



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

REGULAR MEETING
OF THE BOARD OF COMMISSIONERS

AGENDA

March 30, 2016

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. Washington State Department of Health Award
 - B. Resolution 824 – Updating the District's Credit Card Usage Policy
 - C. Resolution 825 – Establishing a Rate Setting Policy
 - D. Resolution 826 – Establishing a Capital Improvement Plan Policy
 - E. Strawberry Point Pump Station Improvements Project – Engineering Agreement Amendment
 - F. North Shore Water Quality Sampling RFP
 - G. Cascadia Earthquake Drill – Staff Presentation
6. OTHER BUSINESS
7. MANAGER'S REPORT
8. PUBLIC COMMENT OPPORTUNITY
9. ADJOURNMENT



LAKE WHATCOM WATER AND SEWER DISTRICT

AGENDA BILL

DATE SUBMITTED:	March 22, 2016		
TO BOARD OF COMMISSIONERS			
FROM: Patrick Sorensen	MANAGER APPROVAL <i>Patrick Sorensen / LE</i>		
MEETING AGENDA DATE:	March 30, 2016		
AGENDA ITEM NUMBER:	5.A.		
SUBJECT:	Washington State Department of Health Award		
LIST DOCUMENTS PROVIDED ⇒ NUMBER OF PAGES INCLUDING AGENDA BILL:	1. 2. 3.		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input type="checkbox"/>	INFORMATIONAL/ OTHER <input checked="" type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

Representatives from the Washington State Department of Health will be presenting the District with an award for the Sudden Valley Water Treatment Plant. Water Treatment Plant Operator Kevin Cook will be present to accept the award on behalf of the District.

FISCAL IMPACT

None

RECOMMENDED BOARD ACTION

Listen to the presentation.

PROPOSED MOTION

No motion necessary.



LAKE WHATCOM WATER AND SEWER DISTRICT

AGENDA BILL

DATE SUBMITTED:	March 22, 2016		
TO BOARD OF COMMISSIONERS			
FROM: Patrick Sorensen	MANAGER APPROVAL <u>Patrick Sorensen/LE</u>		
MEETING AGENDA DATE:	March 30, 2016		
AGENDA ITEM NUMBER:	5.B.		
SUBJECT:	Resolution 824 - Updating the District's Credit Card Usage Policy		
LIST DOCUMENTS PROVIDED ➡ NUMBER OF PAGES INCLUDING AGENDA BILL: _____	1. Resolution 824		
	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

The District's Credit Card Usage Policy is being updated to reflect new credit cards issued by US Bank. (The District formerly had credit cards issued by Bank of America; this account has been closed).

FISCAL IMPACT

None

RECOMMENDED BOARD ACTION

Discuss/consider the credit card usage policy.

PROPOSED MOTION

To adopt Resolution 824 Updating the District's Credit Card Usage Policy.

LAKE WHATCOM WATER AND SEWER DISTRICT

RESOLUTION No 824

**A Resolution of the Board of Commissioners
Updating the District's Credit Card Usage Policy and
Rescinding Resolution 814**

WHEREAS, RCW 43.09.2855, states that "special Purpose districts... are authorized to use credit cards for official government purchases and acquisitions," and,

WHEREAS, RCW 42.24.115, states that "any municipal corporation or political subdivision may provide for the issuance of charge cards to officers and employees for the purpose of covering expenses incident to authorized travel," and,

WHEREAS, US Bank has agreed to provide the District with credit cards for the purpose of purchases and travel expenses; and,

NOW, THEREFORE, BE IT RESOLVED THAT: The District may purchase goods, services, and pay travel expenses using a credit card, subject to the following conditions:

1. The credit limit for the card shall be \$3,000.00
2. The credit card may be used for the purchase of items or travel expenses approved in the current fiscal year budget, and for no other purpose.
3. Cash advances on any District credit card are prohibited.
4. There shall be six credit cards. A credit card user agreement (Exhibit A) shall be kept on file for each of the following:
 - a) For the: General Manager
 - b) For the: Finance Manager
 - c) For the: Assistant General Manager
 - d) For the: Maintenance Supervisor
 - e) Two cards for staff will be dispersed by the Finance Manager for short term use.

ADOPTED by the Board of Commissioners of Lake Whatcom Water and Sewer District, Whatcom County, Washington, at a Regular Meeting thereof, on the 30th day of March, 2016.

Laura Weide, President

Todd Citron, Secretary

John W. Millar, Commissioner

Curtis J. Casey, Commissioner

Bruce R. Ford, Commissioner

Approved as to form:

Robert A. Carmichael, Attorney for District

EXHIBIT A

CREDIT CARD USER AGREEMENT

I, _____, as an employee of Lake Whatcom Water and Sewer District accept personal responsibility for the safeguard and proper use of the District credit card (ending in the last 4 digits) of # _____ which has been assigned to me for use in the performance of my job, in accordance with the terms outlined below.

Credit cards are to be used solely for travel related business expenses (within and outside the District), and conference/class registrations.

Credit cards may be used for purchasing department supplies up to \$3,000.00 with prior approval by the assigned card holder's Department Head.

I have read and understand the credit card policies and procedures as set out in Resolution 824.

I understand that each time I use, or authorize the use thereof, that I am adhering to the following statement:

"I hereby certify under penalty of perjury that this is a true and correct claim for necessary expenditures incurred by me and that no payment has been received by me on account thereof."

