



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

REGULAR MEETING
OF THE BOARD OF COMMISSIONERS

AGENDA

January 29, 2014

8:00 a.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. District Late Fees
 - B. Commissioner Committee Representation
 - C. Draft Sewer Comprehensive Plan
 - D. Division 22 Reservoir – Engineering Agreement with Gray and Osborne
6. OTHER BUSINESS
7. MANAGER'S REPORT
8. PUBLIC COMMENT OPPORTUNITY
9. Contract Negotiations/Potential Litigation (Executive Session per RCW 42.30.110(i) – 30 Minutes)
10. ADJOURNMENT



LAKE WHATCOM WATER AND SEWER DISTRICT

AGENDA BILL

DATE SUBMITTED:	January 21, 2014		
TO BOARD OF COMMISSIONERS			
FROM: Patrick Sorensen	MANAGER APPROVAL <i>Patrick Sorensen</i>		
MEETING AGENDA DATE:	January 29, 2014		
AGENDA ITEM NUMBER:	5.A.		
SUBJECT:	Late Fees		
LIST DOCUMENTS PROVIDED ⇒ NUMBER OF PAGES INCLUDING AGENDA BILL:	1. Late Fee Billing Policy		
	2. RCW 57.08.081		
	3. Late Fee Revenue/Other District Late Fees		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input type="checkbox"/>	INFORMATIONAL/ OTHER <input checked="" type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

Staff has been asked to provide the following information for discussion regarding the District's Late Fee policy:

What is the District's Late Fee Policy?	10% of the past due balance - See attached
Do other districts charge Late Fees and if so, how much do they charge?	See attached
Does the District have a grace period?	Yes – Five days
Are there customers that are habitually late in paying their bills?	Yes; approximately 10% or 400 customers
How much revenue does the District collect through late fees annually?	See attached
If the District did not charge Late Fees, what other incentive would there be for people to pay their bills in a timely manner?	We lock and lien per guidelines. With no late fees the District would initiate locks as the incentive.
What would staff like to do about Late Fees?	Stricter enforcement would require additional staff for locking. Late fees should remain as is.

FISCAL IMPACT

None at this time.

RECOMMENDED BOARD ACTION

For discussion only.

PROPOSED MOTION

For discussion only.

I have attached the billing policy from our Administrative Manual.

10/1 Bill
11/20 Due date
12/1 Shut off warning on bill
12/20 Send lock notice
1/10 Lock if no payment
1/20 Lien property if no payment

Lake Whatcom Water and Sewer District Late Fee Billing Policy

Late Fee Policy

The District's Late Fee was originally established in 1974 through the adoption of Resolution #134 which states "Billings for such service charges shall be made quarterly and if not timely paid shall be subject to such penalties as are permitted by the statutes of the State of Washington relating to water and sewer districts." The applicable statute is RCW 57.08.081 which states that:

"The commissioners shall enforce collection of connection charges, and rates and charges for water supplied against property owners connecting with the system or receiving such water, and for sewer and drainage services charged against property to which and its owners to whom the service is available, such charges being deemed charges against the property served, by addition of penalties of not more than ten percent thereof in case of failure to pay the charges at times fixed by resolution."

Late Fee Reversal

Late fees have historically been reversed through an appeals process and under specific circumstances. Appeals were made in writing to the Board of Commissioners who had the sole authority to reverse late fees. Later on, the General Manager was given the authority to review and either approve or disapprove late charge reversal requests. If the customer did not agree with the General Manager's decision, they could appeal to the Board. Circumstances that qualified for late fee reversals were usually due to an error made by District staff, illness or hospitalization, death in the family or other such circumstances beyond the customer's control happened to make the payment late.

Staff Authorization Regarding Fee Adjustments

On December 8, 2010, the Board adopted Resolution 766 authorizing the General Manager to dismiss or adjust fees and charges under certain circumstances. Under the supervision of the General Manager, the Finance Manager may adjust customer late fees on a once per year per account basis. A report showing the late fee adjustments is periodically prepared by the Finance Manager and submitted to the Board for their review and approval through the consent agenda process.

