



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

REGULAR MEETING
OF THE BOARD OF COMMISSIONERS

AGENDA

April 8, 2015

6:30 p.m. – Regular Session

1. CALL TO ORDER
2. PUBLIC COMMENT OPPORTUNITY
At this time, members of the public may address the Commission. Please state your name prior to making comments.
3. ADDITIONS, DELETIONS, OR CHANGES TO THE AGENDA
4. CONSENT AGENDA
5. SPECIFIC ITEMS OF BUSINESS:
 - A. Purchase Policy Update – Resolution 813
 - B. Monthly Budget Analysis
 - C. Summary of Existing District Projects
 - D. North Shore Sewer Service Area
6. OTHER BUSINESS
7. MANAGER'S REPORT
8. PUBLIC COMMENT OPPORTUNITY
9. ADJOURNMENT



LAKE WHATCOM WATER AND SEWER DISTRICT

AGENDA BILL

DATE SUBMITTED:	March 30, 2015		
TO BOARD OF COMMISSIONERS			
FROM: Patrick Sorensen	MANAGER APPROVAL <i>Patrick Sorensen</i>		
MEETING AGENDA DATE:	April 8, 2015		
AGENDA ITEM NUMBER:	5.A.		
SUBJECT:	Purchase Policy Update – Resolution 813		
LIST DOCUMENTS PROVIDED ⇒ NUMBER OF PAGES INCLUDING AGENDA BILL: _____	1. Resolution 813		
	2.		
	3.		
TYPE OF ACTION REQUESTED	RESOLUTION <input checked="" type="checkbox"/>	FORMAL ACTION/ MOTION <input checked="" type="checkbox"/>	INFORMATIONAL/ OTHER <input type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

Staff is consolidating and updating the District's purchasing policies per District Legal Counsel recommendations. Resolution 733; Small Works Roster, Resolution 755; Purchase Policy and Resolution 789; Purchase Orders have been combined into Resolution 813. This update will be incorporated into the District's Administrative Code which will be presented to the Board at the April 29th meeting.

A redlined copy of the rescinded Resolutions 733, 755, and 789 have been prepared, however due to the length of the resulting document (24 pages), a copy was not included in your meeting packets. The three red lined Resolutions will be available at the meeting for your review.

FISCAL IMPACT

n/a

RECOMMENDED BOARD ACTION

To consider and adopt Resolution 813 Updating and consolidating the District's Purchasing Policies.

PROPOSED MOTION

To adopt Resolution 813 Updating the District's Purchasing Policy.

LAKE WHATCOM WATER AND SEWER DISTRICT

RESOLUTION No 813

**A Resolution of the Board of Commissioners
Updating the Purchasing Policy**

WHEREAS, Lake Whatcom Water and Sewer District ("District") is responsible for the acquisition of equipment, materials and services for the District, in a manner which allows it to obtain the best quality for the best value; and,

WHEREAS, the District's Board has reviewed its Purchase Policy and Public Works Contract Policy and wishes to revise same as set forth herein to conform with legal requirements and to promote flexibility and clarity;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Lake Whatcom Water and Sewer District, Whatcom County, Washington ("District") as follows:

Section 1: Resolution Numbers 733, 755 and 789 are hereby repealed in their entirety.

Section 2: Chapter 2.15, Purchase Policy, of the District Administrative Code, are repealed and replaced as set forth in Exhibit A hereto.

Section 3: BE IT FURTHER RESOLVED that any resolutions or parts of resolutions in conflict herewith are hereby repealed insofar as they conflict with the provisions of this resolution.

Section 4: If any section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Resolution. The Board hereby declares that it would have passed this code and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases has been declared invalid or unconstitutional.

Section 5: This Resolution shall be effective immediately.

ADOPTED by the Board of Commissioners of Lake Whatcom Water and Sewer District, Whatcom County, Washington, at a Regular Meeting thereof, on March 25, 2015.

Leslie Mc Roberts, President

Todd Citron, Secretary

John W. Millar, Commissioner

Laura Weide, Commissioner

Bruce R. Ford, Commissioner

Approved as to form:

Robert A. Carmichael, Attorney for District

LAKE WHATCOM WATER AND SEWER DISTRICT PURCHASE POLICY

Lake Whatcom Water and Sewer District will acquire equipment, materials, and services in a manner that results in the most efficient delivery of services considering cost and value received.

To avoid conflicts of interest, procurement will be impartial. Procurement of goods and services will provide the District with the best quality for the best value. Purchases will be made within budget limits and to meet goals and objectives approved in the District's budget. Potential purchases that are not within budget limits will be pre-approved through a budget amendment process.

Purchase of Supplies, Materials or Equipment

1. Purchases less than \$40,000.00

The District is not required to use a formal contract when the total estimated cost of the purchase does not exceed \$40,000.00. Special attention should be paid to items less than \$40,000.00 that may be purchased repeatedly during the course of the year.

Purchase orders shall be used for all purchases greater than \$1,000.00 unless purchase is made by formal written contract. For purchases less than \$1,000.00, a signed receipt must be turned in to the finance department. A District manager may designate a monthly purchase order for vendors with repeated purchases, so long as such purchases from any one vendor, when aggregated on an annual basis, otherwise comply with this section.

2. Purchases less than \$50,000.00

Any purchase of materials, supplies, or equipment, with an estimated cost of less than \$50,000.00, or such different amount as may be authorized by future amendment of RCW 57.08.050, may be awarded as provided herein.

The District shall secure telephone or written quotes from vendors on the District's current established list of vendors for the appropriate category of materials. Quotes received by e-mail or facsimile transmission shall qualify as written quotes. This process is intended to assure a competitive price and to award contracts for purchases of materials, supplies, and equipment to the lowest responsible bidder. Whenever possible, the District shall obtain quotes from at least three vendors on the District's current established vendor list. Immediately after the award is made, the bid quotations obtained shall be recorded, open to public inspection, and shall be made available by telephone inquiry.

3. Establishing a Vendor List

Per RCW 57.08.050 and RCW 39.04.190 the District shall establish a vendor list for purchases of supplies, materials, or equipment less than \$50,000.00, or in such different amount as authorized by future legislative amendment. New vendors may be added to the District's vendor list at any time.

Publication of List: Twice a year the District shall publish in a local newspaper notice of the existence of the District's roster of vendors, and shall solicit names of vendors for the roster.

4. Purchases greater than \$50,000.00

Any purchase of materials, supplies, or equipment with an estimated cost of \$50,000 or more, or such different amount as authorized by future amendment of RCW 57.08.050, must be competitively bid per RCW 57.08.050.

5. Procedure to Acquire Low Cost Items

For items under \$1,000.00, quotes need not be obtained if there is sufficient prior experience with purchasing the item to ensure that the price obtained is competitive. In such cases, it is not practicable to research comparative prices because the cost of the investigation is likely to exceed the value of potential savings, and because there are not sufficient staff resources to devote to the process for such minor purchases.

The General Manager still may require quotes for purchases under \$1,000.00 if, in the judgment of the General Manager, it is necessary to ensure a competitive price.

6. Establishing a Vendor List

Per RCW 57.08.050 and RCW 39.04.190 the District shall establish a vendor list for purchases of supplies, materials, or equipment less than \$50,000.00, or in such different amount as authorized by future legislative amendment. New vendors may be added to the District's vendor list at any time.

Publication of List: Twice a year the District shall publish an ad in a local newspaper notice of the existence of the District's roster of vendors, and shall solicit names of vendors for the roster.

7. Purchase Orders

Purchase orders shall be used for all purchases greater than \$1,000.00 unless purchase is made by formal written contract. For purchases less than \$1,000.00, a signed receipt must be turned into the accounting department. A District manager may designate a monthly purchase order for vendors with repeated purchases, so long as such purchases from any one vendor, when aggregated on an annual basis, otherwise comply with this Section.

8. Approval of Purchases

A manager acting within the budget is authorized to provide for purchases of supplies, materials, or equipment in accordance with this Section. The General Manager may implement reasonable administrative procedures for purchases of supplies, materials, or equipment consistent with these policies.

9. Alternative Purchasing Process

As an alternative process for purchasing materials, supplies and equipment, the District may let any contracts for purchase of materials, supplies, or equipment with the suppliers designated on current state agency, county, city, or town purchasing rosters for the materials, supplies, or equipment, when the roster has been established in accordance with competitive bidding law for purchases applicable to the state agency, county, city, or town. The price and terms for purchase shall be as described on the

applicable roster. Purchase orders shall be used for all purchases greater than \$1,000.00 unless purchase is made by formal written contract. For purchases less than \$1,000.00, a signed receipt must be turned in to the finance department. A District manager may designate a monthly purchase order for vendors with repeated purchases, so long as such purchases from any one vendor, when aggregated on an annual basis, otherwise comply with this section.

