



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

REGULAR MEETING
OF THE BOARD OF COMMISSIONERS

AGENDA

November 24, 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. Draft 2015 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 17, 2014		
TO BOARD OF COMMISSIONERS			
FROM: Patrick Sorensen	MANAGER APPROVAL <i>Patrick Sorensen</i>		
MEETING AGENDA DATE:	November 24, 2014		
AGENDA ITEM NUMBER:	5.A.		
SUBJECT:	Draft 2015 Budget		
LIST DOCUMENTS PROVIDED ⇒ NUMBER OF PAGES INCLUDING AGENDA BILL: _____	1. Draft 2015 Budget		
	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

In late fall or early winter the Board adopts the budget for the following year. See the proposed Budget for 2015, attached.

FISCAL IMPACT

Not known at this time.

RECOMMENDED BOARD ACTION

Review, discuss, and provide input on the draft 2015 Budget.

PROPOSED MOTION

To adopt the 2015 Budget as presented.



**LAKE WHATCOM
WATER AND SEWER
DISTRICT**

**2015
ANNUAL BUDGET**



FY 2015 BUDGET
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FY 2015 Budget

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

Approved: November 24, 2015

Board of Commissioners:

Leslie McRoberts, President

Todd Citron, Secretary

Laura Weide, Commissioner

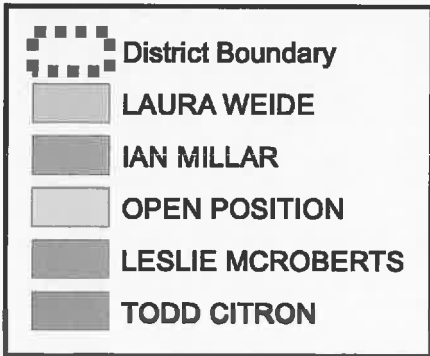
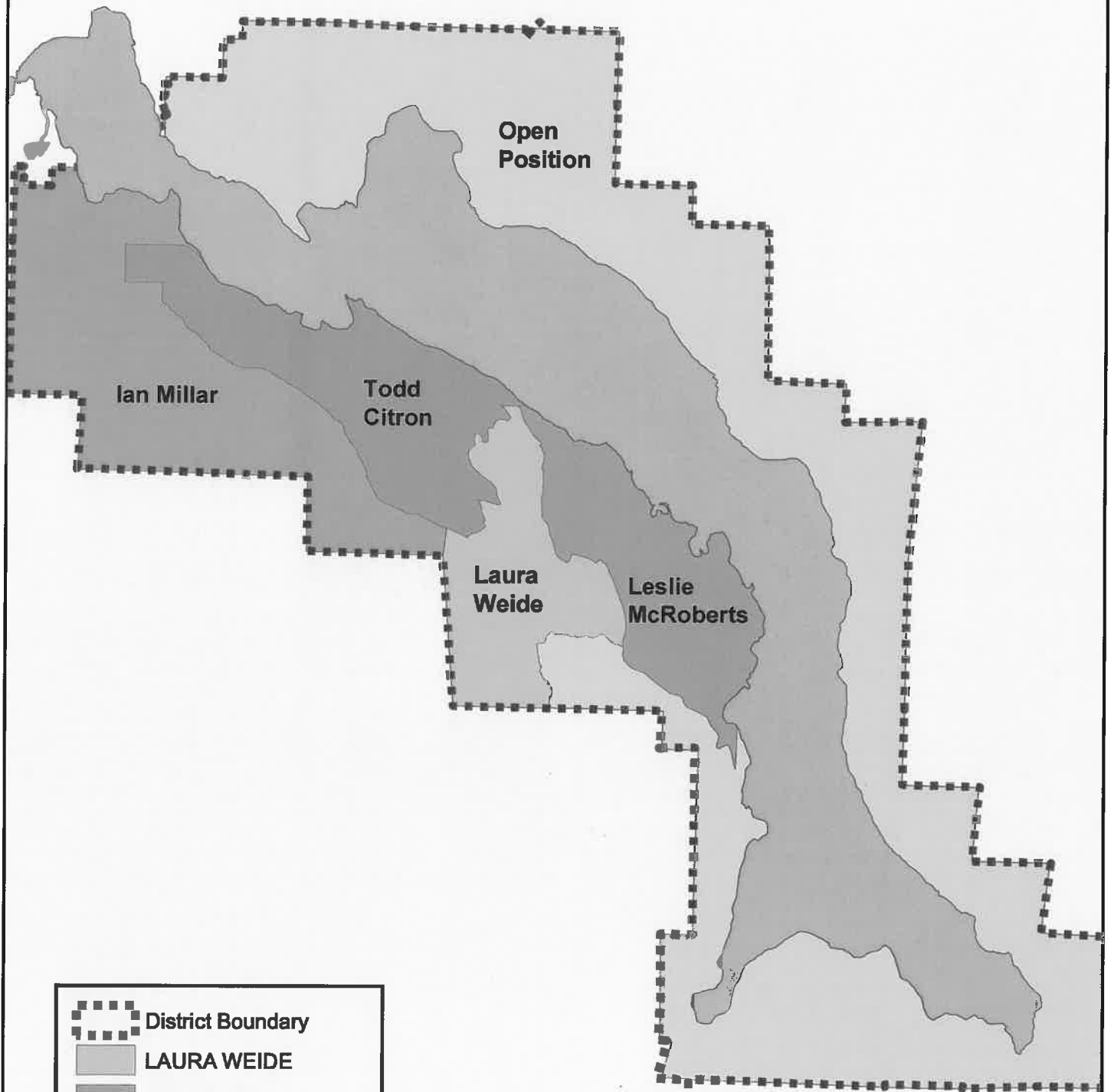
John Millar, Commissioner

**General Manager
Patrick Sorensen**

November 24, 2015



LAKE WHATCOM WATER & SEWER DISTRICT COMMISSIONER VOTING BOUNDARY



November 24, 2014

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

Re: Proposed 2015 Budget

Dear Commissioners:

Attached is a copy of the proposed 2015 budget for your consideration and discussion:

Expenditure & Revenue Assumptions

As illustrated within the Operations sections of the budget, overall expenditures are proposed to decrease by approximately 1% over last year's approved 2014 budget. This includes budgeting a cost of living and personnel benefits increase in January of 2% and step increases for those so qualified as required through our labor agreement with AFSCME Local 114WD. Other increases include higher fees for general liability insurance, anticipated new debt service associated with the City of Bellingham's Post Point Sewer Plant improvements, and continued funding of our System Reinvestment program as called for in the Comprehensive Sewer and Water Plans.

Overall revenue for 2015 are projected to increase by approximately 4%. As called for within the District's adopted water and sewer rate plan, water and sewer base rates will increase by 5% in January. As done in the previous year, we are conservatively budgeting for 5 new connections. A total of 15 connections were realized in 2014. Remaining ULID No. 18 payments, which are now unrestricted, are available for general operations.

2014 Capital Improvements and Other Accomplishments

Each year the District initiates projects from its ongoing Capital Improvement Program that are critical to maintaining our existing water and sewer systems. Of noteworthy significance in 2014 the following projects were completed. The Sudden Valley Water Treatment Plant generator replacement, Polo Park Bridge replacement water main relocation, and numerous water re-builds.

The steel reservoir cathodic system protection program initiated in 2013 was likewise completed at the end of the year. This work will assist in preventing corrosion and extending the life of our existing reservoirs. The District in November will complete the construction of the Boulevard Sewer Pump Station replacement project. In addition design work was initiated for the Strawberry Point Sewer Pump Station replacement project in Geneva. Finally, utilizing funds from a 1.5% \$3.6 million 20 year loan issued

issued by the Washington Department of Health in 2013, design and permitting on both the new Division 22 Reservoir and the 2.5 mile AC Water Main Replacement projects in Geneva was started.

The Board of Commissioners adopted an updated Sewer Comprehensive Plan which also included a storm water component for the very first time. With the help of Financial Consulting Services Group, the District's outside financial consultants, an updated 5-year sewer and water rate study started in 2013 was completed and presented to the public, and adopted by the Board following a public hearing during the summer. New rates are going into effect in January 2015.

After working with the City of Bellingham over the last 3 years, a new 20-year sewer treatment agreement and fee schedule was completed and signed in early 2014. Finally, the District finished the year with a \$750,000 ending fund balance. Based upon advice from the District's financial consultant these funds were used to enhance our operating fund reserve for the water fund up to 60 days and the sewer fund up to 45 days. These are both suggested industry standards.

