



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

SPECIAL MEETING  
OF THE BOARD OF COMMISSIONERS

AGENDA

*February 23, 2017*

9:00 a.m. – Special 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. North Shore Water Quality Testing Update
  - B. Monthly Budget Analysis
  - C. Summary of Existing District Projects
  - D. Customer Request - Monjaze
  - E. Revised Rates and Fees – General Engineering Services
  - F. Geneva and Par Lane Sewage Pump Stations – Engineering Services
  - G. Utility Billing Reconciliation Report
  - H. Resolution 833 – Update Purchasing and Public Work Policies
6. OTHER BUSINESS
7. MANAGER'S REPORT
8. PUBLIC COMMENT OPPORTUNITY
9. Executive Session Per RCW 42.30.110(i)(b) – Potential Litigation – 30 Minutes
10. Decision Regarding Lot #28 Eagleridge Phase II
11. ADJOURNMENT



## LAKE WHATCOM WATER AND SEWER DISTRICT

### AGENDA BILL

DATE SUBMITTED:	February 13, 2017		
TO BOARD OF COMMISSIONERS			
FROM: Patrick Sorensen	MANAGER APPROVAL <i>Patrick Sorensen</i>		
MEETING AGENDA DATE:	February 23, 2017		
AGENDA ITEM NUMBER:	5.A.		
SUBJECT:	North Shore Water Quality Testing Update		
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**

Rob Zisette from Herrera Environmental will give a verbal update at the meeting. He will be phoning in to report preliminary findings.

#### **FISCAL IMPACT**

Not applicable at this time.

#### **RECOMMENDED BOARD ACTION**

Listen to Zisette's report and discuss.

#### **PROPOSED MOTION**

No proposed motion at this time.



## LAKE WHATCOM WATER AND SEWER DISTRICT

### AGENDA BILL

DATE SUBMITTED:	February 13, 2017		
TO BOARD OF COMMISSIONERS			
FROM: Debi Denton	MANAGER APPROVAL <i>Paul J. Jurek</i>		
MEETING AGENDA DATE:	February 23, 2017		
AGENDA ITEM NUMBER:	5.B.		
SUBJECT:	Monthly Budget Analysis		
LIST DOCUMENTS PROVIDED ⇒ NUMBER OF PAGES INCLUDING AGENDA BILL:	Monthly Budget Analysis through 1/31/2017		
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

OPERATING FUND - 401

## REVENUES

Budget  
2017

YTD  
1/31/2017  
8%

401-333-97-00	FEMA Aug 2015 Storm Assistance			
401-343-40-10	Water Sales Metered (8.75% base rate increase) *	2,279,985	14,280	8%
401-343-50-11	Sewer Service Residential (2.5% rate increase) *	3,844,032	180,573	8%
401-343-50-19	Sewer Service Other	5,000	329,158	9%
401-343-81-10	Combined Fees	30,000	158	3%
401-359-90-00	Late fees	50,000	3,597	12%
401-361-11-00	Investment Interest	1,500	4,323	9%
401-361-40-00-80	ULID #18 Interest	15,000	-	0%
401-368-10-00-80	ULID #18 Principal	40,000	-	
401-369-10-00	Sale of scrap metal and surplus	2,500	-	
401-369-10-01	Miscellaneous	-	27	
401-379-10-20	Permits Operation portion (10 new connection permits)	30,000	115	0%

## TOTAL REVENUES

6,298,017 532,231 8%

\* Per Resolution 820 effective 1/19/2015  
Scheduled annual rate increase

OPERATING FUND - 401	Description	MONTHLY BUDGET ANALYSIS	
		Budget	YTD
		2017	1/31/2017
			8%
<b>EXPENDITURES</b>			
401-53X-10-10	Admin Payroll (2.4% cola plus step increases - 2017)	639,252	48,568
401-53X-10-20	Admin Personnel Benefits (Medical, Retirement etc)	269,830	24,010
401-53X-10-31	Gen Admin Supplies	25,000	939
401-53X-10-31-01	Meetings/Team building	1,500	129
401-53X-10-40	Web pay/Bank Fees (W/A Fed; Xpress, Chase)	20,000	-
	Interlocal - Lake Whatcom Management Program	5,000	
	Interlocal - Invasive Species	50,000	
401-534-10-41-00	Interlocal - Lake Whatcom Tributary Monitor	10,000	
	Water Quality Assurance Programs (TOTAL)	65,000	-
	County Auditor Filing Fees (Simplifile)	4,500	
	Answering Service	21,000	
	Data Pro (Time clock system)	1,700	
	BIAS Financial Software	1,500	
	Web Check services	20,000	
	W/A State Auditor	5,000	
	CPA (Internal audit and Financial statements)	22,000	
	Docuware/Web site maintenance and upgrade	6,000	
	Legal Counsel	5,000	
	3D - Computer support	60,000	
	Watchguard	20,000	
	Building security	1,000	
	Building custodial	1,500	
	Pest control	7,700	
	Landscaping service	600	
	South Whatcom Fire (hydrant maintenance)	5,500	
	GE Scada System Software Maintenance - Operations	2,000	
	Wilson Engineering	7,500	
	Camera Van Software	7,000	
	SCADA/PLC Support - Engineering/Operations	1,500	
	Cartograph - Engineering/Operations	5,000	
	Auto Desk (DLT) - Engineering	8,000	
	GIS Partnership	1,000	
	Rockwell - Engineering/Operations	1,000	
	IT Pipes	500	
	ESRI - ARC GIS	1,500	
	Innovyze - Engineering	1,500	
	Master Meter	2,500	
	Generator Load Testing	2,000	
	Cyberlook software	22,000	
	Whatcom Co Emergency Management	1,000	
	Misc (Bid notices etc.)	20,000	
401-53X-10-41-01	Professional Services (TOTAL)	3,000	
		270,000	58,095