Initiation of Five Day Grace Period

In February of 1993 the District initiated a five day grace period for utility bill payments by changing the due date from the 25th to the 20th of the month following the billing date. The date that the late charge is applied is still the 25th of the month but changing the due date to the 20th essentially provides a five day "grace period" for District customers. (Reference: February 11, 1993 minutes)

Installment Payments for Large Bills Without Late Fees

In 1998 the Commissioners approved a policy allowing customers to pay extraordinary billing amounts in installment payments. Late charges are waived as long as the customer complies with the terms of payment as negotiated by the customer and the District. (Reference: March 11, 1998 minutes with attachment)

7.01 Water and Sewer Service Billing

Policy:

Rates for services are set by the Board of Commissioners and shall be fair, equitable, understandable, and provide for the prudent financial management of the District.

Procedure:

Utility bills are for services received in the previous two months and are mailed out bi-monthly. All water service in the District is metered. Water use from 0-600 cubic feet per billing period is covered by the basic rate. All water usage over 600 cubic feet is charged at the overage rate shown in the Master Fees and Charges List. Sewer is billed at a flat rate. All geographic service areas pay the same water and sewer rates.

1. Bills are due on the 20th of the month following the date of the bill. A five-day grace period for overdue payment is granted before a late charge of 10% of the total past due amount is assessed.
2. Bills must be received in the office by the close of business on the 25th of the month to avoid a late charge, regardless of the date postmarked.
3. For those accounts where water service charges are not paid within 60 days after the billing date the District will place a "water shut off" warning on the bill. If the bill is not paid within the allotted time stated, the meter will be padlocked until the bill is paid in full along with the charges associated with shutting off the water. Regular bi-monthly billing will be suspended while service is interrupted and the curb-stop valve is padlocked whether the interruption is voluntary or not.
4. All unpaid water and sewer charges when delinquent for 60 days or more shall be a lien against the property being served. In the event the customer fails to bring the account current within 6 months, the account will be referred to the District's legal counsel to begin formal foreclosure proceedings against the property.
5. Ratepayers may contribute funds toward low-income customer's water and sewer billings if they desire to do so.
6. See the "Master List of Fees and Charges" for all charges associated with billing.

Reference: See Master Fees and Charges Schedule

7.03 Installment Payment of Large Bills

Policy:

The District allows for the payment of extraordinary billing charges in installments. Late charges are waived as long as the customer adheres to a pre-arranged payment plan as negotiated by the customer and the Accounts Receivable department.

Procedure:

1. The customer has extraordinary billing charges, resulting, generally, from a water leak, but may also be as a result of financial hardship.
2. The customer contacts the billing department to arrange a payment schedule. Staff negotiates a payment schedule that is acceptable to both the customer and the District. Payment schedules must be arranged in a way that ensures payment of the current two-month minimum billing plus an installment on the extraordinary portion of the bill. The extraordinary portion of the bill must be paid in full within six months of incurring the charges.
3. The billing department monitors compliance with the terms of the payment schedule.
4. Failure to comply with the terms of the payment schedule will result in the balance of the extraordinary charge becoming due and payable immediately. Outstanding balances become subject to late charges and shut off if not paid in full by the next regularly scheduled due date.

Reference: March 11, 1998 Minutes
RCW 57.08.005

RCW 57.08.081**Rates and charges — Delinquencies.**

(1) Subject to *RCW 57.08.005(6), the commissioners of any district shall provide for revenues by fixing rates and charges for furnishing sewer and drainage service and facilities to those to whom service is available or for providing water, such rates and charges to be fixed as deemed necessary by the commissioners, so that uniform charges will be made for the same class of customer or service and facility. Rates and charges may be combined for the furnishing of more than one type of sewer or drainage service and facilities.

(2) In classifying customers of such water, sewer, or drainage system, the board of commissioners may in its discretion consider any or all of the following factors: The difference in cost to various customers; the location of the various customers within and without the district; the difference in cost of maintenance, operation, repair, and replacement of the various parts of the system; the different character of the service furnished various customers; the quantity and quality of the service and facility furnished; the time of its use; the achievement of water conservation goals and the discouragement of wasteful practices; capital contributions made to the system including but not limited to assessments; and any other matters which present a reasonable difference as a ground for distinction. Rates shall be established as deemed proper by the commissioners and as fixed by resolution and shall produce revenues sufficient to take care of the costs of maintenance and operation, revenue bond and warrant interest and principal amortization requirements, and all other charges necessary for efficient and proper operation of the system. Prior to furnishing services, a district may require a deposit to guarantee payment for services. However, failure to require a deposit does not affect the validity of any lien authorized by this section.