On-Going & New Capital Projects and Other Proposals for 2015

In 2015 the District will move forward on completing design and construction of both the new Division 22 Reservoir and the AC Water Main Replacement. In addition, the Strawberry Point Sewer Pump Station Replacement project in Sudden Valley will be bid out and constructed. This project is cash funded directly from sewer rates and will cost \$620,000. The District will also continue its ongoing efforts in repairing water inflow and infiltration issues in the sewer system in Sudden Valley in 2015. In the long run these repairs will save the District from having to pay to treat storm water that infiltrates into our sewer lines. We will also be evaluating the condition of our water reservoirs as it relates to their seismic condition. The District will also be increasing the operating reserve for the water fund to 90 days and the sewer fund to 50 days.

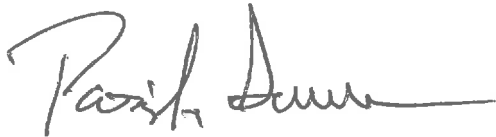
Each of these highlighted projects fall within the framework of the District's existing critical planning documents such as our Water and Sewer Comprehensive Plans and the previously adopted water and sewer rate schedule. Together these documents along with the policy direction provided by the Board of Commissioners serve the District well in matching up needed resources to implement critical capital improvements and ongoing maintenance requirements. Because of this long standing commitment to effectively manage and provide for our requirements the District is financially solvent.

In Conclusion

The District's financial condition remains healthy. We continue to follow long established conservative financial budgeting practices. Debt service requirements are being met. Resources are being saved for future capital requirements and unforeseen emergencies. The new 5-year rate structure matches our projected operating and capital improvements needs through 2019. The on-going effort of planning and preparing for the future along with the day-to-day financial and operational maintenance

requirements of the District are being met. This is a result of the dedication and diligence exhibited by the Board of Commissioners in establishing governing policies and by the commitment and efficiency of staff in carrying out these policies. As always, recognition 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,

A handwritten signature in black ink, appearing to read "Patrick Sorensen", with a long horizontal flourish extending to the right.

Patrick Sorensen
General Manager



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, 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. (see pages 13-15)



SYSTEM REINVESTMENT FUND SUMMARY 420

The System Reinvestment 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, 2015, 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. The System Reinvestment Fund expenses are derived from the Capital Improvement and Maintenance Plan attached to the fiscal year 2015 budget (see page 16)

SEWER/STORM WATER CONTINGENCY FUND SUMMARY 425

The Sewer/Storm Water Contingency Fund was created to ensure that unforeseen projects related to sewer system and storm water system expenses will have funding, as approved by the Board. This fund was established with the remaining ULID 18 Fund balance after paying off all Public Works Trust Fund and Department of Ecology loans associated with the ULID (see page 17)

CAPITAL BOND PROJECTS FUND SUMMARY

430

The Capital Bond Projects Fund is a special fund 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 reimbursing other projects contained within the District's Capital Improvement Plan dated December 10, 2008.

DWSRF PROJECTS FUND SUMMARY 440

(DRINKING WATER STATE REVOLVING FUND)

The DWSRF Projects Fund is a special fund for the utilization of two Drinking Water State Revolving Fund loans. One project replaces aging water mains including all of the asbestos concrete (AC) water mains in the Geneva service area with ductile iron (DI) water mains. The other project constructs a new .5 MG (million gallon) reservoir to keep up with population growth primarily due to infilling in Geneva and Sudden Valley (see page 19)



DEBT SERVICE FUNDS

Debt Service describes all expenses in connection with the issuance and initial sale of evidences of debt, such as loans, the sale of revenue bonds, etc. The District has two 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 (see page

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 from General Fund revenues (see page 35)

2009 BOND RESERVE FUND SUMMARY 460

This 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. (see page 38)

WATER LOANS DEBT SERVICE FUND SUMMARY 470

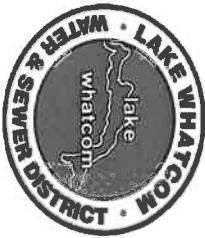
The Water Loans Debt Service Fund serves to provide redemption of two long term water project loans. Principal and interest are paid entirely from General Fund revenues (see page 36)



ULID 18 FUND SUMMARY

480

The ULID 18 Fund is to provide for the revenue which comes from assessments against the properties within the ULID service area, as well as the interest earned on assessments collected prior to bond payments. All debt has been satisfied for this project, and therefore funds are unrestricted. In 2013 the remaining fund balance was utilized to set up the 425 Sewer/Water Contingency Fund. This revenue source is transferred to the Operating Fund 401 monthly and will cease in 2023 upon satisfaction of all assessments by the customer base (see page 39)



LAKE WHATCOM WATER AND SEWER FUND SUMMARY 2015

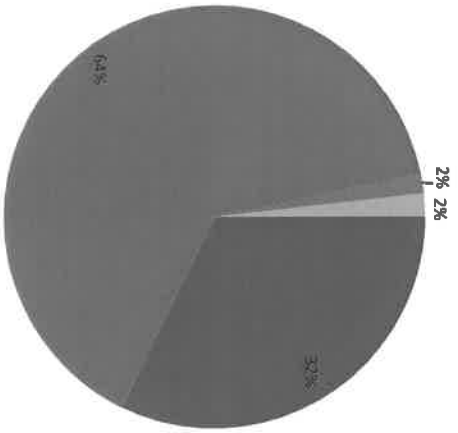
	401	420	425	430	440	450	460	470	490	TOTAL
	OPERATING	SYSTEM REINVESTMENT	SEWER/STORM WATER	2008 BOND PROJECTS	DWSRF PROJECTS	2009 BOND DEBT SERVICE	2009 BOND RESERVE (RESTRICTED)	WATER LOAN DEBT SERVICE	ULID 18	
2015 REVENUES AND TRANSFERS IN	5,983,863	855,000	5,020	-	2,800,000	448,050	2,860	63,700	73,000	9,711,493
2015 EXPENDITURES AND TRANSFERS OUT	(5,377,700)	(855,000)	(200)	(82,683)	(2,800,000)	(448,050)	(200)	(83,898)	(73,000)	(9,480,529)
CASH/INVESTMENTS 2014 CARRYOVER	750,000	-	922,700	62,683	-	-	503,818	-	-	2,239,201
PROPOSED 2015 YEAR END BALANCE	\$1,036,163	\$0	\$927,520	\$0	\$0	\$0	\$506,478	\$4	\$0	\$2,470,185
ALLOCATED TO OPERATING RESERVES	-\$750,000									
AVAILABLE 2015 YEAR END BALANCE	\$286,163									

LAKE WHATCOM WATER AND SEWER DISTRICT
YEAR 2015 TRANSFERS

DESCRIPTION	FROM FUND	AMOUNT	TO FUND	AMOUNT
For System Reinvestment (per rate study)	001	700,000	420	700,000
For System Reinvestment (carryover)	001	115,000	420	115,000
For 2009 Bond Debt Service	001	448,050	450	448,050
For Water Loans Debt Service	001	63,700	470	63,700
From ULID 18 payments	480	73,000	401	73,000
<hr/>				
TOTAL TRANSFERS		\$ 1,399,750		\$ 1,399,750

DRAFT 11-15-14

OPERATING FUND - 401	Description	Actual	Actual	Actual	Actual	Adopted	Projected	Budget
		2010	2011	2012	2013	2014	2014	2015
REVENUES								
401-343-20-00	Latecomer Fee	976	976	976	-	-	-	-
401-343-40-10	Water Sales Metered (5% rate increase) *	1,259,901	1,373,547	1,488,188	1,574,293	1,701,326	1,739,770	1,826,759
401-343-40-18	Water Sales Lock/Unlock	9,435	7,040	9,340	2,379	-	-	-
401-343-40-19	Water Sales Other	23,277	22,259	27,601	36,009	-	-	-
401-343-50-11	Sewer Service Residential (5% rate increase) *	2,918,830	3,074,699	3,212,626	3,408,634	3,537,394	3,472,480	3,646,104
401-343-50-19	Sewer Service Other	2,020	1,070	1,070	9,265	9,500	5,675	6,000
401-343-81-10	Combined Fees	-	-	-	-	33,000	40,474	40,000
401-359-90-00	Late fees	63,176	65,751	65,156	79,026	65,000	65,709	60,000
401-381-11-10	Investment Interest	2,353	4,709	-	248	200	1,600	2,000
401-386-10-00	Sale of scrap metal and surplus	1,026	11,283	652	20,736	-	1,671	-
401-389-90-00	Bank fees	229	1,421	2,165	2,808	3,000	1,545	-
401-379-10-20	Permits Operation portion (5 new connection permits)	40,390	16,134	25,607	28,225	10,000	34,558	10,000
401-395-20-00	Insurance recovery	-	-	-	6,380	-	-	-
401-395-40-00	Sale of Capital Assets	-	-	-	-	-	5,000	-
401-397-10-00-80	Transfer in from ULID 18 Fund 480	0	0	-	177,364	83,000	81,500	73,000
	TOTAL REVENUES	4,321,615	4,578,889	4,833,381	5,345,365	5,442,420	5,449,983	5,663,663