10. Waiver of Competitive Bidding

The Board of Commissioners may waive the competitive bidding requirements of Section 1 and Section 2 pursuant to RCW 39.04.280 if an exemption contained therein applies to the purchase or public work; provided that, any such waiver on the grounds that the contract is for a "sole source" purchase or service must also conform with the requirements of RCW 39.26.140.

Immediately after a contract award is made pursuant to this section, the contract and the factual basis for the exception must be recorded and open to public inspection; except that, in the case of an emergency the requirements of RCW 39.04.280 shall be followed.

11. Public Works Contracts

Definitions

- a) "Contract" means a contract in writing for the execution of a public work for a fixed or determinable amount duly awarded after advertisement and competitive bid, or a contract awarded under the small works roster process set forth herein.
- b) "Public Work" means all work, construction, alteration, repair, or improvement other than ordinary maintenance, executed at the cost of the District or with public funds. All public works, including maintenance when performed by contract shall comply with Chapter 39.12 RCW.

Small Works Roster

All contracts for public work which are not exempt from public bidding under RCW 57.08.050, as hereafter amended, the estimated cost for which is three hundred thousand dollars (\$300,000.00) or less pursuant to RCW 39.04.155, or in such different estimated cost threshold as provided in future amendment thereof, may be awarded as provided herein. The small works roster shall be utilized by the District in accordance with this section.

- a) **Cost.** The District need not comply with formal sealed bidding procedures and may award public works contracts in conformance herewith for the construction, building, renovation, remodeling, alteration, repair, or improvement of real property where the estimated cost of such work is three hundred thousand dollars (\$300,000.00) or less, pursuant to RCW 39.04.155, or in such different estimated cost amount as provided in future amendment thereof. Said estimated costs shall include the costs of labor, material, equipment and sales and/or use taxes as applicable.
- b) **MRSC and Roster Options.** The General Manager is authorized to contract with Municipal Research and Services Center of Washington (MRSC). While

under contract with MRSC, MRSC will adopt for District use those state-wide electronic databases for small public works roster developed and maintained by MRSC. The District may utilize said state-wide electronic databases for selection of contractors in conformance with this Chapter.

- c) **Publication for Contractors on Small Works Roster(s).** At least once a year, on behalf of the District, MRSC shall publish in the Bellingham Herald a notice of the existence of the small works roster or rosters and solicit statements of qualifications from firms providing contractor services. Such advertisements will include information on how to find the address and telephone number of a representative of the District who can provide further details as to the District's projected needs for public works contractors from the small works roster. Firms or persons providing public work contracting services shall be added to appropriate MRSC roster or rosters at any time that they submit a written request and necessary records. The District may require master contracts to be signed that become effective when a specific award is made using a small works roster.
- d) **Written or Electronic Quotation Process for Small Works Roster.** The District shall obtain written or electronic quotations for public works projects to assure that a competitive price is established and to award contracts to the lowest responsible bidder, as defined in RCW 39.04.010 and RCW 39.04.350. A contract awarded from a small works roster need not be advertised. Invitations for quotations shall include an estimate of the scope and nature of the work to be performed as well as materials and equipment to be furnished. However, detailed plans and specifications need not be included in the invitation. Quotations may be invited from all appropriate contractors on the appropriate small works roster. As an alternative, quotations may be invited from at least five (5) contractors on the appropriate small works roster who have indicated the capability of performing the kind of work being contracted; provided that, if the estimated cost of work is from one hundred fifty thousand dollars (\$150,000.00) to three hundred thousand dollars (\$300,000.00) or within such other amounts as are provided by future amendment to state statute (RCW 39.04.155), the District shall notify the remaining contractors on the small works roster that quotations on the work are being sought. Said notice may be provided by any means authorized by state statute (RCW 39.04.155), or as said statute is later amended. The District will attempt to equitably distribute the opportunity among the contractors on the appropriate roster by not favoring certain contractors over other contractors who perform similar services. Immediately after an award is made, the bid quotations obtained shall be noted in writing, open to public inspection, and available by telephone inquiry.
- e) **Determining Lowest Responsible Bidder.** The District shall award the contract for the public works project to the lowest responsible bidder who meets applicable responsibility criteria, however, the District reserves the right to reject all proposals and re-solicit the call for proposals, to waive informalities or irregularities in a proposal or in the proposal process, or to accept the proposal that is in the best interest of the District. This section

shall also apply to use of the limited public works roster under Section g herein.

- f) **Award and Compliance.** All bids and quotations shall be collected and presented at the same time to the District for consideration and determination of the lowest responsible bidder and award of the job. In general, all contractors must comply with the following:

1. Prevailing wages must be paid and documented in compliance with RCW 39.12.
2. A Performance Bond shall be executed in compliance with RCW 39.08 prior to beginning work.
3. The contractor must hold a current Washington State Contractor's License.
4. The contractor must provide a certificate of insurance naming the District as additional insured.
 - a. General Liability \$1,000,000 per occurrence/\$2,000,000 aggregate, Automobile Liability.
 - b. \$1,000,000 Worker's Compensation and Employer's Liability insurance in the amount required by law and paid to date.
5. Contractor must have a satisfactory record of performance.
6. Contractor must meet any mandatory bidder responsibility criteria established by RCW 39.05.155 or elsewhere in state law, and any supplementary bidder responsibility criteria established by the District.

g) **Alternative Limited Small Works Roster Process for Small Public Works Projects**

1. In lieu of awarding contracts under Sections a through f herein, the District may award a contract for public work estimated to cost less than thirty-five thousand dollars(\$35,000.00), or such other amount as is authorized by future amendment of state statute (RCW 39.04.155), using the limited public works process provided under this section. Public works projects awarded under this section are exempt from the requirements of the Public works projects awarded under this section are exempt from the requirements of the small works roster process provided under Section d herein, and are further exempt from the requirement that contracts be awarded after advertisement as provided under RCW 39.04.010.
2. For limited public works projects, the District shall solicit electronic or written quotations from a minimum of three (3) contractors from the appropriate small works roster and shall award the contract to the lowest responsible bidder. After an award is made, the quotations shall be open to public inspection and available by telephonic or electronic request. The District shall attempt to distribute opportunities for limited public works projects equitably among contractors willing to perform in the geographic area of work. The District shall maintain a list of the contractors contacted and the contracts awarded during the previous twenty-four (24) months under the limited public works process, including

the name of the contractor, the contractor's registration number, the amount of the contract, a brief description of the type of work performed, and the date the contract was awarded. For limited public works projects, the District may in its discretion waive the payment and performance bond requirements of Chapter 39.08 RCW and the retainage requirements of Chapter 60.28 RCW, thereby assuming the liability for the contractor's nonpayment of laborers, mechanics, subcontractors, material persons, suppliers, and taxes imposed under Title 82 RCW that may be due from the contractor for the limited public works project, however the District shall have the right of recovery against the contractor for any payments made on the contractor's behalf.

- h) **Process of Award.** The General Manager or his designee shall present all telephone quotations/bids and recommendation for award of the contract to the lowest responsible bidder to the Board of Commissioners. However, for public works projects in the amount of \$20,000.00 or less, the District General Manager or Assistant General Manager shall have authority to award public works contracts provided that the funds for the contract are included in the then current budget. The Board of Commissioners shall award all public works contracts over \$20,000.00.
- i) **Public Works in Excess of Qualifying Amount Established for Small Works Roster.** All public work estimated to cost in excess of the small works roster maximum of \$300,000.00, or such different maximum amount as may be authorized by future legislative amendment, shall be subject to any competitive bidding procedures required by applicable state law. The District reserves the right to award public work estimated to cost less than the small works roster maximum of \$300,000.00, or such different maximum amount as may be authorized by future legislative amendment, by following competitive bidding procedures required by applicable state law for larger public works projects.
- j) **Conflicts of Interest.** The District will not accept donations of materials or services in return for a commitment to continue or initiate a purchasing agreement.