(3) The commissioners shall enforce collection of connection charges, and rates and charges for water supplied against property owners connecting with the system or receiving such water, and for sewer and drainage services charged against property to which and its owners to whom the service is available, such charges being deemed charges against the property served, by addition of penalties of not more than ten percent thereof in case of failure to pay the charges at times fixed by resolution. The commissioners may provide by resolution that where either connection charges or rates and charges for services supplied are delinquent for any specified period of time, the district shall certify the delinquencies to the auditor of the county in which the real property is located, and the charges and any penalties added thereto and interest thereon at the rate of not more than the prime lending rate of the district's bank plus four percentage points per year shall be a lien against the property upon which the service was received, subject only to the lien for general taxes.

(4) The district may, at any time after the connection charges or rates and charges for services supplied or available and penalties are delinquent for a period of sixty days, bring suit in foreclosure by civil action in the superior court of the county in which the real property is located. The court may allow, in addition to the costs and disbursements provided by statute, attorneys' fees, title search and report costs, and expenses as it adjudges reasonable. The action shall be in rem, and may be brought in the name of the district against an individual or against all of those who are delinquent in one action. The laws and rules of the court shall control as in other civil actions.

(5) In addition to the right to foreclose provided in this section, the district may also cut off all or part of the service after charges for water or sewer service supplied or available are delinquent for a period of thirty days.

(6) A district may determine how to apply partial payments on past due accounts.

(7) A district may provide a real property owner or the owner's designee with duplicate bills for service to tenants, or may notify an owner or the owner's designee that a tenant's service account is delinquent. However, if an owner or the owner's designee notifies the district in writing that a property

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served by the district is a rental property, asks to be notified of a tenant's delinquency, and has provided, in writing, a complete and accurate mailing address, the district shall notify the owner or the owner's designee of a tenant's delinquency at the same time and in the same manner the district notifies the tenant of the tenant's delinquency or by mail. When a district provides a real property owner or the owner's designee with duplicates of tenant utility service bills or notice that a tenant's utility account is delinquent, the district shall notify the tenant that it is providing the duplicate bills or delinquency notice to the owner or the owner's designee. After January 1, 1999, if a district fails to notify the owner of a tenant's delinquency after receiving a written request to do so and after receiving the other information required by this subsection (7), the district shall have no lien against the premises for the tenant's delinquent and unpaid charges.

[2003 c 394 § 6; 1999 c 153 § 11. Prior: 1998 c 285 § 2; 1998 c 106 § 9; 1997 c 447 § 19; 1996 c 230 § 314.]

Notes:

***Reviser's note:** RCW 57.08.005 was amended by 2009 c 253 § 1, changing subsection (6) to subsection (7).

Part headings not law -- 1999 c 153: See note following RCW 57.04.050.

Finding -- Purpose -- 1997 c 447: See note following RCW 70.05.074.

Part headings not law -- Effective date -- 1996 c 230: See notes following RCW 57.02.001.

Assessments and charges against state lands: Chapter 79.44 RCW.



LATE FEE REVENUE

2013	2012	2011	2010	2009
\$ 55,870	\$ 65,156	\$ 65,750	\$ 63,176	\$ 53,780

Late fee charges did decline in 2013 due to two factors:

Staff initiated mailing courtesy late notices outside of the notice which prints on the bill itself.

Staff also utilized the reader board to post due dates.

Both of these actions have reminded and encouraged the customer base to pay in a timely manner thereby avoiding late fees.



Lake Whatcom	10% after 55 days (5 days after due date)
King Co District #20	no late fees
Silver Lake Water/Sewer	no late fees
Olympic View	10% after 45 days
Ronald Wastewater	10%
Lakewood Water	\$10.00
Lake Stevens	10%
Sammamish Plateau	10% after 37 days
Valley View	10% after 60 days
Woodinville WD	no late fees
Cedar River	10% after 30 days
WD 119	10% 5 days after due date
Mukilteo	no late fees
Alderwood WD	10% 30 days after due date
Columbia Valley	10% after due date - no grace period
Highline	10%
Soos Creek	10% 10 days after due date
King Co Dist #90	10% after 30 days
District #49	10%
Cross Valley	10%

COMPARISON OF PAST DUE LEVELS AT WHICH TO "LOCK" METERS

Geneva

\$250.00 minimum past due	Base Rate minimum past due
28 accounts	49 accounts

Sudden Valley

\$250.00 minimum past due	Base Rate minimum past due
114 accounts	214 accounts

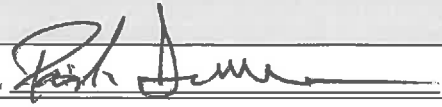
If the District sets a lower Past Due level to lock accounts there would be more labor involved - perhaps spread locks over two days. Also - more locks would need to be purchased.