* Per Resolution 806 effective 1/1/2015
Scheduled annual rate increase

- Legend:
- 65% Sewer Service
 - 23% Water Sales
 - 1% Fees/Charges
 - 2% Permits, Other

DRAFT 11-15-14		OPERATING FUND - 401						
Description		Actual	Actual	Actual	Actual	Adopted	Projected	Budget
		2010	2011	2012	2013	2014	2014	2015
EXPENDITURES								
401-53X-10-10	Payroll (2% cost plus step increases - 2015)	1,072,233	1,210,935	1,370,178	1,437,609	1,450,000	1,432,385	1,451,250
401-53X-10-20	Personnel Benefits (Medical, Retirement etc)	401,827	470,142	487,173	518,800	570,000	539,666	550,000
401-53X-10-31	Gen Admin Supplies	72,150	48,808	45,187	22,827	25,000	21,206	21,000
401-53X-10-32	Meeting/Team building	-	500	978	2,087	2,500	1,624	1,500
401-53X-10-40	Bank Fees	-	5,289	9,432	11,203	9,500	17,485	18,000
	Interfocal - Lake Whatcom Management Program							
	Interfocal - Invasive Species							
	Interfocal - Lake Whatcom Tributary Monitor							
401-534-10-41-00	Water Quality Assurance Programs (TOTAL)					80,000		80,000
	County Auditor Filing Fees (Simplifile)							7,000
	Delta Bar (Statement processing)							30,000
	Answering Service							2,000
	Data Pro (Time clock system)							1,500
	BIAS Financial Software							20,000
	Web check services							5,000
	GE Scada System Software Maintenance - Operations							7,500
	WA State Auditor (rest audit in 2016)							-
	Wilson Engineering							7,000
	Legal Counsel							25,000
	3D - Computer support							20,000
	CPA (Internal audit and Financial statements)							10,000
	Salary Study per union contract							19,000
	Camera Van Software							1,500
	SCADA/PLC Support - Engineering/Operators							5,000
	Cartograph - Engineering/Operators							8,000
	Auto Desk - Engineering							1,000
	Rockwell - Engineering/Operators							500
	Invoice - Engineering							2,000
	Master Meter							2,000
	Custodial/Building maint. services/Security							8,000
	Landscapeing service							4,000
	Document/Web site maintenance and upgrade							5,000
	Generator Load Testing							20,000
	Cyberlock software							1,000
	Watchguard							1,000
	Misc (Bid notices etc.)							1,000
401-53X-10-41-01	Professional Services (TOTAL)	175,505	285,389	206,315	340,633	305,386	283,000	215,000
401-53X-10-42	Communication	48,586	53,040	42,794	44,375	40,000	49,289	50,000
401-53X-10-43	Memberships/Dues	13,401	16,313	10,755	12,204	16,000	15,257	15,500
401-53X-10-44	Advertising	3,678	-	-	-	-	-	-
401-53X-10-45	WA State Dept of Revenue Taxes (3% increase)	127,642	136,971	146,410	164,049	175,000	175,557	180,000
401-53X-10-46	Admin Lease	2,323	3,031	2,850	2,297	2,500	2,128	2,200
401-53X-10-48	Property Insurance	67,578	137,158	84,276	84,685	102,000	105,538	110,000
401-53X-10-43	Admin Misc.	38,816	(3,494)	-	2,631	6,000	680	1,000
401-53X-10-44	Training & Travel	12,659	27,518	28,136	26,707	30,000	20,415	30,000
401-53X-10-49	Tuition reimbursement	-	-	-	-	6,000	-	6,000
	Insurance Claims	-	5,000	7,455	-	-	58,924	-

DRAFT 11-15-14

Description	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Adopted 2014	Projected 2014	Budget 2015
401-53X-50-31 Maintenance Supplies	106,713	94,592	96,068	80,632	145,000	134,085	125,000
401-53X-50-48 Operations Repair/Maint	107,947	68,496	79,807	44,345	35,000	65,981	66,000
401-53X-50-41 Operations Contracted	10,824	14,416	25,883	9,111	12,000	10,159	10,000
401-534-50-47 Water City of Bellingham	23,840	13,848	32,057	22,201	30,000	41,914	42,000
401-535-50-47 Sewer City of Bellingham (Treatment fee and capital share)	761,577	800,320	598,095	550,000	800,000	650,000	815,000
401-53X-50-31 Operations General Supplies				45,661			
401-53X-50-32 Operations Fuel	30,302	39,135	35,834	29,466	30,000	34,400	36,000
401-53X-50-34 Safety Supplies	10,996	9,175	8,763	7,868	12,000	4,453	12,000
401-53X-50-34-01 Safety Supplies Boots						2,413	2,500
401-53X-50-41 Custodial	6,697	-	-	-	-	-	-
401-53X-50-47 General Utilities	183,074	213,081	197,435	209,641	210,000	200,169	210,000
401-53X-50-49 Laundry	2,636	4,337	4,082	1,854	2,000	1,905	2,000
OPERATING EXPENDITURES	3,281,005	3,665,970	3,518,983	3,690,864	4,095,886	3,905,531	4,050,950
TRANSFERS							
Transfers Out to System Reinvestment Fund 420	206,080	1,140,000	425,063	346,806	900,000	1,050,000	815,000
Transfers Out to 2009 Bond Debt Service Fund 450	434,175	297,250	295,500	443,875	447,450	447,450	448,050
Transfers Out to Water Loan Debt Service Fund 470		93,350	92,500	200,975	65,500	65,339	63,700
Transfers Out to ULID 18 Loan Debt Service Fund 480 (re-payment)	113,335	113,335	113,335	-	-	-	-
TOTAL EXPENDITURES	4,033,575	5,289,905	4,445,361	4,682,540	5,508,836	5,498,320	5,377,700
OPERATING REVENUES	4,321,615	4,578,888	4,633,361	5,345,565	5,442,420	5,449,983	5,683,983
CASH/INVESTMENTS BALANCE CARRYOVER	(4,033,575)	(5,289,905)	(4,445,361)	(4,682,540)	(5,508,836)	(5,498,320)	(5,377,700)
ALLOCATED TO OPERATING RESERVES PER FGSG RATE STUDY							750,000
PROPOSED AVAILABLE 2015 YEAR END BALANCE							286,163

SYSTEM REINVESTMENT FUND - 420

	Description	Actual	Actual	Actual	Actual	Adopted	Projected	Budget
		2010	2011	2012	2013	2014	2014	2015
420-389-90-20	Prior Year Reimbursement	40,015	2,250	59,996	-	2,500	39,642	-
420-343-40-19	DEA Permits	17,685	-	-	-	-	-	-
420-361-11-00	Investment Interest	26,946	-	-	-	-	-	-
420-379-10-10	CTED Grant	74,932	30,561	46,676	55,508	40,000	65,000	40,000
420-379-10-30	Permits Capital Portion (5 new connection permits)	300	10,389	19,074	346,806	500	-	-
420-379-10-40	Landscape Fees	205,060	1,140,000	-	346,806	900,000	1,050,000	815,000
420-397-10-00	Transfers In from Operating Fund 401	-	138,923	-	13,538	-	-	-
	Transfers In from Geneva Reserve Fund 410	-	100,000	-	-	-	-	-
	Transfers In from System Replacement Fund 415	-	-	-	-	-	-	-
	TOTAL REVENUES	364,936	1,422,023	125,746	418,852	943,000	1,153,642	853,000
420-534-10-41	DEA Contracted Services	29,865	13,488	6,586	3,429	2,500	-	-
420-534-90-61	DEA Refunds	-	19,817	-	-	-	-	-
420-534-60-41	Contracted Professional Services	4,211	1,005,927	45,085	14,367	-	101,080	-
420-594-38-62	Capital Outlay - Structures	71,351	-	465,860	167,694	-	851,000	-
420-594-38-63	Capital Outlay - Water/Sewer Systems	137,366	240,881	106,158	282,785	-	194,215	-
420-594-38-64	Capital Outlay - Machinery/Equipment	-	-	-	-	-	-	-
	Active Projects	-	-	-	-	231,933	-	90,000
	2015 Capital Projects (see CIP detail - 2015)	-	-	-	-	944,000	-	765,000
	TOTAL EXPENDITURES	242,793	1,279,913	623,689	488,285	1,178,433	1,146,295	855,000
	REVENUES	364,936	1,422,023	125,746	418,852	943,000	1,153,642	855,000
	EXPENDITURES	(242,793)	(1,279,913)	(623,689)	(488,285)	(1,178,433)	(1,146,295)	(855,000)
	CASHINVESTMENTS BALANCE CARRYOVER							
	PROPOSED 2015 YEAR END BALANCE							

