369-10-00	Sale of scrap metal	11,283		782	
401-379-10-20	Permits Operation portion (5 new connection permits)	16,134	15,000	30,728	15,000
	TOTAL REVENUES	4,578,889	4,799,865	4,821,859	5,078,028



*** Per Resolution 747 effective 1/1/2009**
Scheduled annual rate increase

DRAFT 11/14/2012		Description	Actual 2011	Adopted 2012	Projected 2012	Budget 2013
OPERATING FUND - 401						
EXPENDITURES						
401-53X-10-10		Payroll (3% cola plus step increases - 2013)	1,210,935	1,322,322	1,323,390	1,406,000
401-53X-10-20		Personnel Benefits (9% increase - 2013)	470,142	515,940	506,728	560,000
401-53X-10-31		Gen Admin Supplies (to include fax/copier, time clocks)	48,808	30,000	46,942	50,000
401-53X-10-32		Meetings/Team building	500	2,000	1,135	2,000
401-53X-10-40		Bank Fees	5,269	4,000	8,062	8,000
		County Auditor Filing Fees				6,000
		Answering Service				1,500
		BIAS Financial Software				20,000
		GE Scada System Software Maintenance - Operations				7,500
		WA State Auditor				10,000
		Wilson Engineering				10,000
		Sewer Comp Plan Update				60,000
		Resick and Hansen				35,000
		3D - Computer support				15,000
		Varner, Systma CPA firm				10,000
		Rate Study				10,000
		Tetra Tech - Engineering/Operations				5,000
		Cartograph - Engineering/Operations				8,000
		Auto Desk - Engineering				1,000
		Rockwell - Engineering/Operations				500
		Inovise - Engineering				2,000
		Custodial/Building maint. services/Security				11,000
		Landscaping service				4,000
		Interlocal - Lake Whatcom Management Program				25,000
		Interlocal - Invasive Species				45,000
		GIS with Whatcom County				1,000
		Docuware/Web site maintenance				5,000
		Generator Load Testing				18,000
		Cyberlock software				1,000
		Watchguard				5,000
		Misc (Bid notices etc.)				1,000
401-53X-10-41		Professional Services (TOTAL)	286,389	216,000	210,059	317,500
401-53X-10-42		Communication	53,040	50,000	44,454	51,500
401-53X-10-43		Memberships/Dues	16,313	10,000	12,906	13,000
401-53X-10-44		B&O Taxes	138,971	144,000	147,153	150,000
401-53X-10-45		Admin Lease	3,031	3,000	3,074	3,000
401-53X-10-46		Insurance	137,158	75,000	94,276	96,000
401-53X-10-49		Admin Misc.	(3,484)	3,000	-	2,000
401-53X-10-44		Training & Travel	27,518	25,000	31,706	30,000
401-53X-10-49		Tuition reimbursement				6,000
401-53X-50-31		Insurance Claims	5,000		2,454	-
401-53X-50-31		Maintenance Supplies	38,764	45,000	44,570	45,000
401-53X-50-48		Oper Repair/Maint (includes Asset Mgmt tools)	68,496	85,000	81,307	85,000

DRAFT 11/14/2012					
	Description	Actual 2011	Adopted 2012	Projected 2012	Budget 2013
	Edge Analytical - water			-	10,000
	Emergency Response - sewer tank trucks			-	5,000
401-53X-60-41	Operations Contracted (TOTAL)	14,416	15,000	27,275	33,000
401-534-60-47	Water Ops City of Bellingham	13,848	18,000	28,283	30,000
401-535-60-47	Sewer Ops City of Bellingham	800,320	675,000	705,714	605,000
401-53X-80-31	Operations Gen Supplies	55,828	55,000	58,000	60,000
401-53X-80-32	Operations Fuel	39,135	50,000	34,964	40,000
401-53X-80-34	Safety supplies	9,175	10,000	10,514	12,000
401-53X-80-47	General Utilities	213,061	215,000	199,870	200,000
401-53X-80-49	Laundry	4,337	4,000	4,592	5,000
TRANSFERS					
	OPERATING EXPENDITURES		3,572,262		3,810,000
401-597-10-00					7%
	Transfers Out to System Replacement Fund 420	1,140,000	650,000	650,000	690,000
	Transfers Out to System Replacement Fund 420 (per rate study)				100,000
	Transfers Out to 2009 Bond Debt Service Fund 450	297,250	295,500	295,500	445,500
	Transfers Out to Water Loan Debt Service Fund 470	93,350	92,500	92,500	92,000
	Transfers Out to ULID 18 Loan Debt Service Fund 480 (re-payment)	113,335	113,335	113,335	
	TOTAL EXPENDITURES	5,299,905	4,723,597	4,778,763	5,137,500
OPERATING FUND					
	REVENUES	4,578,889	4,799,865	4,821,859	5,078,028
	EXPENDITURES	5,299,905	4,723,597	4,778,763	(5,137,500)
	CASH/INVESTMENTS BALANCE CARRYOVER				150,000
	PROPOSED 2013 YEAR END BALANCE				90,528



SYSTEM REIMBURSEMENT FUND SUMMARY 420

The System Reimbursement Fund is a special fund intended to receive and disburse funds for capital construction projects. This fund is primarily funded through interfund income from the General Fund. Per the FCS Group rate study recommendation effective January 1, 2009 it is additionally funded annually in an amount established through the rate study. Other income is in the form of grants, loans, latecomer fees, and permits. System Reimbursement Fund expenses are derived from the Capital Improvement and Maintenance Plan attached to the fiscal year 2013 budget.

EMERGENCY PROJECT/EQUIPMENT FUND SUMMARY 425

The Emergency Project/Equipment Fund was created to insure that unforeseen emergencies or expenses as approved by the Board will have funding. This fund was established with the remaining ULID 18 Fund balance after paying off all Public Works Trust Fund and Department of Ecology associated with the ULID.

CAPITAL BOND PROJECTS FUND SUMMARY

430

The Capital Bond Projects Fund is a special fund restricted for the utilization of the 2009 bond issuance funds. The bonds were issued for the purpose of constructing upgrades to water and sewer pump stations, replacing telemetry equipment, and other projects contained in the District's Capital Improvement Plan dated December 10 ,2008.