The above numbers are examples from December 2013.



LAKE WHATCOM WATER AND SEWER DISTRICT

AGENDA BILL

DATE SUBMITTED:	January 21, 2014		
TO BOARD OF COMMISSIONERS			
FROM: Patrick Sorensen	MANAGER APPROVAL 		
MEETING AGENDA DATE:	January 29, 2014		
AGENDA ITEM NUMBER:	5.B.		
SUBJECT:	Commissioner Committee Representation		
LIST DOCUMENTS PROVIDED ⇒ NUMBER OF PAGES INCLUDING AGENDA BILL: _____	1.		
	2.		
	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

Each year the Board selects a Commissioner to serve as the District's representative to the Lake Whatcom Policy Group and the Whatcom County Council of Governments.

Patrick and various Board members also regularly attend the following meetings:

WRIA 1 Planning Unit Meetings (next meeting will be held on January 29th at 6:00 p.m.
WASWD Section 3 Meetings (held on the second Tuesday of the month at 6:20 p.m. in Tulalip)
Whatcom Water District's Caucus Meetings (next meeting is January 27th at 1:00 p.m. in the District's Board room).

Should a Board representative be selected to attend and report on these meetings? The WRIA 1 and WASWD Section 3 meetings are publicly noticed by the District in case more than two Commissioners want to attend a meeting.

FISCAL IMPACT

None at this time.

RECOMMENDED BOARD ACTION

Select/appoint a Board member to serve as the District's representative to the Lake Whatcom Policy Group for 2014.

Select/appoint a Board member to serve as the District's representative to the Whatcom County Council of Governments for 2014.

PROPOSED MOTION

To appoint Commissioner _____ to serve as the District's representative to the Lake Whatcom Policy Group for 2014

To appoint Commissioner _____ to serve as the District's representative to the Whatcom County Council of Governments for 2014.



LAKE WHATCOM WATER AND SEWER DISTRICT

AGENDA BILL

DATE SUBMITTED:	January 21, 2014		
TO BOARD OF COMMISSIONERS			
FROM: Patrick Sorensen	MANAGER APPROVAL <i>Patrick Sorensen</i>		
MEETING AGENDA DATE:	January 29, 2014		
AGENDA ITEM NUMBER:	5.C.		
SUBJECT:	Draft Sewer Comprehensive Plan		
LIST DOCUMENTS PROVIDED ⇒ NUMBER OF PAGES INCLUDING AGENDA BILL: _____	1.		
	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

At the January 8, 2014 meeting, the Board requested that this item be included on the agendas for the next several meetings until they have had the opportunity to review, discuss and consider the many details included in the District's Sewer Comprehensive Plan.

FISCAL IMPACT

Not applicable at this time.

RECOMMENDED BOARD ACTION

Review, discuss, consider the Sewer Comprehensive Plan.

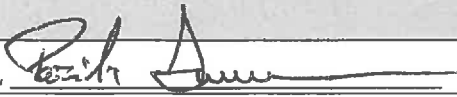
PROPOSED MOTION

Not applicable at this time.



LAKE WHATCOM WATER AND SEWER DISTRICT

AGENDA BILL

DATE SUBMITTED:	January 21, 2014		
TO BOARD OF COMMISSIONERS			
FROM: Patrick Sorensen	MANAGER APPROVAL 		
MEETING AGENDA DATE:	January 29, 2014		
AGENDA ITEM NUMBER:	5.D.		
SUBJECT:	Division 22 Reservoir – Engineering Agreement with Gray and Osborn		
LIST DOCUMENTS PROVIDED ⇒ NUMBER OF PAGES INCLUDING AGENDA BILL:	1. Scope of Work and Cost Estimate		
	2.		
	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

The District published a Request for Proposals for engineering and architectural services that included four individual projects in the Bellingham Herald on 1/25/2013. Six firms responded with proposals. A selection committee was formed which included staff and two commissioners to evaluate and select the most qualified firm(s) for each project.