SEWER/STORM WATER CONTINGENCY FUND - 425

Description	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Adopted 2014	Projected 2014	Budget 2015
Investment Interest					930	870	5,020
Transfers In from ULID 18 Fund 480				1,000,000	-	-	-
Transfers In from Bond Reserve Fund 480				178,202	-	-	-
TOTAL REVENUES				1,178,202	930	870	5,020
Stormwater Comp Plan (See Active Projects C1315 PH2)				24,642	4,821	10,000	-
Debt Service Charges				120	100	200	200
Water/Sewer Systems				-	-	-	-
Machinery/Equipment				220,480	4,921	1,300	-
TOTAL EXPENDITURES				245,242	4,921	11,500	200
REVENUES				1,178,202	930	870	5,020
EXPENDITURES				(245,242)	(4,921)	(11,500)	(200)
CASH/INVESTMENTS BALANCE CARRYOVER							922,700
PROPOSED 2015 YEAR END BALANCE							927,520

DRAFT 11-15-14

CAPITAL BOND PROJECTS FUND (RESTRICTED) - 430		Actual	Actual	Actual	Actual	Adopted	Projected	Budget
Description		2010	2011	2012	2013	2014	2014	2015
430-981-11-00	Investment Interest	24,155	11,785	10	-	-	-	-
430-982-20-00	2009 Bond Proceeds							
	TOTAL REVENUES	24,155	11,785	10	-	-	-	-
430-994-38-63	Capital Outlay - Water/Sewer Systems	2,149,001	1,807,281	174,894	19,591	57,250	-	62,683
430-997-10-00	Transfers Out to Bond Debt Services Fund 450			150,000				
	TOTAL EXPENDITURES	2,149,001	1,807,281	324,894	19,591	57,250	-	62,683
	REVENUES	24,155	11,785	10	-	-	-	-
	EXPENDITURES	(2,149,001)	(1,807,281)	(324,894)	(19,591)	(57,250)	-	(62,683)
	CASH/INVESTMENTS BALANCE CARRYOVER							62,683
	PROPOSED 2015 YEAR END BALANCE							0

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		Description	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Adopted 2014	Projected 2014	Budget 2015
DWSRF PROJECTS FUND - 440									
440-382-90-31		Division 22 Reservoir (Permits and Design)						-	100,000
440-382-90-43		Geneva AC Mains (Permits, Design and Construction)						175,000	2,500,000
		TOTAL REVENUES						175,000	2,600,000
440-594-34-62		Division 22 Reservoir (Permits and Design)						35,000	100,000
440-594-34-63		Geneva AC Mains (Permits, Design and Construction)						175,000	2,500,000
		TOTAL EXPENDITURES						210,000	2,600,000
		REVENUES						175,000	2,600,000
		EXPENDITURES						(210,000)	(2,600,000)
		CASH/INVESTMENTS BALANCE CARRYOVER							-
		PROPOSED 2015 YEAR END BALANCE							-
Expenditures offset by draws as projects progress.									-

DWSRF Loan Funded Projects

FUND 440	Original	Projected Budget	Spent to Date	Amount
Category	Budget for 2013	to Completion	(11/18/2014)	Remaining
Project #	Project Title / Tasks	Loan Application	(adjusted 10/9/14)	Remaining
Water	C1401	Division 22 Reservoir		
	Design/Permitting/Bidding	\$ 160,000.00	\$ 149,734.00	\$ 32,645.81
	ADM - Admin, Permits, Fees, Etc	\$ 35,000.00	\$ 25,000.00	\$ 12,088.19
	PH1 - Pre-design, Design, Bidding	\$ 45,000.00	\$ 44,734.00	\$ 80,000.00
	PH2 - Design, Bidding	\$ 80,000.00	\$ 80,000.00	\$ 835,266.00
	Construction	\$ 825,000.00	\$ 835,266.00	\$ 100,000.00
	PH2 - Construction Admin/Testing/Inspection	\$ 100,000.00	\$ 100,000.00	\$ 700,000.00
	CON - Construction Contract	\$ 700,000.00	\$ 700,000.00	\$ 35,266.00
	Contingency	\$ 25,000.00	\$ 35,266.00	\$ 985,000.00
	Total	\$ 985,000.00	\$ 985,000.00	\$ 9,850.00
	Loan Fee (1% of the Total)	\$ 9,850.00	\$ 9,850.00	\$ 927,354.19
	Total Funding Request	\$ 994,850.00	\$ 994,850.00	\$ 42,495.81
Water	C1402	Geneva Area AC Main Replacement		
	Design/Permitting/Bidding	\$ 280,000.00	\$ 287,980.00	\$ 163,675.50
	ADM - Admin, Permits, Fees, Etc	\$ 40,000.00	\$ 20,000.00	\$ 104,314.50
	PH1 - Pre-design, Design, Bidding	\$ 240,000.00	\$ 267,980.00	\$ 163,675.50
	Construction	\$ 2,095,000.00	\$ 2,087,010.00	\$ 2,087,010.00
	PH2 - Construction Admin/Testing/Inspection	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00
	CON - Construction Contract	\$ 1,845,000.00	\$ 1,845,000.00	\$ 1,845,000.00
	Contingency	\$ 100,000.00	\$ 92,010.00	\$ 92,010.00
	Total	\$ 2,375,000.00	\$ 2,375,000.00	\$ 163,675.50
	Loan Fee (1% of the Total)	\$ 23,750.00	\$ 23,750.00	\$ 2,191,324.50
	Total Funding Request	\$ 2,398,750.00	\$ 2,398,750.00	\$ 187,425.50
	Total for DWSRF Loan Projects	\$ 3,393,600.00	\$ 3,393,600.00	\$ 229,921.31
				\$ 3,118,678.69

Rate Funded Active Projects

FUND 420	Original	Projected Budget	Projected	Amount
Category	Project Budget	to Completion	Expenditures	Remaining
Project #	Project Title / Tasks	(adjusted 10/09/14)	thru 12/31/2014	Remaining
Water	C1207	Reservoir Drains to Daylight		
	ENG - Engineering - Estimate	\$ -	\$ -	\$ -
	CON - Construction - Estimate	\$ 13,000.00	\$ 13,000.00	\$ 13,000.00
	Dead End Blow Offs	\$ 37,960.00	\$ 37,960.00	\$ 37,960.00
Water	C1304-ADM	Steel Reservoir Cathodic Protection		
	Boulevard Sewer Pump Station	\$ 75,000.00	\$ 40,000.00	\$ -
	PH1 - Pre-design	\$ 89,771.00	\$ 84,771.00	\$ -
	PH2 & 3 - Design, Services During Construction	\$ 240,000.00	\$ 188,474.00	\$ -
	CON - Construction - Interwest Inc.	\$ 330,000.00	\$ 385,000.00	\$ -
Water	C1403	2014 Water System Rehabilitation		
	2014 Sewer System Rehabilitation	\$ 100,000.00	\$ 99,893.78	\$ -
Sewer	C1405	Strawberry Point Sewer PS - PH1 Pre-design		
	Sewer Push Camera	\$ 103,000.00	\$ 103,411.00	\$ -
Sewer	C1406	Low Sewer Pump Station VFD		
	Low Sewer Pump Station VFD	\$ 7,000.00	\$ 7,000.00	\$ -
Water	C1408	SVWTP Spare Raw Pump VFD		
	SVWTP Spare Raw Pump VFD	\$ 5,000.00	\$ 5,000.00	\$ -
General	C1411	Shop Gravel/Asph Bins		
	Admin Building Irrigation	\$ 5,000.00	\$ 5,000.00	\$ 656.20
General	C1412	Admin Building Irrigation		
	Admin Building Irrigation	\$ 10,000.00	\$ 10,000.00	\$ 4,343.80
				\$ 10,000.00
	Total for Active Projects	\$ 1,122,731.00	\$ 1,132,251.88	\$ 1,042,536.88
				\$ 89,714.80