LAKE WHATCOM WATER AND SEWER DISTRICT

AGENDA BILL

DATE SUBMITTED:	March 30, 2015		
TO BOARD OF COMMISSIONERS			
FROM: Debi Hill	MANAGER APPROVAL <i>[Signature]</i>		
MEETING AGENDA DATE:	April 8, 2015		
AGENDA ITEM NUMBER:	5.B.		
SUBJECT:	Monthly Budget Analysis		
LIST DOCUMENTS PROVIDED ⇒ NUMBER OF PAGES INCLUDING AGENDA BILL:	1. Monthly Budget Analysis as of 3/31/2015		
	2.		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input type="checkbox"/>	INFORMATIONAL/ OTHER <input checked="" type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

Information only

FISCAL IMPACT

n/a

RECOMMENDED BOARD ACTION

n/a

PROPOSED MOTION

n/a



MONTHLY BUDGET ANALYSIS

Description		Budget 2015	YTD 3/31/2015 25%	
OPERATING FUND - 401				
REVENUES				
401-343-40-10	Water Sales Metered (5% rate increase) *	1,823,692	438,234	24%
401-343-50-11	Sewer Service Residential (5% rate increase) *	3,618,687	883,545	24%
401-343-50-19	Sewer Service Other	5,500	1,114	20%
401-359-81-10	Combined Fees	40,000	8,038	20%
401-359-90-00	Late fees	65,000	15,172	23%
401-361-11-10	Investment Interest	2,000	109	5%
401-369-10-00	Sale of scrap metal and surplus	-	958	
401-379-10-20	Permits Operation portion (5 new connection permits)	10,000	458	5%
401-395-20-00	Insurance recovery	-	-	
401-395-40-00	Sale of Capital Assets	-	-	
401-397-10-00-80	Transfer in from ULID 18 Fund 480	73,000	10,750	15%
TOTAL REVENUES		5,637,879	1,358,379	24%

MONTHLY BUDGET ANALYSIS		Description	Budget 2015	YTD 3/31/2015	
OPERATING FUND - 401				25%	
EXPENDITURES					
401-53X-10-10	Payroll (2% cola plus step increases - 2015)	725,625	155,101	21%	
401-53X-10-20	Personnel Benefits (Medical, Retirement etc)	275,000	57,873	21%	
401-53X-10-31	Gen Admin Supplies	21,000	4,525	22%	
401-53X-10-32	Meetings/Team building	1,500	1,225	82%	
401-53X-10-40	Bank Fees	18,000	5,304	29%	
	Interlocal - Lake Whatcom Management Program				
	Interlocal - Invasive Species				
	Interlocal - Lake Whatcom Tributary Monitor				
401-534-10-41-00	Water Quality Assurance Programs (TOTAL)	80,000	-	0%	
	County Auditor Filing Fees (Simplifile)	7,000			
	Data 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 (next 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/Operations	5,000			
	Cartegraph - Engineering/Operations	8,000			
	Auto Desk - Engineering	1,000			
	Rockwell - Engineering/Operations	500			
	Invoice - Engineering	2,000			
	Master Meter	2,000			
	Custodial/Building maint. services/Security	9,000			
	Landscaping service	4,000			
	Docuware/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)	215,000	91,143	42%	
401-53X-10-42	Communication	50,000	9,964	20%	
401-53X-10-45	Admin Lease	2,000	450	23%	
401-53X-10-46	Property Insurance	110,000	-	0%	
401-53X-10-49	Admin Misc.	1,000	148	15%	
401-53X-10-49-01	Memberships/Dues	15,000	9,100	61%	
401-53X-10-49-02	WA State Dept of Revenue Taxes (3% increase)	180,000	43,839	24%	
401-53X-40-43	Training & Travel	20,000	13,130	66%	
401-53X-40-44	Tuition reimbursement	6,000	-	0%	
401-53X-40-49	Insurance Claims	-	-		
401-53X-50-31	Maintenance Supplies	125,000	25,902	21%	
401-53X-50-48	Operations Repair/Maint	65,000	13,812	21%	
401-53X-60-41	Operations Contracted	10,000	1,383	14%	
401-534-60-47	Water City of Bellingham	42,000	8,872	21%	
401-535-60-47	Sewer City of Bellingham Treatment Fee	600,000	177,034	30%	
401-535-60-47-01	Sewer City of Bellingham Post Point Improvements	215,000	-	0%	
401-53X-80-10	Operations Payroll	725,624	192,197	26%	
401-53X-80-20	Operations Personnel Benefits	275,000	71,892	26%	
401-53X-80-32	Operations Fuel	38,000	5,560	15%	
401-53X-80-34	Safety Supplies	12,000	2,916	24%	
401-53X-80-34-01	Safety Supplies Boots	2,500	157	6%	
401-53X-80-47	General Utilities	210,000	52,995	25%	
401-53X-80-49	Laundry	2,000	574	29%	
	OPERATING EXPENDITURES	4,040,249	945,096	23%	
TRANSFERS					
	Transfers Out to System Reinvestment Fund 420	815,000	236,000		
	Transfers Out to 2009 Bond Debt Service Fund 450	448,050	78		
	Transfers Out to Water Loan Debt Service Fund 470	63,700	117,185		
	TOTAL EXPENDITURES	5,366,999	1,298,359		
OPERATING FUND					
	OPERATING REVENUES	5,637,879	1,358,379		
	EXPENDITURES	(5,366,999)	(1,298,359)		
	BEGINNING BALANCE		1,204,151		
	OPERATING RESERVE		(800,000)		
	CASH/INVESTMENTS BALANCE		484,171		

MONTHLY BUDGET ANALYSIS		Description	Budget 2015	YTD 3/31/2015
SYSTEM REINVESTMENT FUND - 420				
420-343-40-19		DEA Permits	-	
420-379-10-30		Permits Capital Portion (5 new connection permits)	40,000	232
420-379-10-40		Latecomer Fees	-	
420-397-10-00		Transfers In from Operating Fund 401	815,000	236,000
		Transfers In from Geneva Reserve Fund 410	-	
		Transfers In from System Replacement Fund 415	-	
		TOTAL REVENUES	855,000	236,232
420-534-10-41		DEA Contracted Services	-	
420-534-90-61		DEA Refunds	-	
420-534-60-41		Contracted Professional Services		
420-594-38-62		Capital Outlay - Structures		
420-594-38-63		Capital Outlay - Water/Sewer Systems		
420-594-38-64		Capital Outlay - Machinery/Equipment		
		Previous year projects	90,000	
	C 12-07	Reservoir Drains to Daylight	13,000	
	C 12-14	Dead End Blow Offs	38,000	
	C 13-04	Cathodic		37,960
	C 13-16	Boulevard Sewer Pump Station		47,110
	C 14-03	2014 Water System Rehab		96,801
	C 14-05	Strawberry Point Pump Station Pre-Design	5,400	18,855
	C 14-06	Sewer Push Camera	7,000	8,191
	C 14-07	Lowe Sewer Pump Station VFD	7,000	6,549
	C 14-08	SVWTP Spare Raw Pump VFD	5,000	1,991
	C 14-11	Shop Gravel/Asph Bins	4,600	3,142
	C 14-12	Admin Bldg Irrigation	10,000	-
		2015 Capital Projects	765,000	
	C 14-05	Strawberry Point Pump Station Replacement	620,000	15,787
	C 15-01	Water Service Rebuilds	10,000	
	C 15-02	SVWTP Chlorine Analyzer - Replace	5,000	
	C 15-03	SVWTP Clearwell Overflow Drain	5,000	
	C 15-04	Security - Intrusion Alarms at Reservoirs (install pilot system at 1 site)	5,000	
	C 15-05	Reservoir Condition Assessment - Seismic, Structural Repairs, Coatings	35,000	
	C 15-06	CMOM - Sewer I&I	85,000	
		TOTAL EXPENDITURES	855,000	236,386
SYSTEM REINVESTMENT FUND		REVENUES	855,000	236,232
		EXPENDITURES	(855,000)	(236,386)
		BEGINNING BALANCE		386
		CASH/INVESTMENTS BALANCE		212

MONTHLY BUDGET ANALYSIS		Description	Budget 2015	YTD 3/31/2015
SEWER/STORM WATER CONTINGENCY FUND - 425				
425-361-11-00		Investment Interest	5,020	2173
425-397-10-00		Transfers In from ULID 18 Fund 480	-	
		Transfers In from Bond Reserve Fund 490	-	
		TOTAL REVENUES	5,020	2,173
425-535-10-41		Stormwater Comp Plan (See Active Projects C1315 PH2)	-	
425-535-10-42		Debt Service Charges	200	39
425-594-38-63		Water/Sewer Systems	-	
425-594-38-64		Machinery/Equipment	-	
		TOTAL EXPENDITURES	200	39
SEWER/STORM WATER CONTINGENCY FUND		REVENUES	5,020	2,173
		EXPENDITURES	(200)	(39)
		BEGINNING BALANCE		922,695
		CASH/INVESTMENTS BALANCE		924,629