		Description		Budget	YTD
		MONTHLY BUDGET ANALYSIS		2017	1/31/2017
401-53X-10-42		Communication		50,000	4,406

	Description	BUDGET ANALYSIS	
		Budget	YTD
		2017	1/31/2017
401-53X-10-45	Admin Lease	2,000	-
401-53X-10-46	Property Insurance	138,000	-
401-53X-10-49	Admin Misc.	1,000	-
401-53X-10-49-01	Memberships/Dues	15,000	12,425
401-53X-10-49-02	WA State Dept of Revenue Taxes/Permits	208,000	12,976
401-53X-40-43	Training & Travel	35,000	1,320
401-53X-40-43-01	Tuition reimbursement	1,000	-
401-53X-50-31	Maintenance Supplies	180,000	6,722
401-53X-50-48	Operations Repair/Maint	130,000	22,309
401-53X-50-49	Insurance Claims	5,000	-
401-53X-60-41	Operators Contracted	9,000	257
401-534-60-47	Water City of Bellingham	40,000	4,824
401-535-60-47	Sewer City of Bellingham Treatment Fee	615,000	72,779
401-53X-80-10	Operations Payroll (2.4% cola plus step increases - 2017)	951,544	70,955
401-53X-80-20	Operations Personnel Benefits (Medical Retirement etc)	414,930	33,840
401-53X-80-32	Fuel	20,000	2,777
401-53X-80-35	Safety Supplies	10,000	3,146
401-53X-80-35-01	Safety Supplies Boots	2,500	-
401-53X-80-35-02	Emergency Preparedness	10,000	2,615
401-53X-80-47	General Utilities	208,000	276
401-53X-80-49	Laundry	4,000	-
	<b>OPERATING EXPENDITURES</b>	<b>4,340,556</b>	<b>383,388</b>
<b>TRANSFERS</b>			
	Transfers Out to System Reinvestment Fund 420	1,598,000	27,000
	Transfers Out to Sewer Contingency Reserve Fund 425	100,000	-
	Transfers Out to 2009 Bond Debt Service Fund 450	890,172	-
	<b>TOTAL EXPENDITURES</b>	<b>6,928,728</b>	<b>410,388</b>
<b>OPERATING FUND</b>			
	<b>OPERATING REVENUES</b>	<b>6,298,017</b>	<b>532,231</b>
	<b>EXPENDITURES</b>	<b>(6,928,728)</b>	<b>(410,388)</b>
	<b>CASH/INVESTMENTS BALANCE CARRYOVER</b>	<b>1,750,000</b>	<b>1,980,328</b>
	<b>RATE STABILIZATION RESERVES</b>	<b>(900,000)</b>	<b>(800,000)</b>
	<b>CASH/INVESTMENTS BALANCE</b>	<b>319,289</b>	<b>1,302,171</b>

SYSTEM REINVESTMENT FUND - 420

Description	Budget	YTD
MONTHLY BUDGET ANALYSIS	2017	1/31/2017

420-343-40-19-21	DEA Permits		
420-343-40-19-22	DEA Permits		
420-379-10-30	Permits Capital Portion (10 new connection permits)	-	-
420-379-10-40	Latecomer Fees	70,000	-
420-397-10-00	Transfers in from Operating Fund 401	-	-

TOTAL REVENUES 1,598,000 27,000

Active Projects to be completed in 2017 1,668,000 27,000

C 14-07	Lowe Sewer PS VFD	777,500	
C 15-04	Reservoir Site Security	3,450	
C15-06B	Whatcom Falls Manhole Repair	5,000	-
C16-03	Marina-Tomb Stationary Generator	17,350	1,217
C 16-05	Water System Plan Update	6,785	
C 16-06	Replace SCADA Hardware	100,000	2,519
C 16-10	Little Strawberry Water Leak on bridge	2,670	
C 16-11	Country Club Sewer Pump Station	10,000	

New 2017 Capital Projects (see CIP detail - 2017) 632,245 7,576

C 17-01	Tool truck	890,500	
C 17-02	Admin staff vehicle	65,000	
C 17-03	Locator/Meter reading van	26,000	
C 17-04	New Admin Server	28,000	
C 17-05	Geneva Pump Station pre-design and permits	15,000	
C 17-05	Geneva Pump Station design and bidding	100,000	
	Lakewood Pump Station pre-design and permits	100,000	
C 17-06	Strawberry Canyon Back up Generator	100,000	
C 17-07	Beaver and Flat Car Level Transmitter Replacement	20,000	
C 17-08	Install Ball Check Valves	50,000	
C 17-09	CMOM	10,000	
C 17-10	Eagleridge Fire Pump Control Upgrade - Scope and estimate	25,000	
C 17-11	Replace SVWTP Booster Station Roof	35,000	
C 17-12	Mechanical Staff gauge for SVWTP Clearwell	30,000	
C 17-13	Eagleridge Booster station controls	4,000	
C 17-14	SVWTP Floor coating	50,000	
C 17-15	SVWTP pumps and turbidimeter	5,000	
C 17-16	Water System rehab and replacement projects	7,500	1,180
	Water meter replacements	40,000	
		110,000	

TOTAL EXPENDITURES 1,668,000 26,410



		Description	Budget 2017	YTD 1/31/2017
		<b>MONTHLY BUDGET ANALYSIS</b>		
<b>SYSTEM REINVESTMENT FUND</b>				
		REVENUES		
		EXPENDITURES	1,668,000	27,000
		CASH/INVESTMENTS BALANCE CARRYOVER	(1,668,000)	(26,410)
		CASH/INVESTMENTS BALANCE	-	-
			-	590





Description	MONTHLY BUDGET ANALYSIS	
	Budget	YTD
	2017	1/31/2017
DWSRF PROJECTS FUND - 440		
440-333-66-46-41		
440-333-66-46-42		
	Geneva AC Mains	
	Division 22 Reservoir	
440-397-10-41		
		229,950
	Transfers In from Operating Fund 401	
		-
	TOTAL REVENUES	
440-594-34-62-40		229,950
440-594-34-62-41		
	Division 22 Reservoir	
	Geneva AC Mains	1,058,100
		14,007
	Transfers Out to Fund 431	
		300,000
	TOTAL EXPENDITURES	
DWSRF PROJECTS FUND		
	1,058,100	314,007
	REVENUES	
	229,950	-
	EXPENDITURES	(1,058,100)
	CASH/INVESTMENTS BALANCE CARRYOVER	(314,007)
	828,150	661,352
	CASH/INVESTMENTS BALANCE	
	-	347,345
Expenditures offset by draws as projects progress.		