Lake Whatcom Water and Sewer District - Capital Improvement Plan 2015 thru 2020

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Program Area / CIP Project # / CIP Project Name	Fund	Total	2015	2016	2017	2018	2019	2020
Both Water and Sewer								
A0005 Accounting & Administration Server - Replace/Update Hardware, Network Security, & OS		40,000			20,000			20,000
E0001 Replace Backhoe (budget estimate for new unit)	420	156,573		53,045				156,573
V0001 Replace Tool Truck (6 tool trucks in fleet)		106,090				25,887		53,045
V0002 Replace Administrative Staff Vehicle (3 cars in fleet)		25,887					25,887	
V0003 Replace Locator / Meter Reading Van		26,095				26,095		
V0004 Replace Light Truck		32,619				32,619		
Subtotal		387,264		53,045		78,715		25,887
							53,045	176,573
Sewer System								
0032 Agate Bay Pump Station Replacement		650,000					650,000	
0033b Strawberry Point Pump Station Replacement (Design, Bid, Construction)		620,000		620,000				
0038 Geneva Pump Station Replacement		650,000					650,000	
0049 Country Club Pump Station Replacement		650,000				650,000		
0050 Par Lane Pump Station Replacement		650,000						650,000
0055 Rocky Ridge Pump Station Replacement		700,000						700,000
0124 Rehabilitate Old Flat Car Sewer Pump Station - Construction		75,000					75,000	
A0010 Update Sewer Comprehensive Plan (Current Plan Dated 6-14-2014)		65,000						65,000
S0001a EPA Capacity, Management, Operations, & Maintenance (CMOM) Projects - Sewer I&I	420	85,000		85,000				
S0001b EPA Capacity, Management, Operations, & Maintenance (CMOM) Projects - Sewer I&I	420	85,000			85,000			
S0001c EPA Capacity, Management, Operations, & Maintenance (CMOM) Projects - Sewer I&I		640,000				160,000	160,000	160,000
Subtotal		4,870,000		705,000		735,000		810,000
							885,000	925,000
								810,000
Water System								
0060 Eagleridge Fire Pump Control Upgrade		50,000					50,000	
0072 SVWTP Clearwell Overflow Drain		5,000		5,000				
0108 Replace SVWTP Booster Station Roof		25,000					25,000	
0110 Security - Intrusion Alarms at Reservoirs, Cameras as SVWTP AHWTP		10,000				10,000		
0118 Leak Locator Equipment		9,426					9,426	
0122 Security - Intrusion Alarms at Reservoirs (Install pilot system at 1 site)		5,000			5,000			
0125 Mechanical Staff Gauge for SVWTP Clearwell Reservoir		10,000					10,000	
0126 SVWTP Chlorine Analyzer - Replace		5,000		5,000				
0127 Reservoir Condition Assessment - Seismic, Structural Repairs, Coatings		35,000		35,000				
A0007 Update Water Comprehensive Plan (Current Plan Dated October 2010)		100,000					100,000	
W0001 Water Service Rebuilds	420	20,000		10,000		10,000		
W0002 Water System Rehab and Replacement Projects	420	600,000					200,000	200,000
W0002b Water System Rehab and Replacement Projects	420	100,000					100,000	
W0003 SVWTP Filter 3&4 Media - Replace		20,876						20,876

Program Area / CIP Project # / CIP Project Name

	Fund	Total	2015	2016	2017	2018	2019	2020
W0005 Reservoirs - Inspection & Maintenance		25,000			25,000			
	Subtotal	1,020,302	60,000	110,000	229,426	200,000	200,000	220,876

Water System - Funding by Loan or Bond

0115 Division 7 and Geneva Reservoir Coating and Structural Repairs (Place-Holder. Need to develop cost est.)		500,000					500,000	
0116 Reservoir Seismic Restraints (Place-Holder. Need to develop cost est.)		500,000						500,000
	Subtotal	1,000,000					500,000	500,000

* Note: Cost Estimates In 2015 Dollars

Grand Total		7,277,567	765,000	898,045	1,118,141	1,110,887	1,678,045	1,707,449
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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	<u>Mortality</u>	Efficiency
Business Risk Exposure:	32	= 8 x 4 x 1 (PoF x CoF x Redundancy)		
Remaining Life:	0 years	Consumed Life:	40 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

Work in 2014 (0033a)	
Pre-Design and Permitting (RH2):	\$103,411.00
Work in 2015 (0033b)	
Design (RH2):	\$90,000.00
Contract Admin & Inspection (RH2):	\$80,000.00
Construction:	<u>\$450,000.00</u>
2015 Subtotal:	\$620,000.00
 Grand Total:	 \$723,411.00

Cost estimate in 2015 dollars.

CAPITAL PROJECT NARRATIVE

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.
- Revised 10/18/2013 by BH: Adjusted budget and separated work into 2 years.
- Revised 11/4/2014 by BH: Updated costs for 2015 work.

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 (spot repairs and full lengths), pressure grouting service tees, pressure grouting manhole leaks/voids, rebuild/seal manholes, smoke testing, and other efforts to reduce I&I.

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

2015 Budget: **\$85,000 available for two specific projects:**

- (1) Finish smoke testing in Sudden Valley along with various pipe and manhole repairs. Approximate budget is \$50,000.
- (2) Refurbish LLRI Whatcom Fall Park Outlet Manhole. The City's manhole has been damaged due to H₂S and erosion from District's interceptor outlet pipe. Approximate budget is \$35,000.

2016 Budget: **\$85,000 available for 3 projects:**

- (1) CIP #0124 Rehabilitate Old Flat Car Sewer Pump Station – Design Phase. Approximate budget is \$25,000 for design.
- (2) CIP #0128 Flow Meter for SVSP Drywell Pumps. Approximately \$10,000 to install a flow meter.
- (3) I&I pipe and manhole repairs. Approximate budget \$50,000.

2017 and beyond: **\$160,000 pipe, manhole, etc. repairs to reduce I&I.**

Cost estimate in 2015 dollars.

For further information about this project call Bill Hunter.

CAPITAL PROJECT NARRATIVE

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.
- 11/18/2013. Minor budget updates. Bill Hunter.
- 11/4/2014. Minor budget updates. Bill Hunter.

CAPITAL PROJECT NARRATIVE

Project Name:	SVWTP Clearwell Overflow Drain
CIP #:	0072

Asset Register:	LWWSD → Water → Treatment Plant			
Failure Mode:	Capacity	<u>Level of Service</u>	Mortality	Efficiency
Business Risk Exposure:	N/A	= _ x _ x _ (PoF x CoF x Redundancy)		
Remaining Life:		Consumed Life:		Effective Life:

PURPOSE and DESCRIPTION OF THE PROJECT

Project includes modifying the existing clearwell drain to provide an air gap for cross connection control. Currently the overflow drain discharges to a stormwater manhole which discharges to Lake Whatcom. The overflow drain from the backwash tank also discharges to the stormwater manhole.

Based on initial site visit observations it appears, there should be enough vertical elevation difference from the clearwell outlet to drainage swale near the gravel access road going down to Morning Beach and still get a sufficient air gap.

This project will look at realigning the overflow pipe to obtain an air gap at the drainage swale using District crew and staff to design and install the modifications. The project will also look at providing a screen air vent for the clearwell.

Materials: \$5,000

Revision History

- Created 12/6/2007 by BH.
- Revised 3/31/2008 by BH. Developed order of magnitude estimate.
- Revised 11/4/2014 by BH. Reduce scope to realign about 100-feet of outlet pipe using district forces and equipment.

CAPITAL PROJECT NARRATIVE

Project Name:	Security – Intrusion Alarms at Reservoirs
CIP #:	0122

Asset Register:	LWWSW → Water → Distribution System → Reservoirs			
Failure Mode:	Capacity	<u>Level of Service</u>	Mortality	Efficiency
Business Risk Exposure:	21	= 3 x 7 x 1 (PoF x CoF x Redundancy)		
Remaining Life:		Consumed Life:		Effective Life:

PURPOSE and DESCRIPTION OF THE PROJECT

Currently there are no intrusion alarms on the District’s reservoirs. The ladder cages are locked with bars about 10-feet above the ground. The ladder cage is still accessible, even when locked, for someone who really wants to get on top of a reservoir.

District staff recommends installing some type of intrusion alarm or camera to deter facility tampering and unauthorized access. All of reservoirs sites have telemetry to the District’s SCADA system.

This is a pilot project to research and install an intrusion system at one of the District’s more exposed reservoirs. The system would be installed and integrated into the District’s SCADA system by District staff. Based on experience with this pilot project, future sites will be scheduled to receive intrusion alarms in future budget years.

Equipment & Installation (for 1 test site): \$5,000

Cost in 2015 dollars.

For further information about this project contact Bill Hunter.

Revision History

- Created 11/4/2014 by Bill Hunter.