I understand that I will be held personally liable for inappropriate charges I incur to the District credit card, and payment for any such inappropriate charges is hereby authorized to be withheld from my paycheck.

I will safeguard use of the issued credit card and use appropriate security whenever and wherever I use the card. If my card is lost or stolen, I agree to immediately notify the District's Finance Manager who will notify US Bank as soon as practicable.

The undersigned individual has read and understands the above statements.

Employee

Date



LAKE WHATCOM WATER AND SEWER DISTRICT

AGENDA BILL

DATE SUBMITTED:	March 22, 2016		
TO BOARD OF COMMISSIONERS			
FROM: Patrick Sorensen	MANAGER APPROVAL <i>Patrick Sorensen/LE</i>		
MEETING AGENDA DATE:	March 30, 2016		
AGENDA ITEM NUMBER:	5.C.		
SUBJECT:	Resolution 825-Establishing a Rate Setting Policy		
LIST DOCUMENTS PROVIDED ⇒ NUMBER OF PAGES INCLUDING AGENDA BILL: _____	1. Resolution 825		
	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

The District has historically contracted with a rate consultant to do periodic rate studies. Staff is proposing to formalize the District's Rate Setting Policy through the adoption of Resolution 825. This policy will then be added to the District's Administrative Code which will be included with the bond refinancing paperwork.

FISCAL IMPACT

None

RECOMMENDED BOARD ACTION

Discuss/consider Resolution 825.

PROPOSED MOTION

To adopt Resolution 825 Establishing a Rate Setting Policy.

LAKE WHATCOM WATER AND SEWER DISTRICT

RESOLUTION No 825

A Resolution of the Board of Commissioners Establishing a Rate Setting Policy

WHEREAS, the District's Rates and Charges are based upon the cost of service and are designed to provide for the prudent financial management of the District, and

WHEREAS, when setting the rates, the District's Board of Commissioners not only have to be sure that there will be enough money to pay for the day to day operations of the District but also to cover future infrastructure upgrades, repairs and replacements, and

WHEREAS, since rate setting is such a complex issue, the District has periodic rate studies done by a rate consultant, and

WHEREAS, in 2003 the District's Board of Commissioners implemented a policy of increasing the District's rates in small increments on an annual basis, and

WHEREAS, when setting rates, it is important to use a methodology that is "generally accepted" in the financial and rate setting community as well as the water and sewer industry.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. **Financial Stability**: The financial stability of the District also provides rate stability. Rate stability reinforces that costs are being managed and controlled. To the extent the District is able to control and predict its annual operating costs including wholesale rate increases, the District should attempt to keep customer rates and/or rate increases as stable as possible.
2. **Revenue Requirements Analysis**: Revenue requirements will be established on a "cash basis" approach. The "cash basis" approach includes operation and maintenance expenses, debt service and capital improvements funded from rates. The revenue requirements, as defined herein, are the basic components. Revenue requirements should also include any other cost items requiring funding or needed to operate the District on a financially stable basis. At a minimum, revenues and costs will be projected for a five-year projected test period. Costs associated with mandated program requirements will be identified and included within the "cash basis" approach.
3. **Cost of Service Analysis**: A cost of service study will be utilized to assist in establishing appropriate rates for individual customer classes. The cost allocation methodology will utilize techniques that are "generally accepted" by the industry. The cost of service will consider the specific circumstances and unique characteristics of the District.
4. **Rate Design Analysis**: Rate designs will be reflective of District needs and also reflect the specific goals and objectives of the District. Meeting District goals at a

reasonable cost to the customer should also be an important consideration in utility rate design. Rates will recognize and attempt to incorporate a fixed charge for the up-front fixed costs associated with serving customers and a usage or volumetric charge that attempts to recover the variable costs of operating the District. Rates will be set at a level that recovers necessary costs, but flexible enough to accomplish the District's objectives. Rates should be designed to be equitable, and detailed to a sufficient level to reflect the service provided.

5. **Rate Stability:** The District reviews rates on an annual basis to assure that they provide sufficient revenues. The rates are reviewed in the context of these policies to assure that they are adequately funding the District. Small annual rate adjustments are preferable when compared to large single adjustments for multi-year periods. Annual rate reviews will consider a five-year projected period to attempt to stabilize and minimize rates over time.
6. **Rate Impacts:** District rates are the primary communication the District has with its customers. Whenever possible, the District's rates should be easy to understand, stable from year-to-year and should minimize the overall impacts to customers. Rates will be structured to promote understanding by the District's customers. In establishing rates, the District will balance the needs of the District and the policies established therein, with the varying impacts those rates may have on District customers.

ADOPTED by the Board of Commissioners of Lake Whatcom Water and Sewer District, Whatcom County, Washington, at a Regular Meeting thereof, on the 30th day of March, 2016.

Laura Weide, President

Todd Citron, Secretary

John W. Millar, Commissioner

Bruce R. Ford, Commissioner

Curtis J. Casey, Commissioner

Approved as to form:

Robert A. Carmichael, Attorney for District



LAKE WHATCOM WATER AND SEWER DISTRICT

AGENDA BILL

DATE SUBMITTED:	March 22, 2016		
TO BOARD OF COMMISSIONERS			
FROM: Patrick Sorensen	MANAGER APPROVAL <u>Patrick Sorensen / L6</u>		
MEETING AGENDA DATE:	March 30, 2016		
AGENDA ITEM NUMBER:	5.D.		
SUBJECT:	Resolution 826 – Establishing a Capital Improvement Plan Policy		
LIST DOCUMENTS PROVIDED ⇒ NUMBER OF PAGES INCLUDING AGENDA BILL: _____	1. Resolution 826		
	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

Resolution 826 establishes a Capital Improvement Plan Policy. The policy will then be added to the Administrative Code which will be included with the bond refinancing paperwork.