DRAFT 11/14/2012		Description	Actual 2011	Adopted 2012	Projected 2012	Budget 2013
RATE FUNDED SYSTEM REPLACEMENT FUND - 415						
(COMBINED WITH FUND 420)						
415-361-11-00		Investment Interest	622	15	15	
415-397-10-00		Transfers In from Operating Fund 401				
		TOTAL REVENUES	622	15	15	-
415-594-60-62		Building acquisition	39,873			
415-597-10-00		Transfer Out to Capital Projects Fund 420	100,000			13,500
		TOTAL EXPENDITURES	139,873	-	-	13,500
RATE FUNDED SYSTEM REPLACEMENT FUND						
		REVENUES	622	15	15	-
		EXPENDITURES	139,873	-	-	(13,500)
		CASH/INVESTMENTS BALANCE CARRYOVER				13,500
		PROPOSED 2013 YEAR END BALANCE				-
Per FCS rate study						

DRAFT 11/14/2012		Description	Actual 2011	Adopted 2012	Projected 2012	Budget 2013
SYSTEM REPLACEMENT FUND - 420						
420-343-40-19		DEA Permits				
420-361-11-00		Investment interest	2,250	2,500	2,250	2,500
420-379-10-30		Permits Capital Portion (5 permits for 2013)	-	-	-	-
420-379-10-40		Latecomer Fees	30,561	35,000	40,000	35,000
420-397-10-00		Transfers In from Operating Fund 401	10,389	500	15,000	500
		Transfers In from Operation Fund 401 (per rate study)	1,140,000	650,000	650,000	690,000
		Transfers In from Geneva Reserve Fund 410				100,000
		Transfer In from System Replacement Fund 415	138,823			-
			100,000			13,500
		TOTAL REVENUES	1,422,023	688,000	707,250	841,500
420-534-10-41		DEA Contracted Services				
420-534-90-61		DEA Refunds	13,488	2,500	6,000	2,500
420-594-38-62		Capital Outlay - Structures	19,617	10,000	-	-
420-594-38-63		Capital Outlay - Water/Sewer Systems	1,005,927	791,760	50,000	
420-594-60-64		Capital Outlay - Machinery/Equipment	-	-	445,000	
			240,881	-	38,330	
		Active Projects (see CIP detail - 2013)				271,400
		New Projects (see CIP detail - 2013)				565,000
		TOTAL EXPENDITURES	1,279,913	804,260	539,330	838,900
SYSTEM REPLACEMENT FUND		REVENUES				
		EXPENDITURES	1,422,023	688,000	707,250	841,500
		CASH/INVESTMENTS BALANCE CARRYOVER	1,279,913	804,260	539,330	(838,900)
		PROPOSED 2013 YEAR END BALANCE				2,600

DRAFT 11/14/2012		Description	Actual 2011	Adopted 2012	Projected 2012	Budget 2013
EMERGENCY PROJECT/EQUIPMENT FUND 426						
425-361-11-00		Investment Interest				
425-397-10-00		Transfers In from ULID 18 Fund 480				1,000,000
		Transfer In from Bond Reserve Fund 490				178,175
		TOTAL REVENUES				1,178,175
425-594-38-63		Water/Sewer Systems				
425-594-38-64		Machinery/Equipment (see CIP detail - 2013)				225,000
		TOTAL EXPENDITURES				225,000
EMERGENCY PROJECT/EQUIPMENT FUND						
		REVENUES	-	-	-	1,178,175
		EXPENDITURES	-	-	-	(225,000)
		CASH/INVESTMENTS BALANCE CARRYOVER				-
		PROPOSED 2013 YEAR END BALANCE				953,175

DRAFT 11/14/2012		Description	Actual 2011	Adopted 2012	Projected 2012	Budget 2013
CAPITAL BOND PROJECTS FUND (RESTRICTED) - 430						
430-361-11-00		Investment interest	11,785	-	10	-
		TOTAL REVENUES	11,785	-	10	-
430-594-38-63		Capital Outlay Water/Sewer Systems				
430-594-60-35		Capital Outlay Sewer Projects	1,607,281	-	170,000	87,000
430-594-60-64		Capital Outlay		-	1,100,000	
430-597-10-40		Transfers out to Bond Debt Service Fund 450		150,000	150,000	
		TOTAL EXPENDITURES	1,607,281	150,000	1,420,000	87,000
CAPITAL BOND PROJECTS FUND		REVENUES	11,785	-	10	-
		EXPENDITURES	1,607,281	150,000	1,420,000	(87,000)
		CASH/INVESTMENTS BALANCE CARRYOVER				87,000
		PROPOSED 2013 YEAR END BALANCE				-

Lake Whatcom Water and Sewer District - Capital Improvement Plan 2013 thru 2018

35

Program Area / CIP Project # / CIP Project Name

Fund Total 2013 2014 2015 2016 2017 2018

2014 Public Works Trust Fund Loan

0050	Priority #10 - Par Lane Pump Station Replacement	650,000		650,000			
0033	Priority #05 - Strawberry Point Pump Station Replacement	675,000		675,000			
0049	Priority #14 - Country Club Pump Station Replacement	650,000		650,000			
0048	Division 22 Reservoir - Add 0.5MG Capacity	960,000		960,000			
0063	Geneva Area AC Water Main Replacement	2,275,000	2,275,000				
0084	Agate Heights Treatment Plant Additional Capacity	485,000		485,000			
	Subtotal	5,695,000	2,275,000	1,810,000	1,610,000		

Both Water and Sewer

103	Safety Equipment - Reservoir Fall Protection Anchors, Grates at SUD BEA FLA NOR	12,000	12,000				
104	Shop Facility Impr - Gravel Bin Slab & Block Walls, Diesel Tank Pad & Bollards	5,000	5,000				
A0005	Accounting & Administration Server - Replace/Update Hardware, Network Security, & OS	20,000	10,000			10,000	
V0004	Replace Light Truck	30,747		30,747			
V0003	Replace Meter Reading Van	24,597		24,597			
V0002	Replace Administrative Staff Vehicle (9/20/2010 2 cars in fleet - add 1 in 2014 for total of 3 cars)	24,401		24,401			
E0008	Replace Flush and Vac Trucks, add Boom Truck	225,000	225,000				
0102	Thermal Imager	3,000	3,000				
V0001	Replace Tool Truck (9/20/2010 6 tool trucks in fleet)	420	100,000		50,000		50,000
	Subtotal	444,745	255,000	129,745	10,000	50,000	

Sewer System

0032	Priority #06 - Agate Bay Pump Station Replacement	650,000					650,000
0038	Priority #07 - Geneva Pump Station Replacement	650,000					650,000
0021	Priority #08 - Boulevard Pump Station Replacement	650,000		650,000			
S0001	EPA Capacity, Management, Operations, & Maintenance (CMOM) Projects - Sewer I&I	420	640,000		160,000	160,000	160,000
S0001a	EPA Capacity, Management, Operations, & Maintenance (CMOM) Projects - Sewer I&I	420	100,000		100,000		
S0001b	EPA Capacity, Management, Operations, & Maintenance (CMOM) Projects - Sewer I&I	420	100,000		100,000		
111	Replace Air/Vac Valves on Lake Louise Rd. Interceptor	8,000	8,000				
	Subtotal	2,798,000	108,000	750,000	160,000	160,000	810,000