Description	MONTHLY BUDGET ANALYSIS	
	Budget	YTD
	2017	1/31/2017
<b>DEBT SERVICE FUND - 450</b>		
450-397-10-00		
	Transfers In from Operating Fund 401	
	890,172	-
	<b>TOTAL REVENUES</b>	<b>890,172</b>
450-535-10-41-50	Bond Admin Fee	
	100	
450-591-34-77-41	Principal Geneva AC Mains	
450-591-34-77-42	Principal Div 22 Reservoir	43,023
450-591-35-72-50	Principal Loan 064	119,937
450-591-35-72-51	Principal Bond 2009	47,252
450-592-34-83-41	Principal Bond 2016	265,000
450-592-34-83-42	Interest Geneva AC Mains	125,000
450-592-35-83-50	Interest Div 22 Reservoir	14,923
450-592-35-83-51	Interest Loan 064	34,182
	Interest Bond 2009	5,670
	Interest Bond 2016	30,900
		227,175
	<b>TOTAL EXPENDITURES</b>	<b>913,162</b>
		-
<b>DEBT SERVICE FUND</b>		
	<b>REVENUES</b>	
	<b>EXPENDITURES</b>	890,172
	<b>CASH/INVESTMENTS BALANCE CARRYOVER</b>	(913,162)
	<b>CASH/INVESTMENTS BALANCE</b>	22,990
		-
		22,990

Description		Budget	YTD
MONTHLY BUDGET ANALYSIS		2017	1/31/2017
<b>BONDS RESERVE FUND (RESTRICTED) - 460</b>			
460-361-11-00	Investment Interest	3,850	
	<b>TOTAL REVENUES</b>	3,850	-
460-535-10-89	Investment Service Charges	200	14
	<b>TOTAL EXPENDITURES</b>	200	14
<b>BONDS RESERVE FUND (RESTRICTED)</b>			
	<b>REVENUES</b>	3,850	-
	<b>EXPENDITURES</b>	(200)	(14)
	<b>CASH/INVESTMENTS BALANCE CARRYOVER</b>	773,200	763,229
	<b>CASH/INVESTMENTS BALANCE</b>	776,850	763,215



## LAKE WHATCOM WATER AND SEWER DISTRICT

### AGENDA BILL

DATE SUBMITTED:	February 13, 2017		
TO BOARD OF COMMISSIONERS			
FROM: Bill Hunter and Staff	MANAGER APPROVAL <i>Paul. J. Hunter</i>		
MEETING AGENDA DATE:	February 23, 2017		
AGENDA ITEM NUMBER:	5.C.		
SUBJECT:	Summary of Existing District Projects		
LIST DOCUMENTS PROVIDED ⇒	1. February 2017 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**

Staff presentation of Summary of Existing District Projects and priorities.

#### **FISCAL IMPACT**

Not applicable at this time.

#### **RECOMMENDED BOARD ACTION**

Review and discuss

#### **PROPOSED MOTION**

Not applicable at this time.

# LAKE WHATCOM WATER AND SEWER DISTRICT

## Summary of Existing District Projects

Meeting Date	Effective Date		Prepared by	
February 23, 2017	February 16, 2017		LE/BH	
Status of Water and System Capacities				
	South Shore ID# 95910	Eagleridge ID #08118	Agate Heights ID# 52957	Johnson Well ID# 04782
DOH Approved #	3935	85	54	2
Connected ERUs	3807	68	44	2
Remaining Capacity (ERUs)	128	17	10	0
Commitments – Not yet connected				
Permitted ERUs Under Construction	10	0	0	0
Pre-paid Connection Certificates and Expired Permits	11	2	5	0
Water Availabilities (trailing 12 months)	24	0	0	0
Subtotal	45	2	5	0
Available ERUs	83	15	5	0

### \*\*Completed Capital Projects in 2017\*\*

C1506B | Whatcom Falls Manhole Replacement

### \*\*State Required Report Status\*\*

Reporting	Name of Report & Preparer	Completed						When Due
MONTHLY	Chlorination Report Agate Heights (Kevin)	Jan	Feb	Mar	Apr	May	June	Postmarked by 10 <sup>th</sup> of month
		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Surface Water Treatment Rule Report (SVWTP) (Kevin)	July	Aug	Sept	Oct	Nov	Dec	Postmarked by 10 <sup>th</sup> of month
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Department of Revenue (Debi)	Jan	Feb	Mar	Apr	May	June	Due end of following month
		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ANNUALLY	Community Right to Know (Hazardous Materials) (Rich)	Jan	Feb	Mar	Apr	May	June	Due by March 31st
	WA State Cross Connection Report (Rich)	Jan	Feb	Mar	Apr	May	June	Due Annually May
	OSHA 300 Log (Rich)	Jan	Feb	Mar	Apr	May	June	Due by Feb 1st