At the March 13, 2013 board meeting, the Board of Commissioners formally selected the following firms based on recommendations from the selection committee:

SVWTP Generator Replacement	RH2 Engineering, Inc.
Strawberry Pt. and Boulevard Sewer Pump Stations	RH2 Engineering, Inc.
Division 22 Reservoir	Grey & Osborne, Inc.
Geneva Area AC Water Main Replacement	Wilson Engineering, LLC

At that time funding for only the SVWTP Generator Replacement was determined. However, since then funding for the other projects has been secured. In the spring/summer of 2013 the District applied for and received low interest (1.5% for 20-years) loan funding for both the Division 22 Reservoir (\$1M) and Geneva Area AC Water Main Replacement (\$2.4M) projects. The sewer pump stations will be funded by cash flow by constructing one per year in 2014 and 2015.

Now that the District has executed loan contracts with Washington State Department of Health it is ready to enter an engineering agreement with Grey & Osborne for their respective project.

The project will have at least three phases:

Phase 1 includes topographic surveying, geotechnical test borings, pre-design, permitting (conditional use permits), and presentations to Board of Commissioners. Work will be completed in 2014.

Phase 2 will include detailed design, Whatcom County building permits, construction documents, DOH review/approvals, and bidding. Work tentatively to occur end of 2014 and Spring 2015.

Phase 3 will include services during construction with construction tentatively occurring during the summer of 2015.

Loan contracts require project completion within 4-years of contract execution. The loan contract Project Completion date is 10/9/2017.

FISCAL IMPACT

Project expenses will be reimbursed to the District by loan draws for the duration of the project. Budget estimates used to develop the loan request amount are:

(Phase 1 Budget - \$75,000)

Engineering Report (Preliminary Engineering)	\$25,000
Environmental Review (SERP-NEPA, SEPA)	\$25,000
Cultural Review (Section 106 of NHPA)	\$5,000
Permits	\$20,000

(Phase 2 Budget - \$85,000)

DOH Review / Approval Fees	\$5,000
Bid Documents (Design Engineering)	\$80,000

(Phase 3 Budget - \$825,000)

Construction (contractor + construction admin/insp)	\$800,000
Contingency	\$25,000

Subtotal	\$985,000
Loan Fee (1.0% of the Subtotal)	\$9,850
Total Approved Loan Amount	\$994,850

Grey & Osborne's fee estimate for Phase 1 Scope of Work is \$44,734 and is within budget estimates. Phase 1 includes Engineering Report, Environmental Review, Cultural Review, and Whatcom County Conditional Use Permitting. The agreement is for actual time and materials not-to-exceed this amount.

RECOMMENDED BOARD ACTION

See proposed motion.

PROPOSED MOTION

Approve Grey & Osborne's Phase 1 Scope of Work and Fee Estimate for time and materials not to exceed \$44,734; and authorize the General Manager to execute an Architectural/Engineering Agreement.

EXHIBIT A

SCOPE OF WORK

LAKE WHATCOM WATER AND SEWER DISTRICT DIVISION 22 RESERVOIR PREDESIGN (PHASE 1)

PROJECT UNDERSTANDING

Lake Whatcom Water and Sewer District (District) desires to contract Gray & Osborne, Inc. (G&O) to provide professional engineering services for predesign and land use permitting of the Division 22 Reservoir. Design of this facility will be covered under a separate scope of work (Phase 2).

It is our understanding the District intends to construct a second reservoir next to the existing steel reservoir. Previous engineering work has indicated that at least 0.5 MG is required and 0.71 MG is required for buildout. There is a leveled site near the existing tank that appears to have been cleared several years ago that is suitable for locating the new reservoir.

Lake Whatcom has procured funding for this project through Capital Agreement DM13-952-136, hereafter called the Capital Agreement, from the Washington State Public Works Board through the Drinking Water State Revolving Fund (DWSRF). The Capital Agreement requires that several clauses and conditions be included the contact scope of work for the Division 22 Reservoir. By signing this contract, Gray & Osborne agrees to the following conditions.

1. In accordance with Section 1.30 of the loan agreement, Gray & Osborne shall comply with all federal and state non-discrimination laws including, but not limited to Chapter 49.60 RCW, Washington's Law Against Discrimination, and 42 U.S.C. 12101 et seq, the Americans with Disabilities Act (ADA)
2. Gray & Osborne will not discriminate on the basis of race, color, national origin, or sex in the performance of this Contract. Gray & Osborne shall carry out applicable requirements of 40 CFR part 33 in the award and administration of contracts awarded under Environmental Protection Agency financial agreements. Failure by Gray & Osborne to carry out these requirements is a material breach of the Contract which may result in termination of this Contract.
3. Gray & Osborne and its employees will not engage in severe forms of trafficking in persons during the period of time the Contract is in effect; procure a commercial sex act during the time of the Contract is in effect; or use forced labor during the performance of this Contract.