Water System

0082b	SVWTP - Replace Natural Gas 230KW Generator with Larger Diesel Unit - Design/Bid/Construction	325,000	325,000				
108	Replace SVWTP Booster Station Roof	20,000			20,000		
0089	Steel Reservoir Cathodic Corrosion Protection	75,000	75,000				
110	Security - Intrusions Alarms at Reservoirs, Cameras at SVWTP AHWTP	10,000				10,000	

Program Area / CIP Project # / CIP Project Name		Fund	Total	2013	2014	2015	2016	2017	2018
0072	SWWTP Clearwell Overflow Drain		75,000				75,000		
0060	Eagleridge Fire Pump Control Upgrade		61,494			61,494			
W0002b	Fire Hydrant Replacement - 15 year project (years 2016+2017+2018)		360,000				360,000		
W0002a	Fire Hydrant Replacement - 15 year project (years 2014+2015)		240,000			240,000			
109	Replace Johnson Well House and Shed Roof		8,000	8,000					
0043	Sudden Valley Replace AC and 2" PVC Water Lines		90,396				90,396		
105	Replace Portable Dehumidifiers (1 at SV and 1 at AH)		3,000	3,000					
106	Backup Benchtop Analyzer		3,000	3,000					
107	Demolition Hammer		1,000	1,000					
W0007	SWWTP Filter 1&2 Media - Replace		19,678				19,678		
A0007	Update Water Comprehensive Plan		106,090			106,090			
W0001	Water Service Rebuilds	420	48,000	12,000	12,000	12,000	12,000		
W0003	SWWTP Filter 3&4 Media - Replace		19,678			19,678			
W0005	Reservoirs - Inspection & Maintenance	420	25,000					25,000	
Subtotal			1,490,335	427,000	12,000	459,262	567,074	25,000	
Grand Total			10,428,080	3,065,000	2,572,000	2,359,007	737,074	885,000	810,000

* Note: Cost Estimates in 2013 Dollars

2009 REVENUE BOND PROJECTS

Project #	Project Title / Tasks	Amount Remaining
C0911	SVWTP Control System & Telemetry	
	ENG - Administrative Expenses	\$ -
	CON - TSI	\$ -
	PH1 - Design, Bid - Tetra Tech	\$ -
	PH2 - Construction Admin - Tetra Tech	\$ 23,953.76
	Subtotal	\$ 23,953.76
C0617-CON	LWRTC Construction (portion of total constr cost)	\$ -
C0706-CON	Euclid PRV Construction	\$ -
C0708-CON	North Point PS Construction	\$ -
C0803	Lake Louise Road Interceptor Odor Control	\$ -
C0804	Large Meters	\$ -
C0805	The Tomb PS	\$ -
C0901	Cable-Ranch-PM PS	\$ 62,930.18
C0902	Telemetry Improvements	\$ -
C0913	LLR Fiber Optic Cable	\$ -
	Total for 2009 Revenue Bond Projects	\$ 86,883.94

ACTIVE PROJECTS

Project #	Project Title / Tasks	Amount Remaining
C1006	Sewer Emergency Response Equipment (2)	\$ 7,662.66
C1203-ADM	Procure Water Meter Data Collectors	\$ 22,000.00
C1206	Agate WTP Restroom	\$ -
	ENG - Engineering - Estimate	\$ 1,897.88
	CON - Construction - Estimate	\$ 6,000.00
C1207	Reservoir Drains to Daylight	
	ENG - Engineering - Estimate	\$ -
	CON - Construction - Estimate	\$ 13,000.00
C1209-ADM	SVWTP Raw Motors	\$ 4,087.00
C1210	SVWTP Generator Pre-Design	
	ENG - Engineering - Estimate	\$ 56,243.00
C1213-ADM	Replace Sewer Camera Equipment	\$ 80,000.00
C1214-ADM	Dead End Blow Offs	\$ 37,960.00
C1216	Water Main Replacement at SVCA Polo Park Bridge	
	ENG - Engineering - Estimate	\$ 4,960.75
	CON - Construction - Estimate	\$ 35,000.00
C1218-ADM	Sewer I&I Update	\$ 2,580.00
	Total for Active Projects	\$ 271,391.29

CAPITAL PROJECT NARRATIVE

Project Name:	Strawberry Point Pump Station Replacement
CIP #:	0033

Asset Register:	LWWSD → Sewer → Pump Stations → Strawberry Point				
Failure Mode:	Capacity	Level of Service	Mortality	Efficiency	
Business Risk Exposure:	32	= 8 x 4 x 1 (PoF x CoF x Redundancy)			
Remaining Life:	2 years	Consumed Life:	38 years	Effective Life:	40 years

PURPOSE and DESCRIPTION OF THE PROJECT

Project includes retrofitting existing Smith & Loveless wet well mounted pump station with new pumps, controls, telemetry, and pole mounted work light manually switched at control panel.

The existing pump station was installed in 1974. Two existing 3 HP pumps each have a design point of 100 GPM at 23-feet TDH. Check valves are inaccessible for maintenance or cleaning. If a check valve ever jams, it would be a major project to access them for service. This station has problems keeping prime. The wet well diameter is 6-feet and the power service is currently 3-phase/ 230V. Access is off of Lake Whatcom Blvd. and pump station is surrounded by concrete walls on three sides and overhead. The retrofit is part of a District wide pump station plan to replace all 30+ year old equipment.

This pump station is a critical station located adjacent to Lake Whatcom. As part of the Lake Whatcom Boulevard Interceptor pump upgrade plan, the wet well level will be monitored via pressure transducer with backup high/low floats and the pumps will be controlled via VFD. Wet well levels and VFD control will allow the District to better manage and control pumping from the office SCADA computer during high flow wet weather events.

Budget Estimate

Pre-Design:	\$70,000.00
Design, Contract Admin & Inspection:	\$280,000.00
Construction (not including VFD's):	\$315,000.00
Add VFD:	\$10,000.00
Total:	\$675,000.00

Cost estimate in 2013 dollars.

Revision History

- Created 8/1/2006.
- Revised 8/2/2006 by MMM: Revised project scope, added budget.
- Revised 8/3/2006 by BH: Added minor note to purpose, added VFD budget.
- Revised 12/6/2007 by BH: Adjusted budget to reflect recent Plum/Strawberry Canyon PS project costs.
- Revised 8/6/2009 by BH: Adjusted budget to reflect recent Tomb PS project.
- Revised 9/28/2010 by BH: Adjusted budget.

CAPITAL PROJECT NARRATIVE

Project Name:	Geneva Area AC Water Main Replacement
CIP #:	0045 (includes 0034 – Geneva St. Main Replacement)

Asset Register:	LWWSD → Water → South Shore → Distribution System				
Failure Mode:	Capacity	Level of Service	<u>Mortality</u>	Efficiency	
Business Risk Exposure:	6	= 1 x 6 x 1 (PoF x CoF x Redundancy)			
Remaining Life:	20 years	Consumed Life:	40 years	Effective Life:	60 years

PURPOSE and DESCRIPTION OF THE PROJECT

This project replaces about 12,275 feet of aging water mains and includes all of the asbestos concrete (AC) water mains in the District's Geneva service area. The existing AC mains are 4-, 6-, and 8-inches in diameter and will be replaced with 8-inch ductile iron (DI) water mains. Fire hydrants, service lines and other appurtenances will also be replaced.