### \*\*State Required Report Status\*\*

Reporting	Name of Report & Preparer	Completed	When Due
ANNUALLY	Water Use Efficiency Performance Report (Kevin)	June 30, 2016	Due by July 1st
	Consumer Confidence Reports (Kevin)	May 2016	<ul style="list-style-type: none"> <li>• Geneva- 5/16</li> <li>• Sudden Valley 5/16</li> <li>• Eagleridge – 5/16</li> <li>• Agate Hghts – 5/16</li> </ul>
	Hazardous Waste Activity Report (Rich)	February 29, 2016	Due by March 31st



	Report Number of Sewer ERUs to City of Bellingham	Completed 1/15/2016	Due by January 15th
OTHER	CPR/First Aid Training (Rich)	Completed 6/10/2015	Due Biennially Next Due 2017
	Flagging Card Training (Rich)	Completed 8/3/2016	Due Triennially Next Due 2019

## SAFETY PROGRAM SUMMARY

*Completed by Rich Munson*

<b>Summary of Annual Safety Training</b>				
	Enrollments	Completions	% Complete	
Engineering - Managers				
Engineering - Staff				
Field Crew				
Field Crew - Managers				
Office Managers				
Office - Staff				

<b>Weekly Crew Safety Meetings</b>	
Safety meetings for the field crew take place every Tuesday or Wednesday at 5:00 p.m.	

<b>Dates of Safety Committee Meetings</b>	
January 12, 2017	

<b>Summary of Work-Related Injuries &amp; Illnesses</b>				
Year	2017	2016	2015	2014
<b>Total Number of Work Related Injuries</b> Defined as a work related injury or illness that results in: <ul style="list-style-type: none"> <li>Death</li> <li>Medical treatment beyond first aid</li> <li>Loss of consciousness</li> <li>Significant injury or illness diagnosed by a licensed health care professional</li> <li>Days away from work (off work)</li> <li>Restricted work or job transfer</li> </ul>		0	1	1
<b>Total Number of Work Related Injuries</b> Defined as a work related injury or illness that results in: <ul style="list-style-type: none"> <li>Death</li> <li>Medical treatment beyond first aid</li> <li>Loss of consciousness</li> <li>Significant injury or illness diagnosed by a licensed health care professional</li> <li>Days away from work (off work)</li> <li>Restricted work or job transfer</li> </ul>	0			
<b>Total Number of Days of Job Transfer or Restriction (Light duty or other medical restriction)</b>	0	0	0	
<b>Total Number of Days Away From Work</b>	0	0	0	

(At home, in hospital, not at work)				
Near misses	0			

<b>Developer Extension Agreements</b>			
<b>D1601</b>	<b>Geneva Woods Developer Extension Agreement</b>		
<b>SCOPE</b>	Water and sewer improvements for 6 water and sewer connections.		
<b>SIGN DATE</b>	7/27/2016	<b>EXPIRATION DATE</b>	7/27/2019
<b>Prior to Commencing Construction</b>		<b>Prior to Final Acceptance</b>	
<input type="checkbox"/> 1. District Engineer approves design <input type="checkbox"/> 2. Reimbursement of District Engineer review costs <input type="checkbox"/> 3. Copy of insurance policy <input type="checkbox"/> 4. Pay guarantee deposit <input type="checkbox"/> 5. Copies of recorded easement <input type="checkbox"/> 6. Copies of permits <input type="checkbox"/> 7. Pay conformance deposit <input type="checkbox"/> 8. Payment and performance bond <input type="checkbox"/> 9. Pay 25% general facilities fees <input type="checkbox"/> 10. Pays initial facilities inspection deposit <input type="checkbox"/> 11. District issue Notice to Proceed w/Construction		<input type="checkbox"/> 1. District inspects & approves facilities as complete. <input type="checkbox"/> 2. Record drawings <input type="checkbox"/> 3. Easements and title insurance <input type="checkbox"/> 4. Maintenance Bond <input type="checkbox"/> 5. Bill of Sale <input type="checkbox"/> 6. Latecomers Fees <input type="checkbox"/> 7. Supplemental, processing, or administrative fees <input type="checkbox"/> 8. Deliver water meters to District	
<b>Tasks/Notes:</b>			
<ul style="list-style-type: none"> <li>• 4/11/2016 Board approves DEA Application for 5 lots.</li> <li>• 4/14/2016 District Legal Counsel reviewing master developer extension agreement prior to delivering to the developer.</li> <li>• 5/25/2016 Board approved addition of 6<sup>th</sup> lot to DEA. Staff and Legal Counsel preparing DEA documents.</li> <li>• 7/14/2016 Plans received from developer.</li> <li>• 7/28/2016 DEA executed and recorded at Auditor's office</li> <li>• 7/28/2016 Plans transmitted to Wilson for review and comment.</li> <li>• 8/1/2016 Wilson completed fire flow analysis – no issues. About 3030 GPM fire flow available after improvements.</li> <li>• 8/16/2016 District received revised plans from developer.</li> <li>• 8/17/2016 Wilson reviews plans and requests copy of proposed easements for review.</li> <li>• 8/22/2016 District returns plan review comments and easement comments to developer.</li> <li>• 9/7/2016 Draft easements are good to record. Returned originals to developer for recording.</li> </ul>			

# Lake Whatcom Water & Sewer District Capital Improvement Projects Staff Report

## C1306 LLR Sewer Air-Vac Valve Replacement

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

### 01 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. District applied for and received an additional loan amount of \$300,000. New total loan amount now \$1,297,850.*

### 04 Predesign and Permitting

- 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.
- 4/30/2015 District submitted pre-application meeting packet to Whatcom County. Pre-App meeting scheduled for 11am on 5/21/2015.
- 5/21/2015 Pre-Application Meeting at Whatcom County - 11am. District and G&O attended. Reviewed permitting requirements with County staff.
- 6/1/2015 Received County's Pre-Application Meeting Findings. Staff and G&O working on Conditional Use Permit application. Staff will coordinate with County for onsite critical areas review (look for wetlands).
- 7/1/2015 Received comments from DOH on project report. G&O and staff will respond to comments. G&O and staff are working on the conditional use permit application.
- 7/29/2015 Conditional Use Permit and Variance Permit applications submitted to Whatcom County.
- 8/4/2015 Staff working with G&O on scope of work for next project phase - detailed design, plans, specs,