FISCAL IMPACT

None

RECOMMENDED BOARD ACTION

Discuss/consider Resolution 826.

PROPOSED MOTION

To adopt Resolution 826 Establishing a Capital Improvement Plan Policy.

LAKE WHATCOM WATER AND SEWER DISTRICT

DRAFT

RESOLUTION No 826

**A Resolution of the Board of Commissioners
Establishing a Capital Improvement Plan Policy**

WHEREAS, the District has established as a primary fiscal responsibility the preservation, maintenance and future improvement of the District's capital facilities, equipment and assets and,

WHEREAS, proper planning and implementation of sound capital policies and programs assist the District in avoiding fiscal emergencies and unplanned capital costs in the future and,

WHEREAS, a comprehensive multi-year Capital Improvement Plan for water and sewer facilities is updated annually and,

NOW, THEREFORE, BE IT RESOLVED THAT:

1. All projects included in the Capital Improvement Plan shall be consistent with the District's Water and Sewer Comprehensive Plans.
2. The Board will review on an annual basis and establish criteria against which capital proposals should be measured. Included among the factors which will be considered for priority ranking are the following:
 - Projects which have a positive impact on the operating budget through reduced costs or increased revenues.
 - Projects which are scheduled in the Capital Improvement Plan.
 - Projects which can be realistically accomplished during the year that they are scheduled.
 - Projects that implement previous Board-approved reports and strategies.
 - Renewal and replacement schedule projects.
3. Proposed Capital projects should include cost estimates that are complete, reliable and attainable. Project cost estimates for the Capital Improvement Plan shall be based upon a thorough analysis of the project and are expected to be as reliable as the level of detail known about the project.
4. Financial analysis of funding sources will be conducted for all proposed capital improvement projects, in addition to listing the total project costs.
5. The Annual Capital Budget shall include only those projects which can reasonably be accomplished in the time frame indicated.
6. The District will project its equipment needs and will update these projections annually. From this projection, a maintenance and replacement schedule will be developed and followed. The intent of the maintenance program shall be to maintain

all assets at an adequate level in order to protect the District's capital investment and to minimize future maintenance and replacement costs; customer's expected level of service and the protection of Lake Whatcom should also be considered.

7. Although the District will generally finance projects on a "pay-as-you-go" basis, the Board may conclude that the most equitable way of funding a project that benefits the entire community will be debt financing in order to provide capital improvements or services in a timely manner.
8. New private community development including residential and commercial projects shall pay for its fair share of the capital improvements that are necessary to serve the development in the form of capital facilities charges.
9. Project proposals should indicate the project's impact on the operating budget including, but not limited to, long-term maintenance costs necessary to support the improvement.
10. Capital projects that are not completed during the fiscal year shall be re-budgeted to be carried over to the next fiscal year. All re-budgeted capital projects should be so noted in the adopted Capital Budget.
11. Capital projects will not be budgeted unless there are reasonable expectations that revenues will be available to pay for them and subsequently fund their operations and services associated therewith.
12. Projects that involve intergovernmental cooperation in planning and funding should be established by an agreement that sets forth the basic responsibilities of the parties involved.
13. A comprehensive inventory of all capital assets shall be conducted and maintained to include estimates of actual value, replacement cost and remaining useful life.
14. Capital projects shall be financed to the greatest extent possible through user fees when direct benefit to users results from the construction of the project.
15. In conjunction with establishing or planning its capital program, the District maintains a six year capital-financing plan that supports execution of that program and is capable of sustaining long-term District capital requirements. The capital program incorporates system expansion, upgrades and improvements, and system repair and replacement. The intention is to establish an integrated capital funding strategy.
16. Comprehensive Plans for the District are completed or updated every six years as required by Chapter 57.16 RCW and applicable state regulations, using a 20-year planning horizon. For budgeting purposes, the District maintains a capital projects schedule, the Capital Improvement Plan of at least six years in duration and consistent with the comprehensive long-range plans for the system. The schedule will include the project description, estimated year of construction and total estimated cost. During the periodic rate study review various funding sources are

identified as well as estimated capital fund balances, in an effort to identify a potential funding shortfall.

17. The District works to pursue a reasonable capital improvement program through careful balance of pay-as-you-go capital projects and debt financing.
18. District Capital Facilities Charge (CFC) revenue is revenue received from new customers connecting to the water and sewer systems and on expanded development(s). The District reviews and adjusts, if appropriate, the CFC as needed.
19. The District utilizes revenue bonds, Public Works Trust Fund loans, and State Revolving Fund (SRF) loans to assist in Capital Funding whenever necessary. Each capital project that may be funded by a loan is evaluated within the context of the District's capital improvement program and the capital budget. Alternative financing sources are always considered. The District will not issue or accept long-term debt to finance current operations.