CAPITAL PROJECT NARRATIVE

Project Name:	SVWTP Reagentless Chlorine Analyzer
CIP #:	0126

Asset Register:	LWWSD → Water → Treatment Plant				
Failure Mode:	Capacity	Level of Service	<u>Mortality</u>	Efficiency	
Business Risk Exposure:	9	= 9 x 1 x1 (PoF x CoF x Redundancy)			
Remaining Life:	1-Year	Consumed Life:	9-Years	Effective Life:	10-Years

PURPOSE and DESCRIPTION OF THE PROJECT

The District has 3 chlorine analyzers; 2 installed at the Sudden Valley Water Treatment Plant (SVWTP), and 1 at the Agate Heights Water Treatment. The existing units are Hach Model 9180 with the 9184 acidification unit that uses vinegar to adjust the pH in order to measure chlorine content. The units are approximate 8 to 9 years old.

Replacement parts are becoming extremely expensive. Most of the repair expense is associated with the acidification unit that requires a replacement motor every 2 to 3 years at \$1900/each. They also require 2 tubing kits per year at \$100/each along with 3 pH membranes per year at \$60/each. Operators also must keep a constant supply of vinegar in stock which is consumed at a rate of 1 gallon per week.

The project replaces 1 existing analyzer with a reagentless chlorine analyzer as a pilot test before replacing the 2 remaining units. The District should see an overall cost savings as the new units do not require all the extra parts, repairs, and vinegar associated with the acidification unit.

The proposed new unit is a Hach CL10sc Amperometric Chlorine Analyzer or similar. District crews will install the new unit.

Budget Estimate

Materials: \$5,000.00

Cost estimate in 2015 dollars.

For further information about this project call Bill Hunter

Revision History

- Created 11/4/2014 by BH.

CAPITAL PROJECT NARRATIVE

Project Name:	Reservoir Condition Assessment – Seismic, Structural, Coatings
CIP #:	0127

Asset Register:	LWWSD → Water → Distribution System → Steel Reservoirs			
Failure Mode:	Capacity	Level of Service	Mortality	Efficiency
Business Risk Exposure:	N/A	= _ x _ x _ (PoF x CoF x Redundancy)		
Remaining Life:		Consumed Life:		Effective Life:

PURPOSE and DESCRIPTION OF THE PROJECT

Develop steel reservoir condition assessment addressing seismic resilience, known structural deficiencies/needed repairs, and condition of internal and external coatings. Policy guidance from the Board of Commissioners will assist staff to prioritize, schedule and secure funding for future reservoir capital improvements.

Tentative scope of work assignment:

District Staff:

1. Interior and exterior coating conditions, recommendations, and recoating cost estimates.
2. How are reservoirs going to be taken out of service to perform structural and coating repairs while still maintaining service to customers? (Possible assistance from consultant).
3. Should the District consider more site security (such as fences, cameras, etc...)? What are the costs of adding more layers of security? What are the consequences of not adding security? Prepare staff recommendation for consideration by Board of Commissioners.

Specialty Consultant:

1. What can the District expect if a severe earthquake occurs? Which reservoirs are likely to be out of service? What are the risks to life and property if a reservoir fails seismically?
2. What are the estimated costs for structural repairs?
3. What are the costs of seismic upgrades? Are upgrades the most economical option or should the District construct new reservoirs next to existing ones (provide redundancy to take one out of service for repairs/maintenance)?
4. What are the risks of not performing seismic upgrades?

Board of Commissioners:

1. Should the District seismically upgrade existing reservoirs?
2. Should the District add more layers of reservoir site security?

CAPITAL PROJECT NARRATIVE

Reservoir Name Plate Data

	SVWTP	Division 7	Division 22	Division 30	Geneva
Manufacturer		Union Tank Works Inc, Seattle, WA	Union Tank Works Inc, Seattle, WA	Union Tank Works Inc, Seattle, WA	Reliable Steel Fabricators, Inc., Olympia, WA
Year	1992	1971	1971	1973 (8?)	1979
Diameter (ft)		70	50	25.33	52
Height (ft)		35	35	40	32.67
Capacity (gal)		1,000,000	500,000	150,000	500,000
Engineer	Wilson Engineering	Horton Dennis & Assoc	Horton Dennis & Assoc	Horton Dennis & Assoc	
Serial #		UTW 9311	UTW 9314	UTW 9931	368
Notes:					Bottom: 1/4" Shell: 11/32", 9/32", 1/4" Top: 3/16"

Business Risk Exposure

	SVWTP	Division 7	Division 22	Division 30	Geneva
Consequence of Failure (CoF)	10 Total System Failure. Affects 100% of system.	7 Medium System Failure. Affects 40-60% of system.	7 Medium System Failure. Affects 40-60% of system.	6 Minor System Failure. Affects 20-40% of system.	6 Minor System Failure. Affects 20-40% of system.
Effective Life (years)	75	75	75	75	75
Years in Service (as of 2014)	22	43	43	36	35
% Life Consumed (as of 2014)	29%	57%	57%	48%	47%
Probability of Failure Rating (PoF)	4	7	7	6	6
Business Risk Exposure (CoF x PoF)	40	49	49	36	36
Notes:					

CAPITAL PROJECT NARRATIVE

Exterior Coating Conditions

	SVWTP	Division 7	Division 22	Division 30	Geneva
Inspection Notes	Existing paint is 12 to 15 mil. Overall, the coating is in good condition. Tnemec Rep will provide recommended products. Rep can perform color match at time of product order.	Based on the year built, it is likely a vinyl coating. Average coating thickness is 5 to 6-1/2 mils. It is the original coating. Overall doing well, but could be upgraded. Good quality original coating application evident by thorough wire brushing at the weld seams.	Based on the year built, existing coating is likely a vinyl coating. Thickness is 8 to 9 mils. Has 4 layers; topcoat, gray primer for the 2nd coat, original coat, and a first, red primer base coat. Exhibiting signs of inner coat delamination and failure of overcoat. Tnemec Rep did not think reservoir is a candidate for spot repairs, but rather an entire recoat after new Div 22 reservoir is in operation. Rep suggested "Eagle Blasting", a Zinc primer, and a modern epoxy-urethane finish.	Average thickness at 7 mils. 2 coats of paint are present. Condition is decent.	Existing thickness is 4 mils and appears to be the original finish, an old, alkyd enamel. The coating is showing signs of deterioration, which is evident through chalking of the paint, wearing at seams and evidence of sun damage. Due to the year built, this existing paint is likely lead-based. Testing needed.
Recommendation	Spot repair as needed.	Wash, grind, and apply an epoxy coat primer with an epoxy urethane topcoat.	Total recoat after new Div 22 Reservoir in operation.	Spot repair as needed.	Test paint for lead. Total recoat.

On 10/2/14, Bill Hunter and Kristin Hemenway met with Scott McConnell, TNW Inc., and visited each of the District's five steel water reservoirs to examine the condition of the coatings and for advisement on products suitable for coating repair at each reservoir. Exterior coating notes and recommendations are documented in the above table.

Tnemec Rep contact information: Scott McConnell, 7929 2nd Avenue South, Seattle, WA 98108, 206-762-5755, smcconnell@tnemec.com.

CAPITAL PROJECT NARRATIVE

Budget Estimate

Seismic/Structural Engineering Consultant: \$35,000.00

Covington Water District did condition assessment for \$60k which included 3 tanks. They also did a seismic assessment for \$20k for 2 tanks. BHC did the work.

Cost estimate in 2015 dollars.

For further information about this project call Bill Hunter

Revision History

- Created 11/18/2014 by BH.

CAPITAL PROJECT NARRATIVE

Project Name:	Water Service Rebuilds
CIP #:	W0001

Asset Register:	LWWSD → Water → Distribution System → Services			
Failure Mode:	Capacity	Level of Service	<u>Mortality</u>	Efficiency
Business Risk Exposure:	N/A	= _ x _ x _ (PoF x CoF x Redundancy)		
Remaining Life:		Consumed Life:		Effective Life:

PURPOSE and DESCRIPTION OF THE PROJECT

Rebuild old water services that do not meet District standards. Rebuilds include new brass fittings, check valves, shut off valves and meter boxes. There are approximately 85 water services that have been identified to be rebuilt.

Target is for 40 to 50 rebuilds per year

Budget Estimate

Materials: \$10,000.00

Cost estimate in 2015 dollars.

For further information about this project call Rich Munson.

Revision History

- Created 8/2/2006.
- Revised 1/5/2010 by BH: Adjusted materials cost to closer match recent brass bids. Deleted labor since it is already in the general budget.
- Revised 10/26/2011 by BH: Reduced annual budget from \$30k (85 rebuilds/year) to 15k (40-50 rebuilds/year) to better match available District labor resources.
- Revised 11/20/2013 by BH. Updated number of remaining rebuilds and annual budget.
- Revised 11/10/2014 by BH. Updated number of remaining rebuilds and annual budget.