MONTHLY BUDGET ANALYSIS		Budget	YTD	
	Description	2015	3/31/2015	
CAPITAL BOND PROJECTS FUND (RESTRICTED) - 430				
430-361-11-00	Investment Interest	-		
	TOTAL REVENUES	-	-	
430-594-38-63	Capital Outlay - Water/Sewer Systems	62,683		
	TOTAL EXPENDITURES	62,683	-	
CAPITAL BOND PROJECTS FUND	REVENUES	-	-	
	EXPENDITURES	(62,683)	-	
	BEGINNING BALANCE		62,683	
	CASH/INVESTMENTS BALANCE		62,683	

MONTHLY BUDGET ANALYSIS		Budget	YTD
	Description	2015	3/31/2015
DWSRF PROJECTS FUND - 440			
440-333-66-46-40	Division 22 Reservoir (Permits and Design)	100,000	
444-333-66-46-41	Geneva AC Mains (Permits, Design and Construction)	2,500,000	55,116
	TOTAL REVENUES	2,600,000	55,116
440-594-34-62	Division 22 Reservoir (Permits and Design)	100,000	2,670
440-594-34-63	Geneva AC Mains (Permits, Design and Construction)	2,500,000	55,751
	TOTAL EXPENDITURES	2,600,000	58,421
DWSRF PROJECTS FUND	REVENUES	2,600,000	55,116
	EXPENDITURES	(2,600,000)	(58,421)
	BEGINNING BALANCE	-	(42,048)
	CASH/INVESTMENTS BALANCE	-	(45,353)
Expenditures offset by draws as projects progress.			

MONTHLY BUDGET ANALYSIS		Budget	YTD	
	Description	2016	3/31/2015	
2009 BOND DEBT SERVICE FUND - 450				
450-361-11-00	Investment Interest			
450-397-10-00	Transfers In from Operating Fund 401	448,050	77	
	Transfers In from Bond Capital Projects Fund 430	-		
	TOTAL REVENUES	448,050	77	
450-535-10-41	Bond Admin Fee	300	78	
450-581-35-72	Redemption of Long Term Debt	245,000		
450-592-35-83	Bond Interest Payments	202,750		
	TOTAL EXPENDITURES	448,050	78	
2009 BOND DEBT SERVICE FUND				
	REVENUES	448,050	77	
	EXPENDITURES	(448,050)	(78)	
	BEGINNING BALANCE	-	1	
	CASH/INVESTMENTS BALANCE	-	-	

MONTHLY BUDGET ANALYSIS		Budget	YTD	
	Description	2015	3/31/2015	
2009 BOND RESERVE FUND (RESTRICTED) - 460				
460-361-11-00	Investment Interest	2,860	2,860	
	Transfers In From ULID 18 Fund 480			
	TOTAL REVENUES	2,860	2,860	
460-535-10-89	Debt Service Charges	200	39	
	TOTAL EXPENDITURES	200	39	
2009 BOND RESERVE FUND (RESTRICTED)	REVENUES	2,860	2,860	
	EXPENDITURES	(200)	(39)	
	BEGINNING BALANCE		503,612	
	CASH/INVESTMENTS BALANCE		506,633	

MONTHLY BUDGET ANALYSIS		Budget	YTD
	Description	2015	3/31/2015
WATER LOANS DEBT SERVICE FUND - 470			
470-361-11-10	Investment Interest		
470-397-10-00	Transfers In from Operating Fund 401	63,700	117,185
	TOTAL REVENUES	63,700	117,185
470-591-34-77-72	Redemption of Long Term Debt Loan 119	8,940	62,583
470-591-34-77-73	Redemption of Long Term Debt Loan 064	47,252	
470-592-34-83-71	Debt Service Interest Loan 44	-	
470-592-34-83-72	Debt Service Interest Loan 119	574	417
470-592-34-83-73	Debt Service Interest Loan 064	6,930	
	TOTAL EXPENDITURES	63,696	63,000
WATER LOANS DEBT SERVICE FUND	REVENUES	63,700	117,185
	EXPENDITURES	(63,696)	(63,000)
	BEGINNING BALANCE		-
	CASH/INVESTMENTS BALANCE		54,185

MONTHLY BUDGET ANALYSIS		Budget	YTD
	Description	2015	3/31/2015
ULID 18 FUND - 480			
480-361-11-00	Investment Interest	-	
480-361-40-00	ULID 18 Interest/Penalties	23,000	4,867
480-368-10-00	Current ULID 18 Principal Payments	50,000	9,165
480-379-10-30	Latecomers Fee	-	
480-397-10-00	Transfers In from Operating Fund 401 (re-payment)	-	
	TOTAL REVENUES	73,000	14,032
480-597-10-00	Transfers Out to Operating Fund 401	73,000	10,750
	TOTAL EXPENDITURES	73,000	10,750
ULID 18 LOAN DEBT SERVICE			
	REVENUES	73,000	14,032
	EXPENDITURES	(73,000)	(10,750)
	BEGINNING BALANCE		-
	CASH/INVESTMENTS BALANCE		3,282



LAKE WHATCOM WATER AND SEWER DISTRICT

AGENDA BILL

DATE SUBMITTED:	March 30, 2015		
TO BOARD OF COMMISSIONERS			
FROM: Bill Hunter and Staff	MANAGER APPROVAL <i>[Signature]</i>		
MEETING AGENDA DATE:	April 8, 2015		
AGENDA ITEM NUMBER:	5.C.		
SUBJECT:	Summary of Existing District Projects		
LIST DOCUMENTS PROVIDED ⇒	1. April 2015 Summary of Existing District Projects		
NUMBER OF PAGES	2.		
INCLUDING AGENDA BILL:	3.		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input type="checkbox"/>	INFORMATIONAL/ OTHER <input checked="" type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

Information only

FISCAL IMPACT

n/a

RECOMMENDED BOARD ACTION

Review and discuss

PROPOSED MOTION

n/a

LAKE WHATCOM WATER AND SEWER DISTRICT

Summary of Existing District Projects

Meeting Date	Effective Date	Prepared by
April 8, 2015	April 3, 2015	LE/BH
Status of Water and Sewer Permit Issuance		
SCOPE	Provide a monthly update on permit activity.	
STATUS		Permits Issued 2015
	No of permits issued	0
	No of permits projected 2015	5
		Permits Issued 2014
		15

Completed Capital Projects in 2015

C1304	Steel Reservoir Cathodic Protection
C1404	2014 Sewer System Rehab and Replacement
C1406	Acquire Sewer Push Camera for 2" and 4" Pipe
C1408	SWWTP Spare Raw Water VFD
C1411	Shop Gravel/Asphalt Material Bins

State Required Report Status

Reporting	Name of Report & Preparer	Completed	When Due
MONTHLY	Chlorination Report Agate Heights (Kevin)	Jan <input checked="" type="checkbox"/> Feb <input checked="" type="checkbox"/> Mar <input checked="" type="checkbox"/> Apr <input type="checkbox"/> May <input type="checkbox"/> June <input type="checkbox"/>	Postmarked by 10 th of month
		July <input type="checkbox"/> Aug <input type="checkbox"/> Sept <input type="checkbox"/> Oct <input type="checkbox"/> Nov <input type="checkbox"/> Dec <input type="checkbox"/>	
	Surface Water Treatment Rule Report (SVWTP) (Kevin)	Jan <input checked="" type="checkbox"/> Feb <input checked="" type="checkbox"/> Mar <input checked="" type="checkbox"/> Apr <input type="checkbox"/> May <input type="checkbox"/> June <input type="checkbox"/>	Postmarked by 10 th of month
		July <input type="checkbox"/> Aug <input type="checkbox"/> Sept <input type="checkbox"/> Oct <input type="checkbox"/> Nov <input type="checkbox"/> Dec <input type="checkbox"/>	
	Department of Revenue (Debi)	Jan <input checked="" type="checkbox"/> Feb <input checked="" type="checkbox"/> Mar <input checked="" type="checkbox"/> Apr <input type="checkbox"/> May <input type="checkbox"/> June <input type="checkbox"/>	Due end of following month
		July <input type="checkbox"/> Aug <input type="checkbox"/> Sept <input type="checkbox"/> Oct <input type="checkbox"/> Nov <input type="checkbox"/> Dec <input type="checkbox"/>	
ANNUALLY	Community Right to Know (Hazardous Materials) (Rich)	Completed February 24, 2015	Due by March 31st
	WA State Cross Connection Report (Rich)	Completed April 24, 2014	Due Annually May
	Consumer Confidence Reports (Kevin)	Completed April, 2014	<ul style="list-style-type: none"> • Geneva- 4/14 • Sudden Valley 4/14 • Eagleridge – 4/14 • Agate Hghts – 4/14
	Hazardous Waste Activity Report (Rich)	Completed February 24, 2015	Due by March 31st
	OSHA 300 Log (Rich)	Completed January 30, 2015	Due by Feb 1st
	Water Use Efficiency Performance Report (Kevin)	Completed April 2014	Due by July 1st
	Washington State Financial Report (Debi)	Completed May 2014	Due by May 31st
	Report Number of Sewer ERUs to City of Bellingham	Completed March 5, 2015	Due by January 15th
OTHER	CPR/First Aid Training (Rich)	Completed 12/18/12	Due Biennially Next Due 2014