ADOPTED by the Board of Commissioners of Lake Whatcom Water and Sewer District, Whatcom County, Washington, at a Regular Meeting thereof, on the 30th day of March, 2016.

Laura Weide, President

Todd Citron, Secretary

John W. Millar, Commissioner

Bruce R. Ford, Commissioner

Curtis J. Casey, Commissioner

Approved as to form:

Robert A. Carmichael, Attorney for District



LAKE WHATCOM WATER AND SEWER DISTRICT

AGENDA BILL

DATE SUBMITTED:	March 22, 2016		
TO BOARD OF COMMISSIONERS			
FROM: Bill Hunter	MANAGER APPROVAL <u>B.H.</u>		
MEETING AGENDA DATE:	March 30, 2016		
AGENDA ITEM NUMBER:	5.E.		
SUBJECT:	Strawberry Point Pump Station Improvements Project – Engineering Agreement Amendment		
LIST DOCUMENTS PROVIDED ⇒ NUMBER OF PAGES INCLUDING AGENDA BILL: _____	1.		
	2.		
	3.		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input checked="" type="checkbox"/>	INFORMATIONAL/ OTHER <input type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

RH2 Engineering has finished their Phase 3 Scope of Work. Phase 3 included Re-Design and Re-Bidding the project to lower construction costs.

Staff is working with RH2 to develop an agreement amendment to add "Phase 4 – Services During Construction" which includes Construction Contract Administration, Submittal Review, Inspection, Testing and Startup, SCADA Programming, and Record Drawings.

The scope of work and fee estimate are in development were not ready in time to publish in the packets.

Staff is anticipating the scope of work and fee estimate will be ready to present at the meeting.

FISCAL IMPACT

The District's 2016 budget includes \$452,498.20 for construction related costs that include Services During Construction (RH2 Phase 4), Geotechnical Testing (MTC, Inc), and Construction (Tiger Construction).

Design and bidding (Finished):

Predesign (RH2 Phase 1)	\$103,411.00
Design, Bidding (RH2 Phase 2)	\$95,169.00
<u>Redesign, Rebid (RH2 Phase 3)</u>	<u>\$27,006.00</u>
Subtotal	\$225,586.00

Construction (2016 Approved Budget includes \$452,498.20):

Services During Construction (RH2 Phase 4)	\$ (in development)
Geotechnical Testing (MTC, Inc.)	\$2,000.00
<u>Construction Contract – (Tiger Construction)</u>	<u>\$399,323.40</u>
Subtotal Construction (including tax)	(to be presented at meeting)

RECOMMENDED BOARD ACTION

See proposed motion.

PROPOSED MOTION

Authorize the General Manager to execute an Amendment to RH2 Engineering's Architectural/Engineering Agreement to include Phase 4 - Services During Construction based on time and materials not to exceed \$_____



LAKE WHATCOM WATER AND SEWER DISTRICT

AGENDA BILL

DATE SUBMITTED:	March 22, 2016		
TO BOARD OF COMMISSIONERS			
FROM: Patrick Sorensen	MANAGER APPROVAL <i>Patrick Sorensen</i> 2/25/2016		
MEETING AGENDA DATE:	March 30, 2016		
AGENDA ITEM NUMBER:	5.F.		
SUBJECT:	North Shore Water Quality Testing RFP		
LIST DOCUMENTS PROVIDED ⇒ NUMBER OF PAGES INCLUDING AGENDA BILL: _____	1. Draft Request for Proposals (RFP)		
	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

As requested by the Board, attached is the draft Request for Proposals for the North Shore area water quality testing program. The reason for the water quality testing program in this particular area of the lake is to either prove or disprove that the septic systems in the area are leaching into the lake thereby causing water quality concerns.

FISCAL IMPACT

Unknown at this time.

RECOMMENDED BOARD ACTION

Review/discuss/provide comments on the draft Request for Proposals

PROPOSED MOTION

No motion needed at this time.

**REQUEST FOR PROPOSALS
LAKE WHATCOM NORTH SHORE WATER QUALITY TESTING**

I. INTRODUCTION

1. This Request for Proposals (“RFP”) outlines the information necessary to understand the consultant selection process and the required documentation a Proposer must submit. After reviewing this RFP, any firm that determines it has the necessary expertise, experience and staffing to successfully perform the required services may submit its Submittal addressing the items set forth herein. A general overview of the selection process is as follows:
 - A. Proposers shall deliver the Submittal to the District no later than 4:00 p.m. on [[[Date to be Determined]]], after which time they will be reviewed and evaluated. The submittal shall be delivered to:

**Attn: Patrick Sorensen
Lake Whatcom Water and Sewer District
1220 Lakeway Drive
Bellingham, WA 98229**
 - B. Lake Whatcom Water and Sewer District, hereinafter referred to as the District, may at its option, contact a Proposer and ask clarifying questions concerning the Proposer’s Submittal.
 - C. At the District’s option, the District may conduct interviews with Proposers qualifying as finalists.
2. The purpose of this RFP is to obtain a qualified consultant to develop a water quality sampling, testing, and analytical plan to determine if onsite sewage systems along the end of Northshore Road are contributing to the pollution of Lake Whatcom.

Lake Whatcom is the surface water supply for the District’s water treatment plant located in Sudden Valley that currently serves a population of nearly 10,000 people. Lake Whatcom is also the drinking water source for a number of residences that draw directly from the lake as well as the City of Bellingham which serves a population of more than 80,000.