- estimates, and bidding.
- 9/2/2015 Whatcom County is processing Condition Use and Variance Permit application.
  - 9/2/2015 G&O working to address DOH project report comments.
  - 10/8/2015 County still processing CUP and Variance permits. G&O is working with State DOH to address minor comments on pre-design report.
  - 12/9/2015 Hearing for CUP and Variance at 130pm in County Council Chambers.
  - 12/30/2015 A Memorandum in Support of CUP and Variance Applications and a Declaration by G&O were submitted to the Whatcom County Hearing Examiner. The documents were prepared by Bob Carmichael with assistance from G&O and District staff.

## **07 Design thru Bidding**

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- 9/30/2015 2nd Advertisement for Bids published in Bellingham Herald and Seattle DJC
- 11/3/2015 G&O working on updated construction cost estimates and steel vs concrete technical memorandum.
- 11/24/2015 Technical memo review at Board meeting. Verified steel reservoir as original decided in the pre-design report is still the preferred alternative.
- 12/2/2015 G&O working on detailed design and plans.
- 1/5/2016 G&O continues development of detailed plans and specs.
- 2/5/2016 50% plan review with G&O and District staff/crew.
- 2/25/2016 G&O submitted revised pre-design report with updated ERU tables and responses to DOH review comments. G&O working on detailed plans and specs.
- 3/29/2016 90% plan and spec review done. Plans submitted to DOH for review. G&O working on final documents.
- 3/31/2016 Conference call with DOH indicates pre-design report for requested capacity will be approved. DOH is working on approval letter.
- 4/6/2016 G&O working on final documents. Pending completion of Commerce Dept and DOH reviews, bid advertisement dates will be set.
- 5/5/2016 1st Advertisement for Bids published in Bellingham Herald and Seattle DJC
- 5/12/2016 Advertisement for Bids published in Bellingham Herald and Seattle DJC
- 5/18/2016 Pre-bid meeting 10am
- 6/2/2016 Bid Opening 11am
- 6/8/2016 Tentative Contract Award at Board Meeting

## **10 Construction**

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- 8/8/2016 Contractor has begun construction work. Trees have been cut. Timber will be delivered to Sudden Valley. Contractor will remove stumps this week.
- 9/8/2016 Contractor has excavated down to footing subgrade. Geotechnical engineer reviewed site conditions. Contractor working on ring-wall footings.
- 10/17/2016 Concrete ring wall and asphalt floor pad complete. Contractor beginning to layout steel floor panels.
- 11/21/2016 Contractor is close to finishing steel work and welding.
- 12/21/2016 Tank structure fabrication and welding is done. Next task is interior coatings.
- 1/18/2017 Coordination meeting held with contractor, coatings subcontractor, Gray & Osborne, District's coatings inspector, and staff. Contractor is starting to prep for coating interior of tank.
- 2/15/2017 Contractor is about 60-percent complete with interior tank coatings.

## **C1407 Lowe Sewer PS VFD**

---

*Replace rotaphase with VFD.*

### **01 Administration**

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- 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.

## **C1504 Reservoir Site Security**

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

### **01 Administration**

- 5/4/2015 District staff have done initial research on available security camera systems and motion detection. List of equipment and options is in development. Initial pilot site will be the SVWTP.
- 12/21/2016 Staff ordered equipment. Should arrive soon. Equipment will be installed at SVWTP. Motion detection from camera system will be integrated into SCADA system for alarm monitoring by District crews.
- 1/19/2017 Equipment has been received. District staff will begin installation soon.

## **C1603 Marina-Tomb Stationary Generator**

*Install stationary emergency backup generator to serve both Marina and Tomb sewer pump stations.*

### **01 Administration**

- 4/5/2016 Issued purchase order to RH2 to assist District with sizing and selecting stationary generator from GSA. Scope also includes PLC programming to incorporate generator alarms.
- 4/6/2016 Staff coordinating with SVCA on site requirements, landscaping, screening, etc.
- 4/12/2016 District staff met onsite with SVCA staff to coordinate location, siting, and screening of stationary generator.
- 4/28/2016 RH2 finished sizing generator. Recommended generator size is 100kw. District staff is selecting generator, components, and options for purchase through GSA.
- 6/2/2016 Staff finalizing generator options and quote with GSA vendor.
- 8/4/2016 Generator and transfer switch ordered. Scheduled arrive in about 2 months.
- 10/10/2016 Generator delivered to site.
- 10/18/2016 Staff obtained permit from County for concrete slab. Crews installed transfer switch on electrical rack. Crews preparing to start on excavation and concrete forms.
- 11/21/2016 Underground electrical work done, auto-transfer switch installed, concrete slab has been poured and is curing. District crews plan to set generator on slab week of November 28.
- 12/21/2016 Generator has been installed on slab. Site work has been stabilized for winter. District crews working on completing electrical wiring and startup of generator.
- 2/15/2017 Generator and automatic transfer switch wiring is done. Crew working on generator alarm panel programming and integration with SCADA telemetry. Generator start-up should occur in the next couple weeks.

## **C1605 Water System Plan Update**

*Update District's Water System Plan. Current edition expires 3-15-2017.*

### **01 Administration**

- 4/6/2016 Selection of consultant is part of the general engineering services RFQ.
- 5/3/2016 State DOH would like to meet with the District and consultant to coordinate the water system plan update prior to beginning work. The intent is to coordinate the scope of work for the plan update.
- 8/16/2016 Meeting with Wilson and DOH to coordination scope of work. Wilson developing scope and fee for task order.
- 9/8/2016 Wilson developed scope of work after coordination with District staff and DOH. Scope/fee will be present at next board meeting for approval.