Reporting	Name of Report & Preparer	Completed						When Due
MONTHLY	Chlorination Report Agate Heights (Kevin)	Jan <input checked="" type="checkbox"/>	Feb <input checked="" type="checkbox"/>	Mar <input checked="" type="checkbox"/>	Apr <input type="checkbox"/>	May <input type="checkbox"/>	June <input type="checkbox"/>	Postmarked by 10 th of month
		July <input type="checkbox"/>	Aug <input type="checkbox"/>	Sept <input type="checkbox"/>	Oct <input type="checkbox"/>	Nov <input type="checkbox"/>	Dec <input type="checkbox"/>	
	Flagging Card Training (Rich)	Completed 7/22/2013						Due Triennially Next Due 2016

SAFETY PROGRAM SUMMARY***

Completed by Rich Munson

Annual Safety Training				
Staff participates in a local government on-line training system. Each employee is assigned with an individual training course that is relevant to their position. The courses contain check points, quizzes and tests to ensure the training was completed and understood by the employee. Learners can track their progress and manage their training with their workload.				
Weekly Crew Safety Meetings				
Safety meetings for the field crew take place every Tuesday at 3:30 p.m.				
Dates of Safety Committee Meetings				
January 15, 2015				
February 24, 2015				
March 26, 2015				
Summary Of Work-Related Injuries & Illnesses				
Year	2015	2014	2013	2012
Total Number of Work Related Injuries	1	1	11	8
Defined as a work related injury or illness that results in:				
• Death				
• Medical treatment beyond first aid				
• Loss of consciousness				
• Significant injury or illness diagnosed by a licensed health care professional				
• Days away from work (off work)				
• Restricted work or job transfer				
Total Number of Days of Job Transfer or Restriction (Light duty or other medical restriction)				
Total Number of Days Away From Work (At home, in hospital, not at work)				
	0	0	5	24
	0	0	13	9

Lake Whatcom Water & Sewer District

Capital Improvement Projects Staff Report

C1207 Reservoir Overflow Drains to Daylight

Route reservoir overflow drains to daylight.

C1207-ENG Project Administration and Engineering

4/2/2014 Staff working with G&O to look at overflow/drain line improvements for Division 22 as part of project C1401.

C1207-CON Construction Contract

C1214 Dead End Blow Offs

Install blow offs at water main dead ends.

C1214-ADM Project Administration

11/28/2012 Crews researching and inspecting dead end mains. Compiling list of dead ends with proposed installation sketches.

C1214-CON Construction Contract

C1306 LLR Sewer Air-Vac Valve Replacement

Replace iron/steel air-vac valves with nylon valves.

C1306-ADM Project Administration

4/3/2013 Staff solicited quotes from local suppliers. Ordered and received 9 valves from HD Supply (low quote). There are a total of 14 valves on the force main. Remaining 5 valves will be budgeted and purchased in 2014. Crews will begin installing new valves this spring.

10/2/2013 Crews have replaced a couple valves that failed on other forcemains using this inventory.

C1401 Division 22 Reservoir

Add new Division 22 Reservoir. Funded by DWSRF Loan. Loan Amount = \$994,850 at 1.5% for 20 years + 4 years for construction.

C1401-PH1 Predesign

- 10/2/2013 DWSRF loan contract will be executed by State on 10/8/2013. Staff will work with Grey and Osborne to prepare scope of work and fee. Scope/fee will be presented to Board tentatively at 11/13/2013 meeting for review/approval.
- 11/6/2013 Loan contract is executed. Execution date was 10/9/2013.
- 1/29/2014 Board approved scope of work and fee for Predesign work.
- 2/4/2014 Staff and G&O compiling AE agreement and exhibits for execution.
- 3/6/2014 Signed AE agreements received from consultant. District attorney doing final review. Agreements will then be executed by Patrick.
- 4/1/2014 G&O and staff had project kick-off meeting. G&O compiling list of information/data to begin predesign work. Topo survey will begin in a couple weeks.
- 5/7/2014 Consultant has performed topographic/boundary survey. Staff compiling water system data needed for consultants predesign work.
- 8/5/2014 G&O working on reservoir sizing after receiving water system data/info from staff. DOH cultural review in progress.
- 8/23/2014 Published Notice to the Public of Intent to Request Release of Funds in Bellingham Herald. This is required as part of the cultural review process. Have to wait 30 days before beginning test pits or geotechnical borings.
- 9/23/2014 Predesign progress meeting with G&O and District staff. Staff reviewed first 3 chapters of predesign report. G&O will update few minor items and continue final predesign tasks. Set goal to present predesign report to at 1st Board meeting in November.

- 3/3/2015 Staff provided G&O remaining data and info in February to complete the predesign report. G&O is scheduled to make a presentation to the Board at the 3/25/2015 meeting.
- 3/25/2015 G&O presented predesign report to board. There was overall consensus with the plan. Staff and G&O will proceed with permitting and coordination with SCVA.

C1402 Geneva Area AC Mains

Replacement of AC water mains in Geneva area. Funded by DWSRF Loan. Loan Amount = \$2,398,750 at 1.5% for 20 years + 4 years for construction.

C1402-PH1 Predesign

- 10/2/2013 DWSRF loan contracts will be executed by State on 10/8/2013. Staff working with Wilson Engineering to develop scope of work and fee. Scope/fee will tentatively be presented to Board at 11/13/2013 meeting.
- 11/6/2013 Loan contract is executed. Execution date was 10/7/2013.
- 12/4/2013 Staff working with Wilson to develop Scope of Work and Fee that includes DWSRF loan contract requirements. Scope/Fee will be presented at 12/11/2013 Board Meeting for approval.
- 12/11/2013 Board authorized GM to execute agreement with Wilson.
- 1/2/2014 AE agreement executed. Work includes predesign, permitting, topographic surveying, design, and bidding.
- 1/7/2014 Site walk-thru with District staff and Wilson engineers and surveyors.
- 1/9/2014 Conference call with DWSRF project manager, Cathy Brockmann. Key District and Wilson staff attended. Meeting covered basic loan contract requirements and setup coordination between parties.
- 2/4/2014 Wilson preparing preliminary drawings for conceptual water main locations/design. Topographic surveying to follow, when desired alignments are identified.
- 3/6/2014 Wilson performing preliminary engineering and topographic surveying.
- 4/2/2014 Wilson continues preliminary engineering and topo surveying work.
- 4/22/2014 Wilson and District staff meet to coordinate project activities. Topographic surveying and predesign work is in full swing.
- 6/3/2014 Wilson continues topographic surveying, mapping, and pre-design.
- 7/9/2014 Wilson presents predesign/project report to Board at meeting. Report is essentially done but will be finalized after receiving public comments after a public meeting tentatively scheduled in September 2014.
- 8/5/2014 Wilson continues topographic surveying, mapping, and development of preliminary plan set to be used at public meeting. DOH cultural review in progress.
- 8/23/2014 Published Notice to the Public of Intent to Request Release of Funds in Bellingham Herald. This is required as part of the cultural review process. Have to wait 30 days before beginning any excavations for test pits or geotechnical borings.
- 9/30/2014 Neighborhood workshop meeting held at District office. Staff sent invitations to properties adjacent to project limits.
- 11/4/2014 Project / predesign report completed by Wilson. District staff will send to DOH for review/approval. Wilson and District staff continuing to work on detailed plans.
- 11/6/2014 Project report was mailed to DOH for review/approval.
- 12/3/2014 DOH reviewed project report and will provide letter to acknowledge they received it to comply with the DWSRF loan requirements. No issues with report.
- 12/4/2014 Staff, Wilson, and Bob Carmichael are reviewing and updating the District's front end contract documents. Front end documents will be sent to state for review/approval mid-December following completion of updates.
- 1/6/2015 Staff and Bob Carmichael met to review front end contract documents. Updates almost complete.
- 2/20/2015 Wilson met with County road inspector to discuss and coordinate right-of-way encroachment permits. DOE was notified of the project for their general permit process related to erosion and sedimentation control. DOH approved the plans and technical specs.
- 2/26/2015 The project was advertised in the Bellingham Herald and Seattle DJC, two mandatory prebid meetings were held, 5 bids were received and opened. Wilson and staff review bids and criteria. A recommendation to award is planned for the 3/11/2015 board meeting.
- 3/11/2015 Board selected bid alternate for ductile iron pipe and awarded contract to Tiger Construction. Staff will proceed with executing the contract documents.
- 3/31/2015 Wilson is coordinating permits with agencies. DOE general stormwater permit was advertised in Bellingham Herald on 3/22/2015 and 3/30/2015. DOE will issue permit after 30-day comment period on 4/30/2015. County encroachment permits will be ready to pick up soon. County Land Disturbance Permit has been approved but cannot be released until June 1.
- 4/1/2015 Staff and Wilson compiling bonds, insurance, etc for complete set of executed contract documents.