The US Environmental Protection Agency and the Washington State Department of Ecology has determined that the water quality of Lake Whatcom has become polluted to the point where action must be taken. The City of Bellingham is working with Whatcom County to sample and analyze certain areas of Lake Whatcom and incoming streams. The District is a partner with the

City of Bellingham and Whatcom County through inter-local agreements. However, there currently are no known efforts to sample and analyze the North Shore area of Lake Whatcom to investigate possible impacts from onsite sewage systems leaching into the lake.

The District has concerns that the onsite sewage systems along the North Shore of Lake Whatcom could be contributing to coliform and phosphorus pollution problems, as well as adding pharmaceutical and other man-made compounds to the lake. The leachate of onsite sewage system drain fields contain high levels of phosphorous and coliform bacteria (the main contaminants contributing to the pollution of Lake Whatcom). Leachate also contains man-made compounds found in all detergents called “Optical Brighteners”. These compounds might be detectable and be an indicator of leachate entering the lake.

The District intends to select the most qualified firm for the Project.

The anticipated scope of work is divided into two phases:

Phase 1 – Develop Sampling, Testing, and Analytical Plan

Phase 1 includes the development of a plan to determine if onsite sewage system leachate is a source of coliform and phosphorus pollution. Work includes:

- A cursory review of recent and current sampling, testing, and analyses done by others to understand how this Plan could supplement existing efforts and avoid duplication of work.
- Research and evaluate investigations done around the nation (and world) that could be a model for this Plan.
- Outline a sampling and testing plan that could determine if onsite sewage systems are a source of pollution. The Proposer is encouraged to propose sampling and analytical methods that would aid in the determination.
- Outline the analytical and statistical steps to evaluate the data and the confidence level of conclusions that could result.
- Provide a cost estimate and preliminary schedule to implement the Plan.
- Attend a workshop with the District Board of Commissioners to summarize preliminary research and coordinate completion of the written Plan.
- Present the draft Plan and the final Plan to the District Board of Commissioners.
- Attend a public meeting to present the final Plan to the Lake Whatcom Cooperative Management Program (City of Bellingham, Whatcom County, and Lake Whatcom Water and Sewer District).

Phase 2 – Perform Sampling, Testing, and Analysis

Phase 2 would be the actual sampling, testing, and analytical work. This phase may or may not be implemented as part of this agreement. There are several possibilities on how this phase could be implemented and depends on coordination efforts between the District, Whatcom County, and the City of Bellingham. One possibility is the District would amend the original Phase 1 professional services agreement to include Phase 2 work, with no financial participation from the other local agencies. Another possibility is the District is able to coordinate with either Whatcom County or the City of Bellingham (or both) to implement the Plan developed in Phase 1 as part of other sampling and testing programs under way.

II. PROCUREMENT PROCESS

1. General Information

A. Compliance with Legal Requirements.

1. The procurement of these consultant services will be in accordance with applicable District, Federal, State and Local laws, regulations and procedures. The District reserves the right to reject any and all Submittals received. Any Proposer failing to submit information in accordance with the procedures set forth herein may not be considered responsive and may therefore be subject to disqualification by the District.
2. In accordance with the provisions of this RFP, the District will evaluate the Submittals. The final selection, if any, will be that Consultant which, in the opinion of the District, best meets the requirements set forth in the RFP and is determined to be the most highly qualified for the services requested.

B. Costs borne by Proposers. All costs incurred in the preparation of the Submittal and participation in this RFP and negotiation process shall be borne by the proposing firm.

C. Public Disclosure. Once in the District's possession, Submittals shall become property of the District and considered public documents under applicable Washington State laws. All documentation that is provided to the District may be subject to disclosure in accordance with the Washington State public disclosure laws.

2. Protests

A. Time to File a Protest.

1. Any prospective Proposer may file a protest challenging the requirements identified in the RFP provided such protest is received no later than ten (10) calendar days prior to the date established for responding to this solicitation.
2. A financially interested Proposer may file a protest based on evaluation of Submittals provided such protest is received no later than five (5) calendar days after the protesting party knows or should have known of the facts and circumstances upon which the protest is based.
3. In no event shall a protest be considered if all Submittals are rejected or after execution of this Contract.

B. Form of Protest. A protest shall be in writing and addressed to: Patrick Sorensen, General Manager, Lake Whatcom Water and Sewer District, 1220 Lakeway Drive, Bellingham, WA 98229. The protest shall include the following:

1. The name, address and telephone number of the party protesting or their representative;
2. The RFP number and contract title under which the protest is submitted;
3. A detailed description of the specific grounds for protest and any supporting documentation; and
4. The specific ruling or relief requested.

C. Determination of Protest. Upon receipt of a timely written protest, the District General Manager shall investigate the protest and shall prior to execution of the Contract respond in writing to the protest. The District General Manager's decision shall be considered the final action by the District.

D. Compliance with Protest Process. Failure to comply with these protest procedures will render a protest untimely and inadequate and may result in rejection thereof by the District.

E. Exhaustion of Administrative Remedies. As a mandatory condition precedent to initiating a lawsuit against the District, a prospective Proposer or a Proposer shall comply with the Protest Procedures defined herein.

F. Venue. By responding to this RFP and for the convenience of the parties, the prospective Proposer or a Proposer acknowledges and agrees that a lawsuit or action related to or arising out of this procurement shall be brought in the Superior Court of Whatcom County, Washington.