Gray & Osborne shall, at all times while performing services for the District, comply with the District's DWSRF Capital Agreement financial management and federal requirements and not be on the Federal Excluded Parties list as described in the DWSRF Handbook, Section 4.11.

Gray & Osborne shall submit separate invoices with backup documentation to the District for eligible and ineligible (if applicable) fees and expenses as described in the DWSRF Handbook, Section 4, Attachments 4-B and 4-C.

This Scope of Work does not include any costs for cultural assessment or any work pertaining to historical and cultural artifacts. Any archaeological or cultural assessment work will be completed under a separate contract scope of work.

Task 1 – Project Management, Oversight, and Quality Assurance/Quality Control

Objective: To provide overall project management, oversight, and quality control of the project work by a Principle-In-Charge and senior staff members.

- A. Provide overall project management and oversight as follows:
 - 1. Ensure sufficient staff resources to dedicate to the project.
 - 2. Prepare and execute Subconsultant contracts as required.
 - 3. Manage Subconsultant work.
 - 4. Manage project budget and schedule.
 - 5. Maintain records and files in accordance with DWSRF Handbook, Section 3.4.
 - 6. Prepare and provide monthly progress reports and invoices with sufficient detail acceptable to process the District's A19 Reimbursement Vouchers in accordance with the DWSRF Handbook, Section 3.6.
- B. Oversee quality assurance/quality control (QA/QC) meetings during the course of the project. The meetings will include senior staff not necessarily associated with the project, select design team members, and District staff (as required and/or desired). Meetings will take place at the following design completion levels:
 - 1. Conceptual Predesign (30 percent design effort)
 - 2. Draft Predesign (75 percent design effort)
 - 3. Final Predesign (90 percent design effort)
- C. Ensure incorporation of all relevant comments and suggestions into the construction documents resulting from QA/QC reviews.

Task 2 – Site Survey and Geotechnical Work

Objective: To establish horizontal and vertical control and perform a site topographic survey and perform geotechnical evaluation suitable for design.

- A. Perform site survey including establish control, topographical survey (2-foot contours), and locate existing utilities and structures at the site of the new reservoir.
 - 1. Acquire and utilize readily available records of survey, plat maps, assessor maps, etc., from Whatcom County and the District in the project area as required for approximating the property boundaries. This work will include overlaying the approximate rights-of-way and property boundaries on a plan view of the project area.
 - 2. Establish vertical and horizontal control on the District's adopted datum for survey and mapping at a scale of not more than 1 inch = 20 feet (horizontal) and 1 inch = 5 feet (vertical). Vertical control will be suitable for establishing 2-foot contour intervals and to provide adequate information for selection of a design alternative.
 - 3. Acquire topographical survey of the site and immediately adjacent areas to include establishing surface grades, pavement edges, buildings and structures, visually obvious utilities, fences, and major trees (8 inches in diameter, or larger), etc., in sufficient detail to support an adequate level of hydraulic and alternative analysis.
 - 4. For the purposes of County and public review, place sufficient markers to identify the approximate property boundaries of the site.
- B. Perform geotechnical evaluation to ascertain geotechnical parameters for project design.
 - 1. Review existing geotechnical information of the project vicinity. This will include a review of available geologic maps of the project location as well as a review of historical information, if available, provided by the District and/or others.
 - 2. Conduct a site reconnaissance to observe conditions of the site and adjacent areas. Complete two test borings in the vicinity of the proposed new reservoir, utilizing a track-mounted drill rig. Cores will be recovered for visual classifications.

3. Conduct appropriate laboratory testing on selected soils samples to characterize the soil properties.
4. Generate a letter report summarizing the results of the geotechnical investigation. This report will reference existing geotechnical information; summarize the observed conditions, discuss appropriate excavation methods; and provide recommendations for foundation support of the new reservoir, access roads, and utilities.

Task 3 – Kick-Off Meeting

Objective: To conduct a kick-off meeting for the project to identify critical path schedule and task items, to confirm the format for and schedule of deliverables, to discuss major project assignments and project specific regulatory requirements.