This water main replacement project has two purposes. The overall purpose is to replace aging water mains to prevent deterioration of the water system's performance. The second purpose is to address critical public health and safety issues by improving the reliability of water delivery under adverse conditions.

Asbestos concrete pipes tend to be more brittle and susceptible to failure during natural disasters such as floods or earthquakes than other pipe materials. For this reason the District plans to replace the 8-inch AC mains that make up three of the four major distribution legs downstream of the Geneva Reservoir. In addition, fire flow capacity will be improved by increasing the old 4- and 6-inch mains to 8-inches diameter mains. The project also includes upsizing the water main adjacent to the Geneva Elementary School and the Firs Retreat Center to increase the reliability and fire protection capacity at these institutional facilities.

With the completion of this project, the District will no longer have any Asbestos concrete pipes in any of its water systems.

Label	Diameter (in.)	Material	Length (ft.)	Street	From	To
p-51a	6	AC	430	Lowell Ave	Fir St	Lakeway Dr.
p-79	6	AC	315	Fir St	Lowell Ave	Fir St. Midpoint
p-78	6	AC	450	Willowbrook Ln	Fir St	Willowbrook Pl.
p-67	4	AC	400	Willowbrook Pl	end	Willowbrook Ln.
p-49	6	AC	250	Willowbrook Ln	Willowbrook Pl	Oriental Ave.
p-88	6	AC	225	Glen Cove Ln		
p-89	6	AC	595	Glen Cove Ln		
p-91	6	AC	300	Euclid Ave		
p-90	6	AC	835	Euclid Ave		

CAPITAL PROJECT NARRATIVE

p-238	6	AC	120	Beecher Ave		Fir Tree Way
p-303a	6	AC	340	Coronado Ave	Fremont St	Lasalle St.
p-64	4	AC	520	Geneva Ave	Fremont St	Columbus St.
p-255, 230, 216	6	AC	1,030	Geneva St	Lakeway Dr	Cable St
p-41	8	AC	365	Ridgewood Ave	Dondee Ct	Oriental Ave (bend)
p-101	6	AC	330	Un-named Ct	Ridgewood Ct	Lowe Ave
p-43,46	8	AC	895	Ridgewood Ave	Un-named Ct	Euclid Ave
p-104,106, 203	8	AC	1,105	Euclid Ave	Lakeway Dr	Ridgewood Ave
p-34	8	AC	280	Euclid Ave	Ridgewood Ave	Columbus Ave
p-33	8	AC	850	Columbus Ave	Euclid Ave	Lakeview St
p-14, 13	8	AC	1,650	Lakeview St	300-ft S of Cable St	Columbus Ave
p-233	6	AC	240	Lakeway Dr	Lakewood Ln	westerly
p-233	6	AC	300	Lakeway Dr	Geneva St	Maple Ln
p-250	3	AC	450	Spring St	Geneva St	easterly end
Total Length			12,275			

Budget Estimate

Engineering (Plans, Specs & Est.):	\$280,000.00
Bid & Contract Administration & Inspection:	\$140,000.00
Construction:	<u>\$1,855,000.00</u>
Total:	\$2,275,000.00

Cost estimate in 2012 dollars.

For further information about this project call Bill Hunter.

Revision History

- Created 8/2/2006.
- Revised 8/4/2006 by MMM: Revised project scope, added budget, added comments.
- Revised 5/1/2012 by CDS & MMM: Revised project scope, updated budget

CAPITAL PROJECT NARRATIVE

Project Name:	Division 22 Reservoir 0.5MG
CIP #:	0048

Asset Register:	LWWSD → Water → South Shore → Reservoirs → Division 22			
Failure Mode:	<u>Capacity</u>	Level of Service	Mortality	Efficiency
Business Risk Exposure:	42	= 6 x 7 x 1 (PoF x CoF x Redundancy)		
Remaining Life:		Consumed Life:		Effective Life:

PURPOSE and DESCRIPTION OF THE PROJECT

In August 2009 the District published a reservoir capacity analysis for the South Shore water System covering the Geneva and Sudden Valley service areas (included in the 2010 Water System Comprehensive Plan - Appendix A). The results of analysis indicated that additional storage capacity would be needed within 6 years. The new reservoir is needed to keep up with population growth primarily due to infilling in Geneva and Sudden Valley. Without the additional reservoir capacity, the water system could face shortages during peak demand periods or low fire flows, which would adversely impact public health and safety.

The best location for the additional reservoir capacity is adjacent to the existing 0.5 million gallon (MG) "Division 22" reservoir since it serves both Geneva and Sudden Valley. The reservoir will serve Geneva via the previously installed water system intertie. The scope of the construction project includes adding a 0.5 MG reservoir next to the existing reservoir, site preparation, connection piping, and telemetry/controls modifications. An asphalt pavement access road (10-ft wide) will also be constructed from the existing entrance to the new tank site.

The reservoir site is located in the Lake Whatcom watershed and as result requires treating stormwater runoff from all added impervious areas (reservoir roof footprint & paved access road) for phosphorus. The treatment system will also include treating the existing reservoir roof runoff. The total impervious area to be treated is approximately 5,000 square feet. The proposed stormwater treatment will include routing of all impervious surface runoff to a detention vault and wetwell with discharge pump. The pump will discharge runoff to the top of the forested lot and through a flow spreader system where it will be dispersed either at the heavily vegetation ground surface or in shallow infiltration trenches.

The scope of the PWTF loan project includes pre-design, permitting, engineering plans and specifications, bidding and construction management in addition to the reservoir project construction costs.

CAPITAL PROJECT NARRATIVE

Budget Estimate

Pre-Design, Conditional Use Permit:	\$75,000
Engineering (Plans, Specs & Est.):	\$75,000
Bid & Contract Administration & Inspection:	\$50,000
Construction – Site Prep & Underground Piping:	\$150,000
Construction – Foundation & Tank:	\$450,000
<u>Stormwater Detention & Treatment (Design, Const. & Admin.)</u>	<u>\$160,000</u>
Total:	\$960,000

Cost estimate in 2012 dollars.

For further information about this project call Bill Hunter.