3. Schedule

- A. Anticipated Schedule. The selection process is anticipated to proceed as outlined below and is subject to change:

<u>Date</u>	<u>Selection Process</u>
_____, 2016	Public Announcement of the RFP
_____, 2016	Submittals Due at 4:00 p.m.
_____, 2016	Notification of short-list for interviews (if necessary)
_____, 2016	Interviews (if necessary)
_____, 2016	Recommendation to the Board
_____, 2016	Contract Execution

- B. Notification. The District will notify appropriate firms of changes in the RFP and Notice of Selection.
- C. Addenda. In the event it becomes necessary to revise any part of the RFP, addenda will be provided to all firms still under consideration at the time the addendum is issued. If any firm has reason to doubt whether the District is aware of the firm's interest, it is the responsibility of the firm to notify the District to be sure that addenda are received. Mail or call such notice to Patrick Sorensen, 360-734-9224, Lake Whatcom Water and Sewer District, 1220 Lakeway Drive, Bellingham, WA 98229.

4. Negotiations

- A. At the completion of the selection process, the selected Proposer will enter into contract negotiations with the District. Negotiation of a contract will be in conformance with applicable federal, state and local laws, regulations and procedures. The negotiated cost and pricing data, once agreed to by the District and the Consultant, shall form the basis for a billing/payment provision.
- B. At the beginning of negotiations the selected Proposer and District shall meet to establish a Negotiation Schedule. Negotiations shall begin with a Level of Effort (LOE) based on the Scope of Work (SOW) identified in the Qualifications Statement and the Work Plan submitted by the selected Proposer.
- C. If the District and selected Proposer cannot come to terms on LOE and SOW after three (3) revisions to the SOW and LOE, the District may discontinue negotiations and go to the next highest ranked Proposer. Failure to reach an agreement after three (3) revisions demonstrates an inability to reach agreement within a reasonable timeframe.

5. Contract Terms and Conditions

- A. A copy of the draft A/E agreement for professional services is included in Attachment.

- B. By submitting a proposal, the Consultant represents that it has carefully read the terms and conditions of the agreement and agrees to be bound by them.

6. Cost and Pricing Data.

- A. The selected consultant shall provide the following information within five (5) business days after Notice of Selection has been received. Failure to provide such information in a timely manner may result in the District discontinuing negotiations with the selected Proposer(s) and starting negotiations with the next highest ranked Proposer.

1. Direct Salaries. Selected consultant and its sub consultants (if applicable) shall submit the following information:

- a. List of employees, in alphabetical order (last name first), with job classification, rate of pay and salary review date.

2. Overhead Rates. Selected consultant and its sub consultants shall submit the following information:

- a. Provide current audited overhead schedule, audit report and cost detail by general ledger account.
- b. Provide a listing of all personnel who will perform work on this Project whose salaries, in full or in part, are included in overhead for the current and previous year. For each person identify his or her title, classification, position in company and salary rate.

3. Billing Rates. Submit only for certain qualifying firms.

- a. Small firms that do not have an accounting system in place, that identifies direct and indirect costs separately, generally use billing rates. Fully burdened billing rates, which include labor, overhead costs and profit, are allowed on a case-by- case basis for those firms that typically use this method for billing purposes.

4. Other Direct Cost(s).

- a. Identify all Other Direct Cost(s) (ODC) for this Project and the rationale used as a basis for this cost.
- b. For each ODC, provide the unit prices and/or rates with supporting rationale, historical data and estimating methodology used to validate these rates.
- c. Failure to identify ODC results in a presumption that there are no ODC.

5. Profit. Selected consultants and its sub consultants shall provide the following:

- a. Proposed profit;
- b. Rationale and justification for the proposed rate.

III. INSURANCE REQUIREMENTS

- A. Prior to execution of the Agreement, the Selected Consultant shall file with the District certificates of insurance and endorsements from the insurer(s) certifying to the coverage of all insurance required in accordance with the District's standard agreement. All evidences of insurance must be certified by a properly authorized officer, agent, general agent or qualified representative of the insurer(s) and shall certify the name of the insured, the type and amount of insurance, the location and operations to which the insurance applies, the expiration date, and provides that the District receives notice at least thirty (30) calendar days prior to the effective date of any policy limit or cancellation of required coverages. The Consultant shall notify the District at least thirty (30) calendar days prior to the effective date of any cancellation or reduction in coverage in the policy. The Consultant shall maintain during the entire Contract period, insurance coverage at least as broad as the limits and coverage outlined in the District's standard agreement. The Consultant shall, upon demand of the District, make available to the District at Consultant's local office in all such policies of insurance and the receipts of payment of premiums thereon. Failure to provide such policies of insurance within a time acceptable to the District shall entitle the District to suspend or terminate the Consultant's work hereunder.
- B. The Consultant shall obtain and maintain at a minimum the limits of insurance set forth in the Consultant Agreement. By requiring such minimum insurance, the District shall not be deemed or construed to have assessed the risks that may be applicable to the Consultant under the Agreement. The Consultant shall assess its own risks and, if it deems appropriate and/or prudent, maintain greater limits and/or broader coverage.
- C. Each insurance policy shall be written on an "occurrence" form; excepting that insurance for professional liability, errors and omissions when required, is acceptable on a "claims made" form.
- D. If coverage is approved and purchased on a "claims made" basis, the Consultant shall continue coverage either through (1) policy renewals for not less than three years from the date of completion of the work which is the subject of this Agreement or (2) the purchase of an extended discovery period for not less than three years from the date of completion of the work which is the subject of this Agreement, if such extended coverage is available.
- E. If in order to meet the insurance requirements the Consultant must rely on the insurance to be provided by one or more sub consultant, then such sub consultant(s) shall be required to meet all of the requirements herein applicable to the insurance they are providing, and shall include District and Consultant as additional insureds on all liability policies except Professional Liability/Errors & Omissions and Workers Compensation. The District will not

make any payments on work performed by sub consultants until all insurance documentation from such sub consultants have been received and accepted by the District.