9/20/2016 Task Order with Wilson Engineering executed. Wilson will start work soon.

2/15/2017 Wilson collecting and analyzing data for the plan update.

## **C1606 Replace SCADA Workstation Hardware**

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*Replace computer hardware the runs SCADA system at shop and SVWTP.*

### **01 Administration**

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2/4/2016 Hardware has been ordered and received. Staff working on configuration and setup of new hardware.

2/29/2016 Integration of the 1st of 4 replacement computers is done. Staff is in process of integrating other machines.

2/15/2017 Staff in process of integrating iFIX WEBSpace software on 2nd replacement computer.

## **C1607 Northshore Water Quality Sampling**

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*Water quality sampling plan to evaluate impact of existing onsite sewage disposal system at the end of Northshore road.*

### **01 Administration**

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3/30/2016 Request for Proposals advertised in Seattle Daily Journal of Commerce

4/28/2016 Request for Proposal advertised in Seattle Daily Journal of Commerce

5/1/2016 Request for Proposals advertised in Bellingham Herald

5/24/2016 Proposals due 4pm. Received one proposal.

7/27/2016 Agreement with consultant has been executed.

9/8/2016 Staff received preliminary draft plan from consultant and will share with board

10/3/2016 Workshop with County and City to review draft sampling plan.

10/19/2016 Consultant working on sampling plan revisions based on workshop comments with City and County.

11/21/2016 Consultant will start sampling during next good rain event.

1/19/2017 Consultant performs first sampling event.

## **C1610 Little Strawberry Water Leak on Bridge**

*Water main has small leak. Leak is in a section of main that is mounted to a bridge on Little Strawberry.*

### **01 Administration**

4/6/2016 Staff evaluating alternatives to get within reach of pipe to find and repair leak.

## **C1611 Country Club Sewer Pump Station**

*Rehabilitation of Country Club Sewer Pump Station.*

### **01 Administration**

4/6/2016 Selection of consultant is in conjunction with general engineering services RFQ.

8/9/2016 Staff working with BHC to develop scope of work

9/8/2016 AE agreement finalized and being routed for execution. Scope/fee was approved by board on 8/31/2016. Work to begin as soon as agreement is executed.

11/2/2016 District attended Center Condo Owner's Association board meeting to present and coordinate the project. Association gave District needed letter of authorization to pursue Whatcom County permits for construction - of either option (pump station or direction drill).

12/21/2016 AE Agreement Amendment being routed for execution that includes scope for geotech test borings to determine directional drilling feasibility. BHC and GeoEngineers are scheduling work and preparing permit applications.

### **02 Predesign**

10/11/2016 Held predesign meeting with BHC and District staff. BHC beginning preliminary design.

11/21/2016 Staff and BHC working on scope amendment to investigate horizontal direction drilling as the primary option. This option has the potential to eliminate the need for the pump station.

### **03 Permitting**

10/20/2016 Pre-Application meeting with Whatcom County to review anticipated permitting requirements.

11/7/2016 District and GeoEngineers met with Whatcom County Critical Areas Biologist to review potential critical areas.

12/22/2016 GeoEngineers submitted shoreline exemption permit application for test borings to Whatcom County.

## **C1612 Cedar Hills Water Main Relocate**

*Relocate water main for Whatcom County. County is installing stormwater treatment systems to remove phosphorus.*

### **01 Administration**

- 4/6/2016 Staff coordinating with County and Wilson to relocate water main to accomodate stormwater treatment system.
- 5/3/2016 District working with County to execute an interlocal agreement to establish cost sharing terms. Agreement will be similar to recent Cable Street reconstruction project.
- 5/25/2016 Board authorizes interlocal agreement with County and fund project using the storm/sewer contingency fund.
- 6/2/2016 Staff coordinating with County and Wilson as needed.

## **10 Construction**

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- 8/9/2016 Water utility relocated are done. County contractor is now working on the storm water filter systems.
- 9/8/2016 Contractor still working on stormwater facilities.
- 11/21/2016 County's construction appears complete. District waiting for invoice from County.

## **C1613 Northshore Water System Consolidation**

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*DOH water system consolidation feasibility grant to explore opportunity to consolidate small water systems.*

### **01 Administration**

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- 4/6/2016 District received notice that grant funding was approved for the feasibility study. Staff coordinating with DOH for grant contracts.
- 8/9/2016 Staff working with Wilson on a task order scope of work.
- 9/8/2016 Task order scope/fee approved by board on 8/31/2016. Once task order has been executed, Wilson will begin work.
- 10/19/2016 Wilson working on study.
- 12/15/2016 Staff met with Wilson to review conceptual designs, options, and costs. Staff gave Wilson feedback for them to continue with the feasibility study.
- 1/11/2017 Preliminary information was shared with the Board. Wilson will include a minimized alternate and various options for funding in the next draft of the feasibility study.

## **C1701 New Tool Truck**

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*Procure new tool truck from Washington State bid.*

### **01 Administration**

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- 2/7/2017 Staff ordered new truck off state bid.

## **C1702 Office Staff Vehicle**

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*Procure office staff vehicle from Washington State bid.*

**01 Administration**

---

**C1703 Utility System Support Specialist Vehicle**

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*Procure vehicle from Washington State bid.*

**01 Administration**

---

**C1704 Business Server Hardware Replacement**

---

*Replace business server hardware.*

**01 Administration**

---

1/18/2017 Staff met with IT consultant to review goals for 2017 and coordination of replacing server hardware. IT consultant is gathering basic system information to develop recommendations on new hardware storage space, processor power, memory, etc.

**C1705 Geneva and Par Sewer Pump Station Improvements**

---

*Sewer pump station improvements for Geneva and Par stations.*

**01 Administration**

---

1/19/2017 Staff developing Request for Proposal.