Revision History

- Created 8/2/2006.
- Revised 8/2/2006 by MMM: Revised project scope, added budget.
- Revised 10/4/2011 by BH: Updated budget numbers.
- Revised 5/1/12 by CDS & MMM: Revised project scope, updated budget

CAPITAL PROJECT NARRATIVE

Project Name:	Country Club Pump Station Replacement
CIP #:	0049

Asset Register:	LWWSD → Sewer → Pump Stations → Country Club				
Failure Mode:	<u>Capacity</u>	Level of Service	<u>Mortality</u>	Efficiency	
Business Risk Exposure:	30	= 5 x 6 x 1 (PoF x CoF x Redundancy)			
Remaining Life:	4 years	Consumed Life:	36 years	Effective Life:	40 years

PURPOSE and DESCRIPTION OF THE PROJECT

Project includes retrofitting existing Smith & Loveless wet well mounted pump station with new submersible pumps, controls, telemetry, and pole mounted work light manually switched at control panel.

The existing pump station was installed in 1976. Two existing 7.5 HP pumps each have a design point of 100 GPM at 40-feet TDH. Check valves are inaccessible for maintenance or cleaning. If a check valve ever jams, it would be a major project to access them for service. The wet well diameter is six-feet and the power service is currently ~~xxx-phase/ xxxV~~. The retrofit is part of a District wide pump station plan to replace all 30+ year old equipment.

During extreme wet weather events the District may utilize Sudden Valley sewer detention basin to store wastewater during peak inflows. When running in this configuration, Country Club pumps do not have the capacity to pump to the detention basin when Ranch House is pumping. Country Club does have some hold-over time that allows crews to manually manage pumps at Ranch House and Country Club. Under normal operating conditions, Country Club has sufficient capacity.

Budget Estimate (*Based on Tomb PS Actual Costs C0805*)

Pre-Design, Shoreline Permit:	\$75,000
Design, Contract Admin & Inspection:	\$225,000
<u>Construction:</u>	<u>\$350,000</u>
Total:	\$650,000

Cost estimate in 2012 dollars.

For further information about this project call Bill Hunter.

Revision History

- Created 8/2/2006.
- Revised 8/2/2006 by MMM: Revised project scope, added budget.
- Revised 8/3/2006 by BH: Added to purpose.

CAPITAL PROJECT NARRATIVE

- Revised 12/6/2007 by BH: Adjusted budget estimate up slightly.
- Revised 8/6/2009 by BH: Adjusted budget to reflect recent Tomb PS project.
- Revised 10/4/2011 by BH: Updated budget numbers to be a bit more conservative.

CAPITAL PROJECT NARRATIVE

Project Name:	Par Lane Pump Station Replacement
CIP #:	0050

Asset Register:	LWWSD → Sewer → Pump Stations → Par Lane				
Failure Mode:	Capacity	Level of Service	Mortality	Efficiency	
Business Risk Exposure:	32	= 8 x 4 x 1 (PoF x CoF x Redundancy)			
Remaining Life:	2 years	Consumed Life:	38 years	Effective Life:	40 years

PURPOSE and DESCRIPTION OF THE PROJECT

Project includes retrofitting existing Smith & Loveless wet well mounted pump station with new submersible pumps, controls, telemetry, and pole mounted work light manually switched at control panel.

The existing pump station was installed in 1974. Two existing 3 HP pumps each have a design point of 100 GPM at 31-feet TDH. Check valves are inaccessible for maintenance or cleaning. If a check valve ever jams, it would be a major project to access them for service. The wet well diameter is six-feet and the power service is currently 1-phase/ 230V. The retrofit is part of a District wide pump station plan to replace all 30+ year old equipment.

Consider replacing vegetation screening with a fence.

Budget Estimate (*Based on Tomb PS Actual Costs C0805*)

Pre-Design, Shoreline Permit:	\$75,000
Design, Contract Admin & Inspection:	\$225,000
<u>Construction:</u>	<u>\$350,000</u>

Total: \$650,000

Cost estimate in 2012 dollars.

For further information about this project call Bill Hunter.

Revision History

- Created 8/2/2006.
- Revised 8/2/2006 by MMM: Revised project scope, added budget.
- Revised 8/3/2006 by BH: Added to purpose.
- Revised 12/6/2007 by BH: Adjusted budget estimate up slightly.
- Revised 8/6/2009 by BH: Adjusted budget to reflect recent Tomb PS project.
- Revised 10/4/2011 by BH: Updated budget numbers to be a bit more conservative.

CAPITAL PROJECT NARRATIVE

Project Name:	SWWTP - Replace Natural Gas 230kW Generator with Larger Diesel Unit
CIP #:	0082

Asset Register:	LWWSD → Water → South Shore → Sudden Valley WTP				
Failure Mode:	Capacity	Level of Service	Mortality	Efficiency	
Business Risk Exposure:	70	= 7 x 10 x 1 (PoF x CoF x Redundancy)			
Remaining Life:		Consumed Life:		Effective Life:	

PURPOSE and DESCRIPTION OF THE PROJECT

The SWWTP emergency generator needs to be upgraded. The existing generator is powered by natural gas and is sized to only run 1 of 4 transmission pumps plus the water treatment plant.

The water treatment plant cannot meet demand during a power outage during high demand summer months. In this situation, an emergency public announcement would have to be made requiring all District costumers to limit water to only essential use.

The generator is powered by natural gas, another utility. There is substantial risk that natural gas might not be available during a major natural disaster. A diesel generator with an onsite diesel fuel tank with sufficient capacity is warranted for public emergency preparedness.

The proposed generator should be sized to run at least 2 transmission pumps, water treatment plant, and Afternoon Beach Sewer Pump Station.

The estimate reflects a 400kw generator, auto transfer switch, & 96 hour exterior diesel tank.

Budget Estimate

Phase 1 - Engineering

Engineering (Plans, Specs & Est.): \$75,000

Phase 2 - Construction

Bid & Contract Administration & Inspection: \$50,000

Construction: \$200,000

Subtotal: \$250,000

Total: \$325,000

Cost in 2009 dollars.

For further information about this project contact Bill Hunter.

Revision History

- Created 8/5/2009 by BH. Conceptual budget taken from RH2 Cable-Ranch House-Afternoon Beach Sewer Pump Station Predesign Report (summer 2009).

CAPITAL PROJECT NARRATIVE

Project Name:	Agate Heights Treatment Plant Additional Capacity
CIP #:	0084

Asset Register:	LWWSD → Water → Agate → Agate Heights Water Treatment Plant				
Failure Mode:	<u>Capacity</u>	Level of Service	Mortality	Efficiency	
Business Risk Exposure:	12	= 2 x 6 x 1 (PoF x CoF x Redundancy)			
Remaining Life:	Available New = 3 ERU	Consumed Life:	Connected/Reserved = 51 ERU	Effective Life:	Existing Plant Capacity = 54 ERU

PURPOSE and DESCRIPTION OF THE PROJECT

The District's Agate Heights water system is located on the north shore of Lake Whatcom and currently serves about 37 residences and Lake Whatcom Residential Center (7 ERU). There are also approximately 7 pre-paid connection certificates reserving capacity for the originally developed lots (still undeveloped). There is capacity to connect an additional 3 ERU (Equivalent Residential Units). The existing plant has capacity for 54 ERU.