Revenue Bonds and Loans Summary

The District has obtained publicly funded loans to construct projects. The project title, loan remaining, agency loan number, payment number and interest rates are noted as follows:

Project Title/Loan Source	Loan Balance Remaining 1/1/2015	Funding Source	Agency, Loan Number	End Date	Interest on Loan
Geneva/Sudden Valley Water Distribution Pre-Construction costs	62,583	Rates	PWTF-#PW-01-691-PRE-119	2021	1.0%
Geneva/Sudden Valley Water Distribution Construction	<u>378,016</u>	Rates	PWTF #PW-02-691-064	2022	2.0%
Total Loans Outstanding – 1/1/2015	\$440,600				
09 Rev Bonds Outstanding – 1/1/2015	\$4,860,000	Rates		2029	3.0%
Total Combined Debt Outstanding – 1/1/2015	\$5,360,000				

PWTF – Public Works Trust Fund

DRAFT 11-15-14

2009 BOND DEBT SERVICE FUND - 450

Description	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Adopted 2014	Projected 2014	Budget 2015
Investment Interest:							
Transfers In from Operating Fund 401	434,175	447,250	295,500	443,875	447,450	447,450	448,050
Transfers In from Bond Capital Projects Fund 430			150,000				
TOTAL REVENUES	434,175	447,250	445,500	443,875	447,450	447,450	448,050
Bond Admin Fee	305	303	-	-	300	300	300
Redemption of Long Term Debt	205,000	215,000	220,000	225,000	235,000	235,000	245,000
Bond Interest Payments	238,100	231,950	225,500	218,900	212,150	212,150	202,750
TOTAL EXPENDITURES	443,405	447,253	445,500	443,900	447,450	447,450	448,050
REVENUES	434,175	447,250	445,500	443,875	447,450	447,450	448,050
EXPENDITURES	(443,405)	(447,253)	(445,500)	(443,900)	(447,450)	(447,450)	(448,050)
CASH/INVESTMENT'S BALANCE CARRYOVER							
PROPOSED 2016 YEAR END BALANCE							-

DRAFT 11-15-14									
WATER LOANS DEBT SERVICE FUND - 470									
Description	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Adopted 2014	Projected 2014	Budget 2015		
Investment Interest	129	129							
Transfers In from Operating Fund 401		83,350			200,975	65,500	65,389		63,700
TOTAL REVENUES	129	83,479	92,500	200,975	65,500	65,339	63,700		
Redemption of Long Term Debt Loan 119	74,541	74,541	74,541	184,633	8,940	8,940	8,940		
Redemption of Long Term Debt Loan 064					47,252	47,252	47,252		
Debt Service Interest Loan 44	7,982	7,184	6,385	6,385					
Debt Service Interest Loan 119	1,073	983	894	805	715	715	574		
Debt Service Interest Loan 064	12,286	11,340	10,395	9,450	8,505	8,505	6,930		
TOTAL EXPENDITURES	95,882	94,048	92,215	201,273	65,412	65,412	63,698		
REVENUES	129	83,479	92,500	200,975	65,500	65,389	63,700		
EXPENDITURES	(95,882)	(94,048)	(92,215)	(201,273)	(65,412)	(65,412)	(63,698)		
CASH/INVESTMENTS BALANCE CARRYOVER									
PROPOSED 2015 YEAR END BALANCE								4	

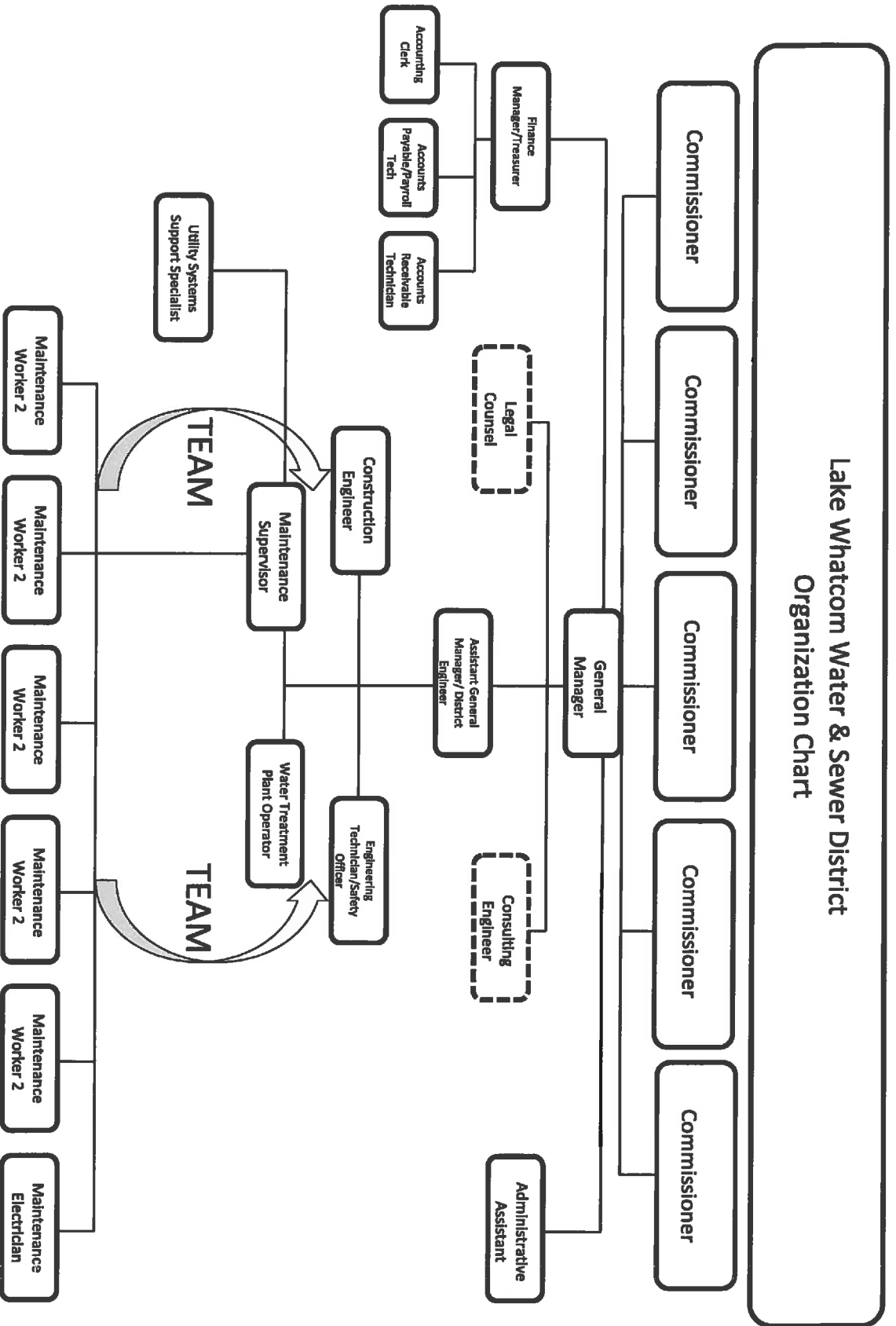
DRAFT 11-15-14

ULID 18 FUND - 480

Description	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Adopted 2014	Projected 2014	Budget 2015
Investment Interest	63,026	69,793	50,356	19,136	-	-	-
ULID 18 Interest/Penalties	51,045	47,894	39,218	39,475	30,000	29,000	23,000
Current ULID 18 Principal Payments	63,948	68,417	53,041	75,197	50,000	53,000	50,000
Latecomers Fee	2,808	5,181	5,446	5,711	3,000	-	-
Transfers In from Operating Fund 401 (re-payment)	113,335	113,335	113,335	-	-	-	-
TOTAL REVENUES	294,162	292,560	281,386	138,519	83,000	82,000	73,000
Sewer Debt Service Charges	425	400	1,221	158	-	-	-
Redemption of Long Term Debt Loan 063	232,237	236,683	241,383	2,663,577	-	294	-
Debt Service Interest Loan 44A	7,833	7,029	6,396	1,449	-	-	-
Debt Service Interest Loan 44B	64,054	60,212	58,227	8,372	-	-	-
Debt Service Interest Loan 063	8,599	7,838	7,276	6,321	-	-	-
Transfers Out to Sewer/Storm Water Contingency Fund 425	-	-	-	1,000,000	-	-	2
Transfers Out to Operating Fund 401	-	-	-	177,364	83,000	81,500	73,000
TOTAL EXPENDITURES	312,948	312,262	314,503	3,857,241	83,000	81,796	73,000
REVENUES	294,162	292,560	281,386	138,519	83,000	82,000	73,000
EXPENDITURES	(312,948)	(312,262)	(314,503)	(3,857,241)	(83,000)	(81,796)	(73,000)
CASH/INVESTMENTS BALANCE CARRYOVER							
PROPOSED 2015 YEAR END BALANCE							