1/28/2017 Request for Proposals published in Bellingham Herald.

2/17/2017 Proposals are due.

2/21/2017 Selection committee meets to review proposals.

**C1706 Strawberry Canyon Stationary Generator**

---

*Install stationary generator and automatic transfer switch.*

**03 Permitting**

---

2/13/2017 Staff scheduled pre-application meeting for 2/14/2017 with Whatcom County for generator concrete slab permit.

2/14/2017 Staff held pre-application meeting with County.

2/15/2017 Staff submitted application for permit from Whatcom County for generator slab.

## **C1707 Level Transmitter Replacement and Beaver and Flat Car Pump Stations**

*Replace level transmitters. They are starting to lose sensitivity and will fail soon.*

### **03 Permitting**

## **C1708 Ball Check Valves at Airport and Beaver Sewer Pump Stations.**

*Install 2 ball check valves at Airport and 1 ball check valve at Beaver.*

1/18/2017 District crew verified measurements of existing swing check valves. Proposed ball check valves will fit. Staff will order new ball check valves.

## **C1709 2017 Sewer Capacity Management Operation Maintenance**

*Includes: I&I Repairs, force main pigging, & raising manholes*

### **01 Administration**

1/19/2017 Staff preparing and prioritizing list of sewer system repairs.

## **C1710 Eagleridge Fire Pump Controls**

*Develop scope of work and cost estimate to update fire pump controls to meet current electrical codes.*

### **01 Administration**

## **C1711 SVWTP Booster Station Roof Replacement**

*Replace 25-year old cedar shingles with metal roofing on booster pump building.*

### **01 Administration**

## **C1712 SVWTP Chlorine Contact Tank Exterior Level Gauge**

*Install staff gauge on exterior of tank for visual confirmation of water level depth.*

### **01 Administration**

### **C1713 Eagleridge Booster Pump Station PLC Re-Programming**

*Re-program PLC at Eagleridge Booster Station. Current program is proprietary and cannot be modified to better utilize sensors and controls at station.*

#### **01 Administration**

### **C1714 SVWTP Floor Coating**

*Install slip-resistant coating on water treatment plant floor. Prioritize walkway and entryways with available budget.*

#### **01 Administration**

1/18/2017 Staff met with Tnemec Coatings rep at plant to get recommendations for floor coating application. Should get written recommendations from rep soon.

2/15/2017 Staff meeting with specialty contractor at SVWTP to get recommendations and cost estimate.

### **C1715 SVWTP Chemical Feed Pumps and Benchtop Turbidimeter**

*Procure chemical feed pumps and benchtop turbidimeter.*

#### **01 Administration**

### **C1716A Dead End Blowoffs**

*Installing new blowoffs on dead end mains*

#### **01 Administration**

1/19/2017 Staff researching each site to determine detailed scope of work for each location.

### **C1716B Geneva Booster Station - PRV's and Backflow Assembly**

*Replace pumps at Geneva Booster Station at Scenic Ave with pressure reducing valves following hydraulic modeling verification.  
Replace old backflow assembly at City intetie.*

#### **01 Administration**

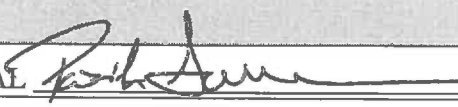
**Number of Projects 29**

Wednesday, February 15, 2017



## LAKE WHATCOM WATER AND SEWER DISTRICT

### AGENDA BILL

DATE SUBMITTED:	February 13, 2017		
TO BOARD OF COMMISSIONERS			
FROM: Patrick Sorensen	MANAGER APPROVAL 		
MEETING AGENDA DATE:	February 23, 2017		
AGENDA ITEM NUMBER:	5.D.		
SUBJECT:	Customer Request- Monjazeab		
LIST DOCUMENTS PROVIDED ⇒ NUMBER OF PAGES INCLUDING AGENDA BILL:	1. Email from Monjazeab dated 2/8/2017		
	2. Copy of December/January Bill		
	3. Data Collection System Report		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input checked="" type="checkbox"/>	INFORMATIONAL/ OTHER <input type="checkbox"/>

### **BACKGROUND / EXPLANATION OF IMPACT**

The owner of 14 Wisteria Lane has submitted a request for an adjustment to his February 1, 2017 bill for water consumption. The attached email explains the customer's request from his perspective. He does not live in his Sudden Valley residence year around. Also attached is the consumption report from the District's Master Link Data Collection System showing the daily consumption due to a running toilet from 12/1/16 to 1/13/17. For this period of time his property used about 8000 cf of water with a consumption value of \$764.47. Prior to this he typically used about 50 cf per billing period. He has since fixed his running toilet. The property owner is asking for relief from the December/January bill.

Under State law water – sewer districts must establish rates and charges “as deemed necessary by the commissioners, so that uniform charges will be made for the same class of customer or service and facility” (RCW 57.08.081 (1). Essentially if the District does not collect for usage, this constitutes unlawful rate preference/discrimination. The District also has a bond issue which states in Resolution No. 827, Section 9 (e), No Free Service, that the District will not furnish water or sanitary sewage disposal service to any customer whatsoever free of charge.

### **FISCAL IMPACT**

See discussion and recommendation below.

## **RECOMMENDED BOARD ACTION**

In order to assist in this situation staff recommends the following:

- That the Board authorizes the District to adjust the usage charge to the overage rate of .0885/cf over 600 for all overage. By doing this the previously billed conservation rate of .1106/cf over 2500 would not apply. This would reduce the bill by \$65.52 from \$764.47 to \$698.95.
- Per Administrative Code Policy No. 7.03, Installment Payment of Large Bills, the remaining balance can then be paid in payments over a period of time without late fees, if the customer adheres to a pre-arranged payment schedule. This is an option we have made available to other customers in similar situations, and is consistent with prior practice.