The water treatment plant was installed as part of a Developer Extension Agreement and at the time was limited to 30 gpm by available water rights. The existing plant capacity is rated for 30 gpm and very near capacity. The existing plant consists of a duplex booster pump system (full redundancy at 30 gpm each) and a Filtronics Model FV-02 Electromedia 1 Iron and Manganese removal system.

The District has successfully moved water rights to the supply well and has interest from neighbors interested in connecting to public water for safety and health issues. To allow for additional connections and system expansion, the treatment plant capacity needs to be increased. A new Filtronics FV-05 Electromedia 1 Iron and Manganese removal system is proposed to replace entirely the existing treatment system, which will increase the plant capacity to 95 gpm. Additionally, to support the treatment capacity upgrade the plant will require replacing the existing duplex booster pump system with a duplex system with an increased flow capacity (95 gpm), and upgrading the existing pre-treatment chlorination system. All of the new equipment will fit inside the existing treatment plant building, therefore a Conditional Use Permit will not be required.

The existing plant has a propane generator that is unreliable in cold weather so the District is unable to provide reliable and safe water production in the case of an emergency. Thus, the plant needs an upgrade to a 15-kW diesel generator (and 500 gallon fuel tank) as an emergency power source.

Electrical upgrades are also needed in order to support the new pumping and treatment equipment and for the new emergency generator connection.

CAPITAL PROJECT NARRATIVE

Budget Estimate

Phase 1 - Engineering

Engineering (Plans, Specs & Est.): \$75,000

Phase 2 - Construction

Bid & Contract Administration & Inspection: \$50,000

Construction: \$360,000

Subtotal: \$410,000

Total: \$485,000

Cost in 2012 dollars.

For further information about this project contact Bill Hunter.

Revision History

- Created 8/5/2009 by BH.
- Revised 5/1/2012 by CDS & MMM: Revised scope and updated budget

CAPITAL PROJECT NARRATIVE

Project Name:	Steel Reservoir Cathodic Corrosion Protection
CIP #:	0089

Asset Register:	LWWSD → Water → South Shore → Reservoirs				
Failure Mode:	Capacity	Level of Service	Mortality	Efficiency	
Business Risk Exposure:	9	= 1 x 9 x 1 (PoF x CoF x Redundancy)			
Remaining Life:	35 years	Consumed Life:	40 years	Effective Life:	75 years

PURPOSE and DESCRIPTION OF THE PROJECT

In July 2012 the District contracted with H2O Solutions to clean, inspect, and perform minor maintenance repairs of the District's drinking water reservoirs. The District is on a 5-year cycle for this work. Since the last inspection there has been a noticeable increase in coating failures in all of the steel reservoirs. The coatings were spot repaired in all the reservoirs with the exception of Geneva Reservoir which had too many failures to make spot repairs practical.

The trend indicates coating failures are accelerating, and significantly in the Geneva Reservoir. Eventually each of the steel reservoirs will need to be taken out of service, drained, sand blasted, and recoated with Geneva Reservoir first on the schedule.

In the interim, a cathodic corrosion protection system should be permanently installed in each of the steel reservoirs. A cathodic system supplements the coating system by slowing or stopping corrosion at coating failures by adding a small voltage to the steel structure.

In August 2012 the District contracted with Corpro to perform a cathodic corrosion assessment at each of the steel reservoirs. They measured voltage potentials, designed a solution, and provided a quotation to install the systems.

The District's steel reservoirs are: Division 22, Division 30, Division 7, Geneva, and SWTP Contact Tank.

Budget Estimate

Bid & Contract Administration & Inspection:	District Staff
<u>Construction:</u>	<u>\$75,000</u>
Total:	\$75,000

Cost estimate in 2012 dollars.

For further information about this project call Bill Hunter.

Revision History

- Created 11/7/2012 by BH. Budget based on 2012 Corpro quote.

CAPITAL PROJECT NARRATIVE

Project Name:	Accounting & Administrative Server – Replace/Update Hardware, Network Security, & OS
CIP #:	A0005

Asset Register:	LWWSD → General → Admin Building → IT				
Failure Mode:	Capacity	Level of Service	Mortality	Efficiency	
Business Risk Exposure:	21	= 7 x 3 x 1 (PoF x CoF x Redundancy)			
Remaining Life:	0.5 years	Consumed Life:	2.5 years	Effective Life:	3 years

PURPOSE and DESCRIPTION OF THE PROJECT

Replace/update accounting and administrative server, network security firewalls, and operating systems. Information technology professionals typically recommend a server hardware refresh cycle every 3 to 4 years as best practice.

The District currently utilizes a single server running several virtualized servers. The servers are essential to daily operations including accounting and customer service (Springbrook & BIAS), electronic document management of district archive files (Docuware), computerize maintenance management system (Cartegraph), geographic information system (GIS), data files, and shared calendars.

District customers, Board of Commissioners, and management expect a very high level of service delivered by the server. Continuous service with no more than one 4-hour or longer unplanned outage during business hours per year is management's level of service goal. To meet this level of service, replacement of server hardware should follow industry best practice of a 3-year replacement cycle.

Budget Estimate: \$10,000.00 (2013 dollars)

For further information about this project call Bill Hunter.

Revision History

- Created 7/19/2006.
- Update 8/2/2006.
- Update description 11/7/2012. Bill Hunter.

CAPITAL PROJECT NARRATIVE

Project Name:	Replace Flush and Vac Trucks, add Boom Truck
CIP #:	E0008

Asset Register:	LWWSD → General → Equipment				
Failure Mode:	Capacity	Level of Service	Mortality	Efficiency	
Business Risk Exposure:		(PoF x CoF x Redundancy)			
Remaining Life:	0 years	Consumed Life:	30 years	Effective Life:	30 years

PURPOSE and DESCRIPTION OF THE PROJECT

Project involves 3 pieces of equipment the District requires for routine maintenance:

- **Vacuum Truck.** The District's 1983 Camel Vac Truck has reached the end of its effective life. The vehicle is in a near constant state of repair. The function of a vac truck is essential to the District's operations and maintenance program. District staff and crews concur that replacement with a full size truck is not warranted. It would be most cost effective to hire a full size truck for those infrequent large jobs. However, the ability to vacuum solids or liquid with solids is needed. Staff recommends purchasing a trailer mounted vac system which will satisfy nearly all of the District's operation and maintenance needs at a fraction of the cost of purchasing a full size truck. Budget cost estimate is .
- **Flush Truck.** The District's 1978 GMC Myers Flush Truck is reaching the end of its effective life. The vehicle has been fairly reliable with several recent moderate repairs. The holding tank is experiencing severe corrosion on the inside. Rust and flakes of metal frequently plug up the Y-strainer at the pump. The flush truck is an essential piece of emergency equipment. The truck is used in emergency situations to clear sewer main blockages as well as routine sewer main cleaning as part of the District's maintenance program. Staff recommends replacing the flush truck with a new one. Budget cost estimate is .
- **Boom Truck.** The District does not currently own a boom truck. There is a significant need for District crews to be able to lift and set very large and heavy submersible pumps in pump station wet wells. The District currently hires a boom truck when it needs to lift/set pumps at the large sewer pump stations. The smaller stations are equipped with a davit crane socket, but the procedure is very cumbersome and involved. Staff recommends purchasing a boom truck to meet routine operation and maintenance needs as well as be available for emergency situations when timing is critical. Budget cost estimate is .