- A. Conduct an initial kick-off meeting to initiate the design process, discussing the following items at a minimum:
 1. Review existing storage analysis information, water use estimates, and projections.
 2. Review any District site documentation.
 3. Review and discuss Whatcom County permitting processes and stormwater regulations.
 4. Review and confirm major task assignments.
 5. Review and confirm project schedule and milestones.
 6. Identify any outside stakeholders.
- B. Prepare and distribute meeting minutes to all attendees.

Task 4 – Prepare Draft Predesign Report

Objective: To prepare a draft Predesign Report for District staff review.

- A. Acquire available information (i.e., previous studies and analyses) regarding the design, construction and operation of the Division 22 reservoir and related water supply facilities from the District.
- B. Review existing storage analysis to verify sizing requirements for the new reservoir.
- C. Provide an alternatives analysis of reservoir size based on existing storage deficiency and anticipated buildout requirements. Provide a recommended alternative.

- D. Provide an alternatives analysis of reservoir construction type including life-cycle cost analysis. Provide a recommended alternative.
- E. Provide a discussion of reservoir operation with respect to the existing reservoir and the system.
- F. Provide a discussion of recommended reservoir features and accessories.
- G. Summarize stormwater regulations and impacts to the project. Provide a preliminary stormwater concept to address stormwater issues for the new reservoir.
- H. Provide a discussion of reservoir controls including a SCADA input/output list for both the new and existing reservoirs.
- I. Provide a narrative discussion of possible energy issues to determine if an investment grade energy audit per the DWSRF loan agreement is required or if the analysis contained in the Predesign Report meets the requirements. If an investment grade energy audit is required, it will be completed under a separate contract.
- J. Prepare a preliminary site layout and reservoir elevation figures.
- K. Prepare predesign level cost estimate.
- L. Provide draft Predesign Report for staff review.
- M. Meet with District staff to review draft report and receive comment.

Task 4 – Prepare Final Predesign Report

Objective: To prepare final Predesign Report incorporating District comments and discussion.

- A. Prepare final Predesign Report, incorporating review comments received from District staff, permitting agencies, and public.

Task 5 – Presentation to District Board of Commissioners and Other Stakeholders Including Permit Agencies

Objective: To meet with District Board and other identified stakeholders. Additional meetings with other stakeholders can be added for an additional fee.

- A. Present the findings of the Predesign Report to the District's Board of Commissioners at the final Predesign Report stage.

- B. Meet with the Sudden Valley HOA Board during the draft Predesign stage to present the findings of the Predesign Report and answer HOA Board inquiries. The District will facilitate and coordinate the meeting.
- C. Attend two meetings with the Sudden Valley HOA to allow public input. Provide renderings of the preferred alternative and answer customer questions.
- D. Attend Whatcom County conditional use permit meetings including one preapplication meeting, one permit application meeting, and one public hearing for a total of three conditional use permit meetings. It is not anticipated that the project site contains or will affect any regulated critical areas or transportation facilities in the area. It is assumed the District will prepare and mail the required public notifications. The Engineer will prepare the following documents for the purposes of this task:
 - 1. Preapplication Materials
 - a. Preapplication meeting application;
 - b. Deed for property (order title report unless District has copy);
 - c. Preliminary Stormwater Proposal; and
 - d. Site Plan, including identification of trees proposed for removal.
 - 2. Conditional Use Permit Materials
 - a. Conditional Use Application;
 - b. Site Plan with proposed footprint of new facilities;
 - c. Preliminary Stormwater Proposal;
 - d. Land Disturbance Permit Application; and
 - e. SEPA Checklist.

EXHIBIT "B"