C1405 Strawberry Pt. Sewer PS Improvements

Replace Strawberry Point Sewer Pump Station.

C1405-PH1 Predesign

- 2/4/2014 Staff and RH2 working on scope of work and fee estimate. Scope/fee will be on the 2/12/2014 Board meeting agenda.
- 2/12/2014 Board authorizes phase 1 - predesign work.
- 2/26/2014 Board authorizes a revision to phase 1 not-to-exceed amount.
- 3/6/2014 Signed AE agreements received from consultant. District attorney doing final review. Agreements will then be executed by Patrick.
- 3/6/2014 Staff collecting technical information for RH2 to begin preliminary design.
- 4/2/2014 RH2 reviewing pump station run time data for last couple years. Staff to provide detailed on/off data for selected key dates.
- 5/7/2014 Topographic survey is done. RH2 continuing predesign work.
- 8/5/2014 County pre-application submitted. Waiting to hear back from County on meeting date.
- 8/12/2014 RH2 to meet with District crew to go thru design criteria. Information will be documented in pre-design report which is in progress.
- 9/24/2014 RH2 presents predesign report to Board of Commissioners. Staff and RH2 will continue with project as described in predesign report.
- 10/15/2014 RH2 and District staff meet with County Public Works Roads and Stormwater department heads. Meeting was to coordinate county road/stormwater projects with District's pump station project.
- 10/29/2014 RH2 submits substantial shoreline development permit to county.
- 11/25/2014 As part of the shoreline permitting process, County sent notices out to properties within 1000 feet of project. Written comments are due December 26, 2014.

C1405-PH2 Design

- 12/10/2014 Board of Commissioners authorize GM to execute contract amendment with RH2 for design phase.
- 12/11/2014 Contract amendment executed with RH2 for design phase.
- 1/28/2015 RH2 working thru detailed design, plans and specs with District staff.
- 3/4/2015 Shorelines permit hearing. Hearing examiner will approved the permits. RH2 working on detailed design. 60-percent review plans will be ready 3-18-2015 for staff.
- 3/26/2015 Staff met with RH2 to review 60% plans and specs. RH2 will make some minor revisions and submit preliminary plans to County engineering as part of the right-of-way encroachment permit application. RH2 is proceeding with detailed design with the target of advertising for bids mid-April.

C1407 Lowe Sewer PS VFD

Replace rotophase with VFD.

C1407-ADM

- 1/5/2015 Staff obtaining quotes for VFD's from vendor. District electrician reviewing electrical panel space requirements and proposed VFD dimensions.
- 1/22/2015 VFD's received by District. District crew will install in pump station.

C1412 Admin Building Irrigation System

Install irrigation system at Admin Building.

C1412-ADM

- 4/2/2014 Staff obtaining quotes from landscape companies for installation of irrigation system.

C1501 Water Service Rebuilds

Order brass parts for service rebuilds performed by District crew.

C1501-ADM

C1502 SVWTP Chlorine Analyzer

Purchase new chlorine analyzer for Sudden Valley Water Treatment Plant.

C1502-ADM

C1503 SVWTP Clearwell Overflow

Redirect clearwell emergency overflow piping from backwash tank to daylight.

C1503-ADM

3/26/2015 Staff began topography survey, field measurements, mapping, and research of buried pipe and structures. Design of a solution is in progress.

C1504 Reservoir Site Security

Install site security system as 1 reservoir site. Pilot project to evaluate equipment, configuration, and telemetry options.

C1504-ADM

C1505 Reservoir Condition Assessment

Reservoir condition and seismic assessment. Summarize state of District's reservoirs, evaluate seismic risks, and determine future capital improvements and priorities.

C1505-ADM

C1506 2015 Sewer System Rehab and Replacement

Combines several separate projects into one recurring annual project. The intent is to rehabilitate or replace aging sewer system mains and manholes as well as searching for sources of inflow and infiltration. Work includes smoke testing, manhole and main repairs, etc as deficiencies are found and prioritized.

C1506-ADM

- 3/19/2015 Staff, Wilson, and City of Bellingham met onsite to review project objectives. The manhole located near the entrance of Whatcom Fall park is severely corroded by H2S from the District LLRI outfall. The manole is made of brick and need to be replaced.
- 3/29/2015 District executes task order with Wilson to assist with developing detailed plans and notes for the manhole replacement. District staff will advertise, and contract the work, as well as perform contract administration. Wilson will provide technical assistance/submittal review as needed.
- 3/31/2015 Staff working on a solution to get old-Flat Car sewer pump station going. Flow must be diverted from the LLRI in order to install the new manhole at Whatcom Falls park later this summer.
- 4/1/2015 Wilson proceeding with topo and manhole structure survey and design.

C1506-CON

C1507 SVCA Louise Creek Water Main Relocation

Sudden Valley Community Association is daylighting Louise Creek which is currently piped. A District water main accross the proposed creek alignment and needs to be relocated. Louise Creek work is tentativley schedule for construction in summer 2016.

C1507-ADM

- 2/6/2015 District staff met with Wilson and WA Dept of Fish and Wildlife onsite to discuss SVCA's project to daylight a failing culvert. The District has an existing water main than crosses the proposed creek alignment. More coordination will occur as SVCA works through their design and permitting.



LAKE WHATCOM WATER AND SEWER DISTRICT

AGENDA BILL

DATE SUBMITTED:	March 30, 2015		
TO BOARD OF COMMISSIONERS			
FROM: Patrick Sorensen	MANAGER APPROVAL <i>[Signature]</i>		
MEETING AGENDA DATE:	April 8, 2015		
AGENDA ITEM NUMBER:	5.D.		
SUBJECT:	North Shore Sewer Service Area Discussion Follow -up		
LIST DOCUMENTS PROVIDED ⇒	1. Memorandum from Bob Carmichael		
NUMBER OF PAGES	2.		
INCLUDING AGENDA BILL:	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 March 11, 2015 Commissioner meeting District Legal Counsel Bob Carmichael was asked to provide an analysis regarding the potential for the extension of a sewer line into the North Shore area. The purpose would be to address potential leaking septic systems located between North Shore Road and the shoreline of Lake Whatcom. This is a relatively small area containing approximately 80 to 100 existing homes.

The Board asked legal counsel to prepare a brief analysis of legal approaches that could be followed and their potential benefits and disadvantages. The report was to be brought back for discussion.

FISCAL IMPACT

Not applicable at this time.

RECOMMENDED BOARD ACTION

Background information for discussion.

PROPOSED MOTION

There is no proposed motion.