Total Budget Estimate for all 3 Vehicles: \$225,000

Revision History

- Created 9/20/2010. BH.
- Revised 11/8/2012. BH. Added truck descriptions and adjusted total budget.

CAPITAL PROJECT NARRATIVE

Project Name:	EPA Capacity, Management, Operations, & Maintenance (CMOM) Projects – Sewer I&I
CIP #:	S0001

Asset Register:	LWWSD → Sewer → Collection System			
Failure Mode:	<u>Capacity</u>	Level of Service	Mortality	<u>Efficiency</u>
Business Risk Exposure:	15	= 3 x 5 x 1 (PoF x CoF x Redundancy)		
Remaining Life:		Consumed Life:		Effective Life:

PURPOSE and DESCRIPTION OF THE PROJECT

Combines several separate District projects into one annual project. The goal is to find and repair inflow and infiltration (I&I) sources. District crews camera sewer mains during wet season months searching for I&I.

The annual project scope and focus will vary based on the type of high priority items discovered during the previous wet season. Types of work include: sewer main slip lining (spots repairs and full lengths), pressure grouting service tees, pressure grouting manhole leaks/voids, rebuild/sealing manholes, smoke testing, and other efforts to reduce I&I.

Budget Estimate

Engineering (Plans, Specs & Est.):	District Staff
Bid & Contract Administration:	District Staff
Construction:	<u>\$160,000</u>

Budget Estimate: \$160,000

Cost estimate in 2012 dollars.

For further information about this project call Bill Hunter.

Revision History

- 10/26/2011. Combined separate I&I related projects into one annual project budget. Bill Hunter. Footnote: October 2011 Pro-Vac Estimate (Hank) for Smoke Testing: \$0.65/LF and can test approximately 10,000 LF per day.



DEBT SERVICE

Debt Service means all expenses in connection with issuance and initial sale of evidences of debt such as loans, sale of revenue bonds, etc. The District has three debt service funds which are used to pay off loans and bonds. A Revenue Bonds and Loan Funds Summary is included in the budget document.

2009 BOND DEBT SERVICE FUND SUMMARY

450

The 2009 Bond Debt Service Fund serves to provide redemption of the 2009 Bond issue. Interest is paid semi-annually and the principal is paid annually.

WATER LOANS DEBT SERVICE FUND SUMMARY

470

The Water Loans Debt Service Fund serves to provide redemption of long term water project loans. Principal and interest are paid entirely from General Fund revenues.

ULID 18 LOAN DEBT SERVICE SUMMARY

480

The ULID 18 Loan Debt Service Fund is restricted to provide redemption of loans in connection with the Lake Louise Road Sewage Interceptor. Principal and interest are paid entirely from ULID 18 assessment revenue which come from assessments against the properties within the ULID service area as well as the interest earned on assessments collected prior to bond payments.

DRAFT 11/14/2012		Description	Actual 2011	Adopted 2012	Projected 2012	Budget 2013
2009 BOND DEBT SERVICE FUND - 450						
450-361-11-00		Investment interest				
450-397-10-40		Transfers in from Operating Fund 401	447,250	297,000	297,000	445,500
		Transfers in from Bond Capital Projects Fund 430		150,000	150,000	-
		TOTAL REVENUES	447,250	447,000	447,000	445,500
450-535-10-41		Bond Admin Fee	303			
450-535-10-89		Bond Interest payments	231,950	220,000	218,900	225,500
450-582-35-00		Redemption of Long Term Debt	215,000	225,500	225,000	220,000
		TOTAL EXPENDITURES	447,253	445,500	443,900	445,500
2009 BOND DEBT SERVICE FUND		REVENUES	447,250	447,000	447,000	445,500
		EXPENDITURES	447,253	445,500	443,900	(445,500)
		CASH/INVESTMENTS BALANCE CARRYOVER	-	-	-	-
		PROPOSED 2013 YEAR END BALANCE				-

DRAFT 11/14/2012		Description	Actual 2011	Adopted 2012	Projected 2012	Budget 2013
WATER LOANS DEBT SERVICE FUND - 470						
470-361-11-10		Investment interest	129			
470-397-10-40		Transfers In from Operating Fund 401	93,350	94,000	93,350	92,000
		TOTAL REVENUES	93,479	94,000	93,350	92,000
470-582-35-00		Redemption of Long Term Debt	74,541	74,542	74,542	74,542
470-592-35-02		Debt Service Interest Loan 44	7,184	7,184	7,184	6,385
470-592-35-03		Debt Service Interest Loan 119	983	983	983	894
470-592-35-04		Debt Service Interest Loan 064	11,340	11,340	11,340	10,395
		TOTAL EXPENDITURES	94,048	94,049	94,049	92,216
WATER LOANS DEBT SERVICE FUND						
		REVENUES	93,479	94,000	93,350	92,000
		EXPENDITURES	94,048	94,049	94,049	(92,216)
		CASH/INVESTMENTS BALANCE CARRYOVER	-	-	-	375
		PROPOSED 2013 YEAR END BALANCE				159

DRAFT 11/14/2012		Description	Actual 2011	Adopted 2012	Projected 2012	Budget 2013
ULID 18 LOAN DEBT SERVICE FUND 480						
480-361-11-10		Investment interest	59,793	30,000	18,000	100
480-361-50-00		ULID 18 Interest/Penalties	47,834	50,000	48,000	40,000
480-379-10-30		Latecomers Fee	5,181	3,000	5,200	3,000
480-156-40-00		Current ULID 18 Principal Payments	66,417	56,000	65,000	60,000
480-397-10-40		Transfer in from Operating Fund 401 (re-payment)	113,335	113,335	113,335	-
		TOTAL REVENUES	292,560	252,335	249,535	103,100
480-535-10-89		Sewer Debt Service Charges Misc	400	400	440	400
480-582-35-00		Redemption of Long Term Debt	236,683	237,745	234,812	-
480-582-35-05		Debt Service Interest Loan 44A	7,029	7,029	7,029	-
480-582-35-06		Debt Service Interest Loan 44B	60,212	62,154	62,154	-
480-582-35-07		Debt Service Interest Loan 063	7,938	7,938	7,938	-
		Payoff of Loans				3,000,000
480-597-10-00		Transfer Out to Emergency Project/Equipment Fund 425				1,000,000
		TOTAL EXPENDITURES	312,262	315,266	312,373	4,000,400
ULID 18 LOAN DEBT SERVICE						
		REVENUES	292,560	252,335	249,535	103,100
		EXPENDITURES	312,262	315,266	312,373	(4,000,400)
		CASH/INVESTMENTS BALANCE CARRYOVER				3,900,000
		PROPOSED 2013 YEAR END BALANCE				2,700