DRAFT 11-15-14		Actual		Actual		Actual		Actual		Adopted		Projected		Budget
		2010	2011	2012	2013	2014	2014	2014	2015					
2009 BOND RESERVE FUND (RESTRICTED) - 460														
460-361-11-00	Investment Interest	8,349	6,677	3,369	-	500	2,860	2,860	2,860					
	Transfers In From ULID 18 Fund 480													
	TOTAL REVENUES	8,349	6,677	3,369	-	500	2,860	2,860	2,860					
460-535-10-89	Debt Service Charges				24	100	200	200	200					
	TOTAL EXPENDITURES	0	0	0	24	100	200	200	200					
	REVENUES	8,349	6,677	3,369	-	500	2,860	2,860	2,860					
	EXPENDITURES	-	-	-	(24)	(100)	(200)	(200)	(200)					
	CASH/INVESTMENTS BALANCE CARRYOVER													
	PROPOSED 2015 YEAR END BALANCE									503,918	(200)	506,478	506,478	

Lake Whatcom Water & Sewer District Organization Chart



Effective July 11, 2012

LAKE WHATCOM WATER AND SEWER DISTRICT

PERSONNEL SUMMARY

2015 BUDGET DATA

POSITION	NO. OF EMPLOYEES	ANNUAL GROSS	ADMINISTRATION	OPERATIONS
General Manager	1	\$ 137,013	\$ 137,013	
Asst. Manager/Engineer	1	119,998	119,998	
Finance Manager/Treasurer	1	103,661	103,661	
Administrative Assistant	1	73,661	73,661	
Accounts Receivable	1	60,614	60,614	
Accounts Payable/Payroll	1	60,614	60,614	
Accounting Clerk	0.75	39,265	39,265	
Construction Engineer	1	75,826	75,826	
Engineering Tech/Safety Officer	1	66,830	66,830	
Utility Systems Specialist	1	66,830		\$ 66,830
Water Treatment Plant Operator	1	73,662		73,662
Maintenance Supervisor	1	94,029		94,029
Maintenance Worker 2	5	328,977		328,977
Maintenance Worker 1	0	-		-
Maintenance Electrician	1	85,267		85,267
Sub-Totals	17.75	<u>\$1,386,247</u>	<u>\$ 737,482</u>	<u>\$ 648,765</u>
Social Security		\$ 106,048	\$ 56,417	\$ 49,631
PERS		127,673	67,923	59,750
Unemployment		5,850	2,925	2,925
Worker's Comp (L&I)		24,990	8,745	16,245
Medical/Dental Benefits		271,821	132,260	139,561
HRA VEBA		5,400	2,700	2,700
Sub-Totals		<u>\$ 541,782</u>	<u>\$ 270,970</u>	<u>\$ 270,812</u>
GRAND TOTALS		<u><u>\$1,928,029</u></u>	<u><u>\$ 1,008,452</u></u>	<u><u>\$ 919,577</u></u>



LAKE WHATCOM WATER AND SEWER DISTRICT

AGENDA BILL

DATE SUBMITTED:	November 17, 2014		
TO BOARD OF COMMISSIONERS			
FROM: Patrick Sorensen	MANAGER APPROVAL <i>Patrick Sorensen</i>		
MEETING AGENDA DATE:	November 24, 2014		
AGENDA ITEM NUMBER:	7.0		
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 24, 2014

Board Meeting

Important Upcoming Dates:

- **Meetings Associated with the Lake Whatcom Management Program:**
 - **Policy Group Meeting:** The next meeting is scheduled for Monday, December 1 at 1:30 p.m. in the Fireplace Room at 625 Halleck Street in the Muni Court Building. The balance of the meetings this year will be at this location. Remember, all Policy Group Meetings are publicly noticed by the District.
 - **Management Meeting:** The next meeting has not been scheduled at this time.
- **Next Regular Board Meeting:** The next regular meeting is scheduled for Wednesday, December 10, 2014 at 6:30 p.m.
- **Employee Staff Meeting:** The next meeting is set for Thursday, December 11, 2014 at 8:00 a.m. in the Board Room. Commissioner McRoberts is scheduled to attend this meeting. Scheduling is rotated by alphabetical order each month.
- **Washington Association of Sewer & Water Districts (WASWD) Section III Meeting:** The next Section III meeting will be Tuesday, December 9, 2014 at Bob's Burger and Brew in Tulalip at 6:15 p.m. All WASWD Section III Meetings are publicly noticed by the District.
- **Whatcom Water District's Caucus Meeting:** The next meeting is set for December 18, 2014 at 1:00 p.m. in the District Board Room. This meeting is held on the third Wednesday of each month.

Other:

- **Committee Meeting Reports as Needed:** This is a place holder for Board and staff members to report on recent committee meeting reports since the last Board Meeting.
- **"Sources for Sustainable Communities" - Don't Drip and Drive Event Proposal for the District:** Lee First from Sources for Sustainable Communities has provided the attached proposal for a one-time event. I am interested to know what the Board feels about such an event.

Patrick Sorensen

From: Lee First <leef@re-sources.org>
Sent: Monday, November 17, 2014 1:45 PM
To: Patrick Sorensen
Subject: Re: DDD event
Attachments: Proposal for LWWSB.docx; DSC_1831.JPG; 10612783_926926490654530_826408821325271778_n.jpg

Hi Patrick,

Here is a draft proposal. It's short! If you'd like to change the task as I've described it, or have suggested changes of any type, I'm happy to change this and revise as needed. We'd love to work with you on a DDD event, we just need at least a month "heads-up" to get a date planned. I've also attached two photos...

cheers

lee

On Mon, Nov 17, 2014 at 8:26 AM, Patrick Sorensen <patrick.sorensen@lwwsd.org> wrote:

Lee

Thank you. I look forward to seeing your proposal. I will share it with my Board next week.

Patrick Sorensen | General Manager/ICMA-CM

8am – 5pm, Monday – Thursday

(360) 734-9224, Fax (360) 738-8250



LAKE WHATCOM WATER & SEWER DISTRICT

1220 Lakeway Drive

Bellingham, WA 98229

www.lwwsd.org

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Lee First
Pollution Prevention Specialist, North Sound Baykeeper Team
RE Sources for Sustainable Communities
(360) 733 8307
www.re-sources.org

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Lee First
Pollution Prevention Specialist, North Sound Baykeeper Team
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Don't Drip and Drive Event Draft Proposal for Lake Whatcom Water and Sewer District

1. Introduction: This proposal describes the cost and methods in which RE Sources for Sustainable Communities will provide a one-time Don't Drip and Drive event for the Lake Whatcom Water and Sewer District (LWWSD). The contact person for this proposal is Lee First, Pollution Prevention Specialist, (360) 733 8307.

2. Project Staff: Lee First, Pollution Prevention Specialist, RE Sources for Sustainable Communities is the lead staff for this proposed work. During the last seven years, she has coordinated at least 75 events, including beach cleanups, river cleanups, stormwater pollution prevention workshops, stormwater tours, rain garden tours, and citizen stakeholder groups and meetings. Her complete resume is attached. Last year, Lee managed five Don't Drip and Drive events, and has assisted the City of Bellingham with an event at Western Washington University in 2013. Lee will be assisted by two additional RE Store staff employees. LWWSD will provide at least one staff person to assist with this project on the day of the event.

3. Project Locations: The location has not been selected. As part of this proposal, RE Sources will work with LWWSD to select an effective location for one event.

4. Project description. RE Sources will work with LWWSD to plan a leak testing event in the Sudden Valley area, with the goal of testing 200 cars for leaks. RE Sources will supply all equipment needed for this event, and will assist with publicity. Publicity will include preparing a press release, listing the event on our e-newsletters, and will prepare a poster for LWWSD to distribute. LWWSD will also publicize this event via their own channels.

The time and date of the event will be held at a time of the LWWSD's choosing. LWWSD may provide additional volunteers, if desired.

5. Project budget

Task	Cost in staff hours	Total
Plan and promote 1 event with LWWSD staff, includes creation of poster and press release	7 @ \$35/hour	\$245
Coordinate and manage 1 event with LWWSD staff (includes 3 staff from RE Sources for six hours).	24 @ \$35/hour	\$840
Supplies (includes printing posters)	\$100	\$100
Travel costs	n/a	n/a
Total Project Cost:		\$1185