ENGINEERING SERVICES SCOPE AND ESTIMATED COST

Lake Whatcom Water and Sewer District Division 22 Reservoir Pre-Design

Task	Hours	Manager	I and II	Eng.	Hours	Mgr./Graphic	Land Surveyor	(2 person)
Task 1								
Project Management	4	4						
QA/QC	4	4	4	2	1			
Task 2								
Site Survey		2				4	8	30
Coordinate Geotech		2	2	2				
Task 3								
Kick-off Meeting		4	4					
Task 4								
Acquire Available Information		2	4					
Review Existing Storage Analysis		1	4					
Provide Sizing Alternatives Analysis			3					
Provide Material Type Analysis		2	4					
Discuss Reservoir Operation			4					
Discuss Reservoir Features		3	4					
Summarize Stormwater Regulations/Impacts		4	20		4			
Provide Discussion of SCADA and Controls				4				
Prepare Cost Estimate		2	6		1			
Prepare Pre-Design Report		4	8			24		
Meet with City Staff to Review Draft Report		6	6					
Task 5								
Prepare Final Pre-Design Report		4	12			8		
Task 6								
Present Pre-Design Findings to LWSWD Board		5						
Meet with Sudden Valley HOA Board		5						
Meet with Sudden Valley HOA Residents - 2 meetings		10						
Permitting & Meet with Whatcom County (3 meetings)		15	15			16		
Hour Estimate:	8	79	100	4	6	56	8	30
Fully Burdened Billing Rate Range: *	\$112 to \$188	\$112 to \$188	\$75 to \$104	\$98 to \$128	\$102 to \$138	\$92 to \$115	\$108 to \$121	\$144 to \$193
Estimated Fully Burdened Billing Rate: *	\$150	\$140	\$90	\$100	\$110	\$100	\$110	\$160
Fully Burdened Labor Cost:	\$1,200	\$11,060	\$9,000	\$400	\$660	\$5,600	\$880	\$4,800

Total Fully Burdened Labor Cost: \$ 33,600

Direct Non-Salary Cost:

Mileage & Expenses (Mileage @ \$0.56/mile)

Printing

Title Report

Subconsultant: Geotech

Subconsultant Overhead (10%)

\$ 1,000

\$ 150

\$ 400

\$ 8,713

\$ 871

\$ 44,734

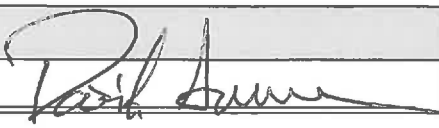
TOTAL ESTIMATED COST:

* Actual labor cost will be based on each employee's actual rate. Estimated rates are for determining total estimated cost only. Fully burdened billing rates include direct salary cost, overhead, and profit.



LAKE WHATCOM WATER AND SEWER DISTRICT

AGENDA BILL

DATE SUBMITTED:	January 21, 2014		
TO BOARD OF COMMISSIONERS			
FROM: Patrick Sorensen	MANAGER APPROVAL 		
MEETING AGENDA DATE:	January 29, 2014		
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

January 29, 2014

Board Meeting

Important Upcoming Dates:

- **Meetings Associated with the Lake Whatcom Management Program:**
 - **Policy Group Meeting:** The next meeting will be held on **February 3, 2014 at 9:30 a.m.** in the Garden Room at the County's Civic Center (Public Works) Building. An agenda for this meeting has not been developed yet. Remember, all Policy Group Meetings are publicly noticed by the District.
 - **Management Meeting:** The next meeting with the Mayor and County Executive is not scheduled yet.
- **Next Regular Board Meeting:** The next regular meeting is scheduled for **Wednesday, February 12, 2014 at 6:30 p.m.**
- **Next Employee Staff Meeting:** Scheduled for **Thursday, February 13, 2014 at 8:00 a.m.** in the Board Room. Commissioner Millar is scheduled to attend this coming meeting. 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 at 6:20 p.m. on **Tuesday, February 11, 2014**. All WASWD Section III Meetings are publicly noticed by the District.
- **Whatcom Water District's Caucus Meeting:** The next meeting is scheduled for **Monday, January 27, 2014 at 1:00 p.m.** in the District's Board Room.
- **WRIA 1 Planning Unit Meeting:** The next meeting is set for **January 29, 2014 at 6:00 p.m.** in the County's Garden Room. This meeting is publicly noticed in the event that a quorum of the Board is present.

Other:

- **State of the District Dinner Meeting Location:** The date will be **Friday, January 31, 2014 at 6:00 p.m.** The dinner meeting will be held at Nicki's Bella Marina at 2615 South Harbor Loop Drive in Bellingham.
- **2014 Commissioner Goals and Priorities:** I wanted to briefly share with the Board the major policy issues/projects that we want to address in 2014. The following are in addition to the planned capital projects and the other day-to-day operations issues we address throughout the year. If the Board would like, please share with us any issues or concerns that you would like addressed:
 - Completion of COB Sewage Treatment Agreement;

- Prepare to fund District's share of COB sewage plant upgrade;
- Complete and adopt sewer and water rate study;
- Listing of theft sensitive assets per resolution # 742;
- Complete and adopt Sewer Comprehensive Plan Update - Add stormwater management options;
- Continue work on asset management program;
- Develop anti-fraud policy.