- F. Provided the affected insurance policies permit the following waiver, without voiding coverage, Consultant and District waive all rights against each other to subrogation for damages covered by property insurance.

IV. EVALUATION AND SELECTION CRITERIA

- A. All Submittals will be evaluated by a Consultant Selection Panel ("Panel"), which will be responsible for ranking of the Project Submittal. The criteria outlined below will be used in evaluating the Submittals and determining the most qualified. A total of 100 points (excluding a potential interview) has been assigned to the Evaluation Criteria. The maximum points possible will follow each criterion listed. The points indicate relative weight or importance given to each criterion.
- B. The District may determine that the ranking is close and an interview with the top ranked firms is necessary. Interviews will have a maximum of 50 points. The number of Proposers to participate in interviews, if any, will be determined by the District based on the recommendation of the evaluation. The District may choose to use different criteria for the interview, in which case the finalists will be so notified in writing. The interview process may or may not include a Consultant presentation and the Consultants will not be given questions to prepare for in advance of the interview.
- C. Following review of the submittals and the interviews (if conducted) the evaluators will use the points to score each Submittal. Each evaluator will put the scores in rank order, with the highest scored Proposer 1st, the second-highest scored Proposer 2nd, etc. This ranking will then be totaled. From the ranking, the District intends to recommend the most qualified Proposer to the Board of Commissioners for approval to begin negotiations.

V. DOCUMENTATION

- A. The prime Proposer shall submit five (5) bound copies along with an electronic PDF file of the Submittal. The Submittal shall be presented in a clear, comprehensive and concise manner.
- B. Proposers are discouraged from submitting lengthy Submittals. The District requests that Submittals be concise and clearly written containing only essential information. The Letter of Interest and Statement of Qualifications sections shall together total 20 pages or less, including any resumes and cover letter. The Proposer is allowed an additional 5 pages for each separate Project Proposal section.
- Submittals shall be minimum of 11 font.
 - Sheets with double sided printing will be counted as 2 pages.
 - Sketches, maps and charts printed on 11x17 count as 1 page.

C. The Submittal shall consist of the following parts:

1. Letter of Interest. The Letter of Interest shall contain the following information:
 - Identify the Project name that the Proposer is submitting;
 - Proposer's name, mailing address, contact person, email, telephone and fax numbers; and
 - UBI and federal tax ID numbers.
 - List of anticipated specialized sub consultant disciplines the Proposer will need to complete the work for the Project. Sub consultants will be selected jointly by the District and the prime consultant during the negotiation process, following prime consultant selection.
 - Stipulation that Proposer accepts all terms of the RFP, especially the terms and conditions of the sample contract (Attachment 2).
2. Statement of Qualifications. The Submittal shall include:
 - General information regarding types of services provided, firm history, and financial capacity and stability.
 - List of principals and owner, number of employees and licenses.
 - Relevant previous project experience, awards and recognitions.
 - Resumes of proposed project manager and other key personnel that will be assigned to the project(s).
 - List experience and special abilities of the proposed project manager and individuals (Key Personnel) who will be working on the project.
 - Years of experience managing public works projects.
 - Project inspection experience.
 - Recent project examples demonstrating ability to perform the work and meet deadlines.
 - Highlight a unique ability or attribute that Key Personnel would bring to the project and how it will benefit the District.
 - Highlight how and why this project is within your firm's capabilities and expertise. Provide specific project examples with references for a minimum of three (3) similar water quality studies completed by the individual project team members within the last five (5) years.
 - References. Proposers should provide references for the past projects that include organization names, addresses, telephone numbers and e-mail addresses. The District reserves the right to investigate the references and past performances of any Proposer with respect to successful performance of similar projects, compliance with specifications and contractual obligation, and completion of the project on schedule.
3. Project Proposal. The Submittal shall include:
 - Summary of proposed Work Plan and approach to the project at all phases.
 - Discussion of project schedule, budgetary and technical challenges unique to this project. Identify solutions that mitigate these challenges.
 - Provide a list and description of sub-consultant tasks, qualifications and responsibilities of any sub-consultant that may be hired.

- A proposed Work Plan identifying significant tasks, sub consultant tasks (if any) and milestones required to complete this project on schedule. The Work Plan will be the starting point to develop detailed subtasks and Level of Effort for contract negotiations with selected Proposer.
- A proposed schedule for the Work Plan. Include significant tasks under categories such as pre-design, permitting, design, bidding and construction.

VI. EVALUATION CRITERIA AND SUBMITTAL INFORMATION

A. Experience and Technical Competence - 50 Points.

The District will evaluate the experience and technical competence of the Proposer's Key Personnel to complete the project. Emphasis will be placed on recent experience and expertise in performing the required services on projects with a scope of work similar in size and complexity to this Project.