ROBERT A. CARMICHAEL | Attorney
bob@carmichaelclark.com

MEMORANDUM

TO: Board of Commissioners – Lake Whatcom Water & Sewer District
FROM: Robert A. Carmichael
DATE: March 31, 2015
SUBJECT: Potential for Northshore Sewer Extension

I. BACKGROUND

There may be interest on the Board of Commissioners in exploring the possibility of Lake Whatcom Water and Sewer District ("District") extending its sewer system to serve approximately 80-100 homes at the end of Northshore Road along Lake Whatcom, all of which are presently served by on-site septic systems. Preliminary investigation by legal counsel and staff resulted in a verbal report to the Board at its first meeting in March and a Board request for a follow up memorandum. This memo is meant to comply with that request. It is preliminary in nature and intended to identify potential courses of action in case the District Board chooses to become proactive on this issue. Significant issues associated with how to pay for the potential sewer extension, and the U.L.I.D. process, are not part of the memo.

II. POTENTIAL COURSES OF ACTION

There are two potential legal paths to lawfully extending sewer to the 80-100 homes at the end of Northshore Road:

- (1) Designation by Whatcom County of the area as a Limited Area of More Intense Rural Development ("LAMIRD"); or
- (2) Conditional Use Permit Approval for the extension.

The principal purpose of this memorandum is to outline the applicable laws and steps necessary under each potential legal path. Analysis of the potential for success requires development of factual information to determine if the necessary legal criteria will likely be met. Such work is beyond the scope of this memorandum.

Before discussing each option in turn, limitations on sewer extensions arising from the Growth Management Act (Chapter 36.70A RCW or "GMA") should be briefly examined.

III. LIMITATIONS ON SEWER EXTENSIONS IN GMA

The GMA limits the extension of sewers into rural areas. RCW 36.70A.110(4) provides in part:

In general, it is not appropriate that urban governmental services be extended to or expanded in rural areas except in those limited circumstances shown to be necessary to protect basic public health and safety and the environment and when such services are financially supportable at rural densities and do not permit urban development.

RCW 36.70A.110(4). The foregoing provision has been generally interpreted to preclude extension of sewers outside of designated Urban Growth Areas ("UGAs") unless the extension is demonstrated as necessary to protect public health and safety. *Thurston County v. Cooper Point Association, et al.*, 148 Wn. 2d 1, 17-18, 57 P. 3rd 1156 (2002). Therefore, one path available for extending sewers to the end of Northshore Road is to factually demonstrate that such extension is necessary to protect public health and safety. This will likely require either evidence of failing septic systems, or evidence that septic systems pose inherent health and safety risks when located along the shores of an impaired water body which supplies municipal drinking water.

Sewers may also be extended to serve limited areas of more intense rural development ("LAMIRDs") as a permitted use under certain circumstances. WCC 20.82.030(4). Public services and public facilities like sewers are allowed in LAMIRDs so long as they are provided "in a manner that does not permit low-density sprawl." RCW 36.70A.070(5)(d)(iv). A sewer extension serving a LAMIRD as a permitted use must also be consistent with an approved sewer comprehensive plan and the County Comprehensive Plan. LAMIRDs are designated by the County in its Comprehensive Plan and referred to therein as Rural Communities. Strict statutory criteria and County Comprehensive Plan criteria must be satisfied for an area to qualify for LAMIRD designation.

The 80-100 homes at the end of Northshore Road along Lake Whatcom presently served by septic systems are located in a rural area with Rural 5 Acre ("R-5A") zoning. Therefore, the two potential legal pathways for extending sewer services to serve these homes is: (1) have the area designated as a LAMIRD; or (2) obtain a Conditional Use Permit showing that the extension is necessary to protect public health and safety and the environment.

IV. TEXT AMENDMENT NECESSARY TO COUNTY COMPREHENSIVE PLAN

Current County Comprehensive Plan Policy 2T-2 is unnecessarily restrictive on the extension of sewers and if not amended could result in denial of a conditional use permit for a sewer extension even when necessary to protect the public health and safety and environment. This same current policy is also inconsistent with allowing sewers in a LAMIRD, despite other language in the County Comprehensive Plan and Zoning Code authorizing sewers in LAMIRDs.

Current **Policy 2T-2** categorically prohibits sewers outside a Short Term Planning Area. Under current **Goal 2T** of the County Comprehensive Plan, Short Term Planning Areas are to be established, outside of which urban levels of development will not occur. **WCCP Goal 2T**. Short Term Planning Areas are overlay designations within UGAs. The first bullet point under current **Policy 2T-2** states: "No sewer shall be extended outside a Short Term Planning Area." Of course, the potential area for a Northshore sewer extension is not located in a Short Term Planning Area or even in a UGA. Therefore, unless current **Policy 2T-2** is changed, no Northshore sewer extension is possible under the current County Comprehensive Plan.

The restriction on sewers in current **Policy 2T-2** makes no allowance for sewer extensions when necessary to protect the public health and safety and the environment, as allowed by RCW 36.70A.110(4) and Whatcom County Comprehensive Plan **Policies 2EE-4, 5T-1, and 5T-2**. The current restriction is also inconsistent with allowing sewer extensions in LAMIRDs as otherwise authorized by the County Zoning Code (WCC 20.82.030(4)) and County Comprehensive Plan **Policies 2EE-4, 5T-1, 5T-2, and 5T-3**. Due to these inconsistencies with GMA and with other provisions in the County's own Zoning Code and Comprehensive Plan, a strong case can be made for amendment of current **Policy 2T-2** to eliminate the current categorical prohibition on extending sewers outside of Short Term Planning Areas.

Important Recent Development: Fortunately, a very timely County process is underway right now before the Planning Commission to amend most of current **Goal 2T** and **Policy 2T**, including striking the portion of **Policy 2T-2** which currently prohibits sewer extensions outside Short Term Planning Areas. This is a byproduct of the County eliminating the distinction between Short Term and Long Term Planning Areas within UGAs, so it is part of a much bigger proposed change in the County Comprehensive Plan. If the proposed text amendments to the County Comprehensive Plan before the Planning Commission are ultimately adopted by the Council, which is very likely, then there will be no need for the Lake Whatcom Water & Sewer District to propose a text amendment to the County Comprehensive Plan **Policy 2T-2** prior to pursuing the two legal pathways discussed below.¹ The balance of this memorandum is written under the assumption that the prohibition on sewer extensions outside Short Term Planning Areas under current **Policy 2T-2** will soon be eliminated.

V. PATH 1: ESTABLISH A LAMIRD TO ACCOMMODATE NORTHSORE SEWER EXTENSION

Sewer extensions in residential LAMIRDs which are in conformance with a state approved sewer comprehensive plan and consistent with the Whatcom County Comprehensive Plan are "permitted outright" under the County Zoning Code. WCC 20.82.030(4). A Comprehensive Plan

¹ It is still possible and perhaps desirable for additional County Comprehensive Plan text amendments more specific to the problem of septic systems along Lake Whatcom to express a policy level desire to eliminate septic systems along the Lake. If the District decides to move forward, additional thought may be given to proposing potential new County Comprehensive Plan policies specifically directed at protecting Lake Whatcom water quality from impairment from septic systems. But this is not necessary to pursue the two potential paths outlined herein.

amendment for a LAMIRD designation must be filed with the County. Such applications are due on or before December 31st for consideration in the following year. WCC 2.160.040(C). So, for consideration in 2016, an application must be filed on or before December 31, 2015. Then in the following year, the County Council will decide if it chooses to “docket” the application for processing. It is not required to do so. But if the County Council believes a proposed LAMIRD should be considered, it will be approved for processing. Thereafter, it will be reviewed by the Planning Department which will perform SEPA review, prepare a staff report, and schedule the matter for a public hearing before the County Planning Commission. The Planning Commission will make a recommendation on the application to the County Council and the County Council will make a final decision. The County Council may or may not have its own public hearing on the application. Given that the County is working toward meeting a June 2016 deadline for its Comprehensive Plan update, it is likely that consideration of a new LAMIRD would not take place until the latter half of 2016 at the earliest.