Revenue Bonds and Loan Funds Summary

The District has obtained six publicly funded loans to construct projects listed on its approved Capital Improvement Plan. The project title, loan remaining, agency loan number, payment number and interest rates are noted as follows:

Project Title/Loan Source	Loan Balance Remaining 1/1/2013	Funding Source	Agency, Loan Number	End date	Interest on Loan
Lake Louise Road Construction – Part 1	134,269	ULID 18	WDOE #9800044A	2019	4.4%
Geneva/Sudden Valley Water Distribution Improvements	128,441	Rates	DWSRF #98-78898-044	2019	4.35%
Lake Louise Road Construction - Part 2	1,253,965	ULID 18	WDOE #9800044B	2022	4.4%
Lake Louise Road Construction, Admin	1,322,962	ULID 18	PWTF #PW-02-691-063	2022	.5%
Geneva/Sudden Valley Water Distribution Pre-Construction costs	80,464	Rates	PWTF-#PW-01-691-PRE-119	2021	1.0%
Geneva/Sudden Valley Water Distribution Construction	<u>472,520</u>	Rates	PWTF #PW-02-691-064	2022	2.0%
Total Loans Outstanding – 1/1/2013	\$3,392,621				
09 Rev Bonds Outstanding – 1/1/2013	\$5,300,000	Rates		2029	3.00%
Total Combined Debt Outstanding 1/1/2013	\$8,692,621				
Total Funding Source ULID 18	2,711,196	WDOE – Washington Department of Ecology			
Total Funding Source Rates	5,981,425	DWSRF – Drinking Water State Revolving Fund			
Payoff in 2013		PWTF – Public Works Trust Fund			



2009 BOND RESERVE FUND SUMMARY 460

The fund was established by the covenants of the 2009 bond sale and is restricted by definition. A reserve limitation is required to be held in the Reserve Fund until the outstanding 2009 bonds are paid in full. The bond reserve is fully funded. Interest earned on reserve funds are transferred into the 2009 Bond Fund.

ULID 18 LOAN RESERVE FUND SUMMARY 490

The fund is maintained as a loan requirement for the Washington Department of Ecology loans and is restricted by definition. Funds will be used to make the final loan payment.


DRAFT 11/14/2012		Description	Actual 2011	Adopted 2012	Projected 2012	Budget 2013
2009 BOND RESERVE FUND (RESTRICTED) - 460						
460-361-11-00		Investment interest	6,677	500	3,400	3,000
		TOTAL REVENUES	6,677	500	3,400	3,000
		TOTAL EXPENDITURES	-	-	-	-
		REVENUES	6,677	500	3,400	3,000
		EXPENDITURES	-	-	-	-
		CASH/INVESTMENTS BALANCE CARRYOVER				500,000
		PROPOSED 2013 YEAR END BALANCE				503,000

DRAFT 11/14/2012		Description	Actual 2011	Adopted 2012	Projected 2012	Budget 2013
ULID 18 LOAN RESERVE FUND (RESTRICTED) - 490						
490-361-11-10		Investment interest	1,720	1,720	1,173	175
		TOTAL REVENUES	1,720	1,720	1,173	175
		Transfer Out to Emergency Fund 425				(178,175)
		TOTAL EXPENDITURES	-	-	-	(178,175)
		REVENUES	1,720	1,720	1,173	175
		EXPENDITURES	-	-	-	(178,175)
		CASH/INVESTMENTS BALANCE CARRYOVER				178,000
		PROPOSED 2013 YEAR END BALANCE				-



LAKE WHATCOM WATER AND SEWER DISTRICT

AGENDA BILL

DATE SUBMITTED:	November 5, 2012		
TO BOARD OF COMMISSIONERS			
FROM: Patrick Sorensen	MANAGER APPROVAL 		
MEETING AGENDA DATE:	November 14, 2012		
AGENDA ITEM NUMBER:	7		
SUBJECT:	Manager's Report		
LIST DOCUMENTS PROVIDED ⇨ NUMBER OF PAGES INCLUDING AGENDA BILL: _____	1. Manager's Report		
	2. _____		
	3. _____		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input type="checkbox"/>	INFORMATIONAL/ OTHER <input checked="" type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

Updated information from the General Manager in advance of the Board meeting.

FISCAL IMPACT

None

RECOMMENDED BOARD ACTION

None required.

PROPOSED MOTION

None

General Manager Comments

November 14, 2012

Important Upcoming Meetings:

- **Meetings Associated with the Lake Whatcom Management Program:**
 - **Policy Group Meeting:** Reminder, the next meeting is scheduled for December 3, 2012 at 9:30 a.m. in the Garden Room. The agenda has not been developed yet. All Policy Group Meetings are publicly noticed by the District.
 - **Management Meeting:** There is no meeting scheduled at this time.
 - **Staff Technical Team Meeting:** The next meeting is scheduled for November 14, 2012
- **Next Regular Board Meeting:** Friday, November 30, 2012 at 8:00 a.m.
- **Next Employee Staff Meeting:** Thursday, November 15, 2012 at 8:00 a.m. in the Board Room. Commissioner Weide is scheduled to attend. Scheduling is rotated by alphabetical order each month.
- **Washington Association of Sewer & Water Districts Section III Meeting:** The next Section III meeting will be held at Bob's Burger & Brew in Tulalip on Tuesday, November 13, 2012 starting at 6:00 p.m. All WASWD Section III Meetings are publicly noticed by the District.
- **Next Employee Safety Committee Meeting:** Thursday, November 15, 2012 at 1:00 p.m. in the District Conference Room.
- **Whatcom Water Districts Caucus Meeting:** Wednesday, November 28, 2012 at 3:00 p.m. in the District's Board Room. Commissioner McRoberts and I represent the District at this meeting, which is held on the last Wednesday of the month. Commissioner representatives from other districts in the County will attend this meeting. There is not an agenda as of this date. This meeting is publicly noticed and you are welcome to attend.

Other

- **2013 Budget Preparation Update:** Reminder: Staff will present the proposed draft 2013 budget at the November 14th meeting. As in the past we will get the document to you in advance of the meeting.
- **Labor Negotiations:** Labor negotiations will reconvene on Tuesday, November 13th