B. Work Plan – 20 Points.

The District will evaluate the proposed Work Plan to determine the Proposer's understanding of the scope of work, appropriate utilization of sub consultants, and overall project approach.

1. The Work Plan is an opportunity for the Proposer to demonstrate its understanding of scope and propose ideas for the Project.
2. Be certain to identify any proposed changes to the scope of work.

C. Record of Past Performance & Project Examples - 30 Points.

1. The District will evaluate the project team's record of performance on previous projects with consideration given to quality of work, ability to meet schedules and budgets, cooperation, responsiveness, and other managerial considerations.
2. The District will evaluate the project examples provided with respect to Key Personnel's experience with similar projects and the amount of involvement they had with the project examples. The project examples provided should demonstrate Key Personnel's experience in providing services similar in scope to this Project.

D. Interviews - 50 Points (if conducted).

1. The District may or may not conduct interviews. If the District determines that interviews are necessary, the District will conduct interviews with the short listed Proposers (finalists).

2. Proposers will be notified in writing of the request and provided the date, place, and time of the interview. The interview process may or may not include a Consultant presentation and the Consultants will not be given questions to prepare for in advance of the interview. The District may choose to use different criteria for the interview, in which case the Finalists will be so notified in writing.
3. The intent of the interview is for the District to meet and evaluate the Proposer's assigned Key Personnel. The assigned project manager must participate in the interview. Other Key Personnel critical to the success of the project are also encouraged to participate.
4. Failure to participate in the interview process shall result in a Proposer's disqualification from further consideration.



LAKE WHATCOM WATER AND SEWER DISTRICT

AGENDA BILL

DATE SUBMITTED:	March 22, 2016		
TO BOARD OF COMMISSIONERS			
FROM: Patrick Sorensen	MANAGER APPROVAL _____		
MEETING AGENDA DATE:	March 30, 2016		
AGENDA ITEM NUMBER:	5.G.		
SUBJECT:	Cascadia Earthquake Drill – Staff Presentation		
LIST DOCUMENTS PROVIDED ⇒ NUMBER OF PAGES INCLUDING AGENDA BILL: _____	1. _____		
	2. _____		
	3. _____		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input type="checkbox"/>	INFORMATIONAL/ OTHER <input checked="" type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

Cascadia Rising is a full scale exercise designed to exercise emergency response plans, policies, and procedures as they pertain to a 9.0 Subduction Zone Earthquake.

The purpose of this exercise is to evaluate player actions against current Emergency Plans. For the District, this will be a valuable training opportunity. This exercise will also allow Lake Whatcom Water & Sewer District to partner with South Whatcom Fire Authority, Whatcom DEM and Sudden Valley Community Association to determine how response plans would be utilized in a multi-agency response.

Objectives:

1. Work the Emergency Response Plan
2. Activate Incident Command Post
3. Communications with WU EOC, SVCA, South Whatcom Fire, & others
4. Conserve water supply
5. Protect water supply

Questions?

Who on the board wants to play?

Set up meeting with SVCA Board and South Whatcom Fire Board

- When?



LAKE WHATCOM WATER AND SEWER DISTRICT

AGENDA BILL

DATE SUBMITTED:	March 30, 2016		
TO BOARD OF COMMISSIONERS			
FROM: Patrick Sorensen	MANAGER APPROVAL <i>Patrick Sorensen / LE</i>		
MEETING AGENDA DATE:	March 30, 2016		
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

March 30, 2016

Important Upcoming Dates:

- **Meetings Associated with the Lake Whatcom Management Program:**
 - **Policy Group Meeting:** The next meeting is scheduled for April 25, 2016 at 3:00 p.m. in the City of Bellingham's Fireplace Room located in the bottom floor of the Municipal Court Building at 625 Halleck Street. The Fireplace Room is located next to the City's Information Technology Office on the east side of the Court Building.
 - **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 meeting will be held on **Monday, April 11 2016** at 6:30 p.m. This is a special meeting date because of the WASWD Water & Sewer Conference.
- **Employee Staff Meeting:** The next staff meeting is set for **Tuesday, April 12, 2016 at 8:00 a.m.** in the Board Room. Commissioner Ford is scheduled to attend this meeting.
- **Employee Safety Committee Meeting:** The next meeting is set for **April 11, 2016 at 8:00 a.m.** in the small conference room.
- **Washington Association of Sewer & Water Districts (WASWD) Section III Meeting:** The next Section III meeting will be held at the WASWD Spring Conference on April 14, 2016 at 7:00 a.m. in Yakima at the Convention Center. The room location will be posted at the Convention Center.
- **Whatcom Water District's Caucus Meeting:** The next Caucus meeting is set for **April 20, 2016 at 1:00 p.m.** in the Board Room.

Other:

- **Committee Meeting Reports as Needed:** This is a place holder for Board and staff members to report on recent committee meetings, such as the Lake Whatcom Policy Group, since the last Board Meeting.
- **Annual Lake Whatcom Policy Group Meeting:** Reminder, the annual meeting between the Board, City Council, & the County Council is scheduled to be held on Wednesday, March 23, 2016 at Bellingham City Hall at 6:30 p.m. I will be unable to attend this year's meeting as I will be attending my son's graduation in Georgia.