To prepare the application for a residential LAMIRD designation, the proposed boundaries must be carefully drawn with LAMIRD criteria in mind. The criteria that must be satisfied for a residential LAMIRD designation is set forth in RCW 36.70A.070(5)(d)(iv) and (v). The statutory criteria provides:

(iv) A county shall adopt measures to minimize and contain the existing areas or uses of more intensive rural development, as appropriate, authorized under this subsection. Lands included in such existing areas or uses shall not extend beyond the logical outer boundary of the existing area or use, thereby allowing a new pattern of low-density sprawl. Existing areas are those that are clearly identifiable and contained and where there is a logical boundary delineated predominately by the built environment, but that may also include undeveloped lands if limited as provided in this subsection. The county shall establish the logical outer boundary of an area of more intensive rural development. In establishing the logical outer boundary, the county shall address (A) the need to preserve the character of existing natural neighborhoods and communities, (B) physical boundaries, such as bodies of water, streets and highways, and land forms and contours, (C) the prevention of abnormally irregular boundaries, and (D) the ability to provide public facilities and public services in a manner that does not permit low-density sprawl;

(v) For purposes of (d) of this subsection, an existing area or existing use is one that was in existence:

(A) On July 1, 1990, in a county that was initially required to plan under all of the provisions of this chapter;

RCW 36.70A.070(5)(d)(iv) and (v). Following the state statute, the County also has LAMIRD designation criteria. County Comprehensive Plan **Policy 2HH-1**. Key mandatory criteria for land considered for Rural Community LAMIRD designation under the County Comprehensive Plan are:

- That the land was characterized by existing development more intensive than surrounding rural areas as of July 1, 1990; and
- That the land is not currently designated by the Comprehensive Plan as UGA or Resource Lands.

County Comprehensive Plan Policy 2HH-1.A.

The County Comprehensive Plan also contains the following additional locational criteria to consider for evaluation in combination, all of which need not apply.

- The existing (1990) residential built environment was more intensively developed than surrounding areas;
- Public services are available to serve potential infill, such as adequate potable water and fire protection, transportation facilities, sewage disposal and stormwater control;
- The area is planned for more intensive development in a post-GMA plan;
- Existing zoning prior to LAMIRD designation, except zoning may not be a sole basis for designation.

County Comprehensive Plan Policy 2HH-1.B.

If an area satisfies the above LAMIRD criteria in **Policy 2HH-1.A** and generally conforms to one or more of the criteria in **Policy 2HH-1.B** above, then the outer boundary criteria set forth in **Policy 2HH-1.C** will be used to determine the boundaries. The outer boundary "must minimize and contain areas of intensive development and be delineated predominately by the built environment" and shall include:

- Areas that were intensively developed and characterized by the built environment (including water lines and other utility lines with capacity to serve areas of more intensive uses) on July 1, 1990;
- Areas that on July 1, 1990, were not intensively developed may be included within Rural Community boundaries if they meet any of the following conditions:
 - Including area helps preserve character of existing built neighborhood
 - Including area allows the logical outer boundary to follow a physical boundary such as bodies of water, streets and highways, and land forms and contours
 - Including the area prevents logical outer boundary from being abnormally irregular
 - Including the area is consistent with efficient provision of public facilities and services in a manner that does not permit low-density sprawl

- Including area does not create a new pattern of low-density sprawl.

County Comprehensive Plan **Policy 2HH-1.C**

Based on the foregoing, support for a LAMIRD designation for the Northshore area requires identifying the existing built environment as of 1990 and determining a logical outer boundary per the above criteria. Assessor's office records and aerial photographs may be used. Limiting connection to sewer to assure it does not promote sprawl will likely be required with any LAMIRD.

Appeals: An appeal of a LAMIRD designation by the County Council is made to the Growth Management Hearings Board. Any appeal from a Growth Management Hearings Board decision is made to Superior Court. From there to Court of Appeals Division 1 in Seattle. And discretionary review is possible from there by the State Supreme Court.

VI. PATH 2: OBTAIN CONDITIONAL USE PERMIT

New sewer extensions outside a UGA and LAMIRD are authorized in WCC 20.82.030(4) by conditional use permit. WCC 20.82.030(4) provides in part that "Sewer lines shall not be extended to serve lots in rural areas unless such extensions are shown to be necessary to protect basic public health and safety and the environment, and when such services are financially supportable at rural densities and do not permit urban development." Therefore, to make the case for a sewer extension at Northshore Road the District must produce evidence showing that the above standards are met.

In addition, the general conditional use permit criteria of the County must also be satisfied. WCC 20.84.220. One particular criteria is that the proposal "(1) Will be harmonious and in accordance with the general and specific objectives of Whatcom County's Comprehensive Plan and zoning regulations." WCC 20.84.220(1). It is to meet this criteria that **Policy 2T-2** must be amended to remove the categorical prohibition on sewers outside Short Term Planning Areas. But based on the Comprehensive Plan text amendments currently being considered by the Planning Commission, it is highly likely that this prohibition on sewers in **Policy 2T-2** will be removed in the near future.

Obtaining a conditional use permit requires filing a conditional use permit application with Whatcom County, County SEPA review, production of a staff report, and a public hearing before the County Hearing Examiner. The application can be filed at any time that the District believes it has the evidence at hand to make its case. If all criteria are met, the Hearing Examiner must grant approval. Usually conditions are attached to any approval.

To obtain a Northshore sewer extension conditional use permit, it will be vital to produce evidence that pollution from existing septic systems is reaching the Lake or at least that existing septic systems at their present locations and numbers generate a significant risk of producing a

public health problem. *Thurston County v. Cooper Point Association, et al.*, 148 Wn. 2d 1, 17-18. Supporting testimony from Department of Ecology would be extremely helpful, as would other expert testimony. Conditions on any approval will likely also require restrictions on connection to the sewer by new subdivisions, but it is premature to speculate on the nature of the restriction likely required.

In the event a preponderance of the evidence before the Hearing Examiner demonstrates that the specific and general criteria for a conditional use permit are met, the Hearing Examiner may grant approval and the extension may be completed.

Appeals: Appeals of a conditional use permit approval or denial are heard on the record by the County Council. Any appeal of the decision of the County Council is by Land Use Petition Act ("LUPA") Petition, filed under Chapter RCW 36.70C., directly to Superior Court, again on the record. Appeals from Superior Court go to the Court of Appeals, Division 1 in Seattle. Any review from there is to the State Supreme Court.

VII. POTENTIAL NEXT STEPS IN PROCESS (no set order)

1. Feasibility review to determine evidence needed to support each path/strength of case.
2. Feasibility review to determine how to pay for extension.
3. Meet with elected officials from County and City to gauge level of potential support.
4. Meet with staff from County, City, and Department of Ecology to discuss best path forward.
5. Work with County staff on bringing proposal forward.



LAKE WHATCOM WATER AND SEWER DISTRICT

AGENDA BILL

DATE SUBMITTED:	March 30, 2015		
TO BOARD OF COMMISSIONERS			
FROM: Patrick Sorensen	MANAGER APPROVAL <i>Patrick Sorensen</i>		
MEETING AGENDA DATE:	April 8, 2015		
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

April 8, 2015

Board Meeting

Important Upcoming Dates:

- **Meetings Associated with the Lake Whatcom Management Program:**
 - **Policy Group Meeting:** The next meeting is set for **April, 13, 2015 at 2:30 p.m.** in the City of Bellingham's Fireplace Meeting Room located in the bottom floor of the Municipal Court Building next to the City's Information Technology Office at 625 Halleck Street. Remember, all Policy Group Meetings are publicly noticed by the District.
 - **Annual Lake Whatcom Joint Councils/Commission Meeting:** Will be held on **Wednesday, April 22, 2015 at 6:30 p.m.** in the City Council Chambers.
 - **Management Meeting:** The date for the next meeting with the Mayor and County Executive has not been set at this time.
- **Next Regular Board Meeting:** The next regular meeting is scheduled for **Wednesday, April 29, 2015 at 8:00 a.m.**
- **Employee Staff Meeting:** The next staff meeting is set for **Thursday, April 9, 2015 at 8:00 a.m.** in the Board Room. Commissioner Millar is scheduled to attend this meeting. Scheduling is rotated by alphabetical order each month.
- **Employee Safety Committee Meeting:** The next meeting will be held on **Thursday, April 9, 2015** following the Employee Staff Meeting. The meeting will be held in the District's Conference Room.
- **Washington Association of Sewer & Water Districts Section III Meeting:** The upcoming Section III meeting will be held on **Thursday, April 16, 2015 at 7:00 a.m.** held at the WASWD 2015 Spring Conference & Trade Show at the Yakima Convention Center. The room location will be posted in the Convention Center. All WASWD Section III Meetings are publicly noticed by the District.
- **Whatcom Water District's Caucus Meeting:** The Caucus meeting is tentatively set for **April 15, 2015.** This date is the afternoon before the WASWD Spring Conference begins in Yakima and is subject to change. This meeting is typically held at 1:00 p.m. on the third Wednesday of the 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.