## **PROPOSED MOTION**

Direct staff to re-calculate all of the December/January water overage for account number 16003004 at the lower water consumption rate resulting in a reduction of \$65.52 in the December/January bill. Likewise, offer the customer the ability to make payments over a period of time.

## Debi Denton

---

**From:** Riaz Monjazez <riazmonjazez@gmail.com>  
**Sent:** Wednesday, February 08, 2017 12:40 AM  
**To:** Laura Weide; Curtis Casey  
**Cc:** Debi Denton  
**Subject:** 14 Wisteria Lane water leak 12/19/16-1/13/17

Hello Laura and Curtis, I'm writing this letter to request assistance on a situation that needs your help. I have a house in Sudden Valley that I stay in only a couple of days a month. In the month of December and January the toilet had been leaking from its flapper; from 12/19-1/13 over 8000 cubic ft. had been drained. The problem is resolved and it's not going to happen again. For almost the last three years that I have owned this property the usage has been less than 50 CF per month. If I may ask to distribute the excess leak volume, which is about 8000 CF over the number of months that I paid and not use, then this can help with this situation, or any other ways to resolve this. My statement charge for this is \$764.67 and it's due on Feb. 1st. I talked with Debi Denton about this and she suggested I write to you and request assistance. Your help on this matter is appreciated. Regards, Riaz Monjazez, 14 Wisteria LN

Sent from my iPad

---

Total Control Panel

[Login](#)

**To:** [debi.denton@lwwsd.org](mailto:debi.denton@lwwsd.org)  
**From:** [riazmonjazez@gmail.com](mailto:riazmonjazez@gmail.com)

**Message Score:** 30  
**My Spam Blocking Level:** Medium

**High (60):** Pass  
**Medium (75):** Pass  
**Low (90):** Pass

[Block](#) this sender / [Block](#) this sender enterprise-wide  
[Block](#) gmail.com / [Block](#) gmail.com enterprise-wide

*This message was delivered because the content filter score did not exceed your filter level.*

030



# MasterLink Data Collection System

2/1/2017 2:35 pm

## Data Log Report

From: 11/18/2016 (23:08) To: 1/18/2017 (23:08)

Page 1 of 4

Data Log Event: 49872

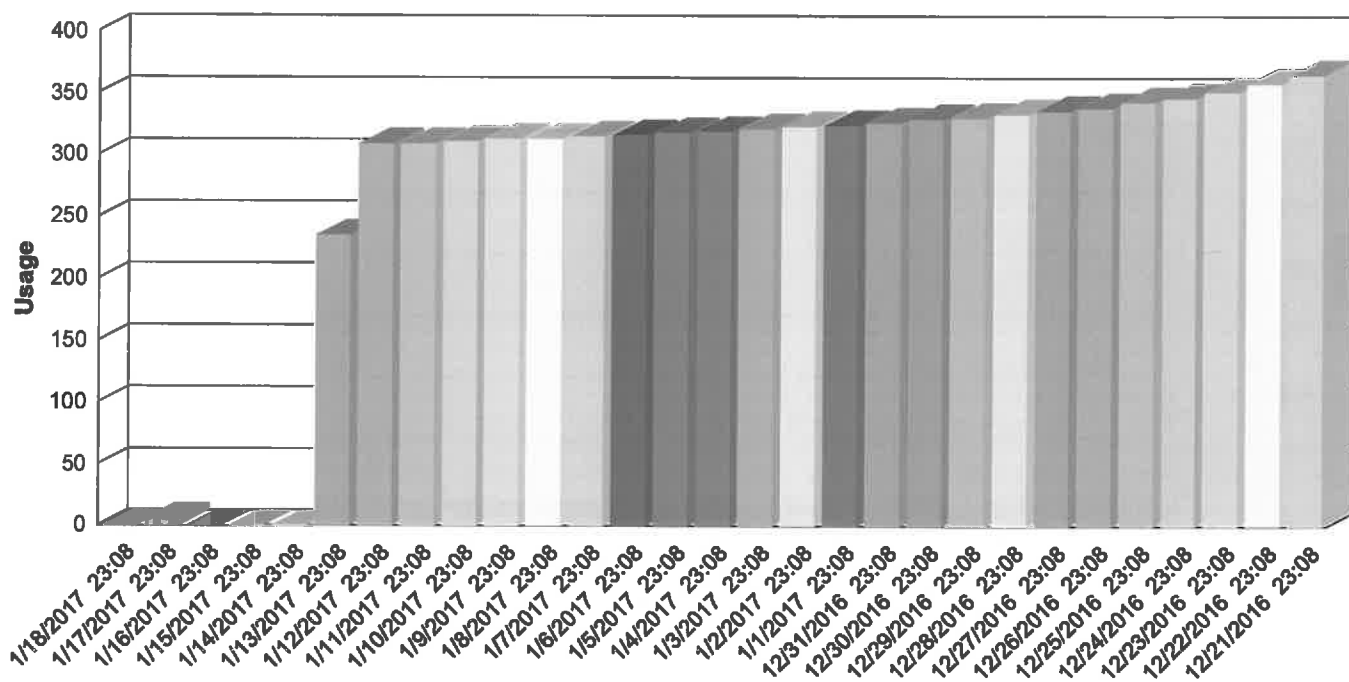
PrintDateTime

Address: 14 WISTERIA LN

Customer: MONJAZEB, RIAZ

MeterSN: 4636526 Electronic ID: 12278714

Peak Consumption: 375 Occurred 12/20/2016 (23:08)



### Date & Time

### Reading

### Usage

1/18/2017 11:08 PM  
1/17/2017 11:08 PM  
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# MasterLink Data Collection System

2/1/2017 2:35 pm

## Data Log Report

Page 2 of 4

From: 11/18/2016 (23:08) To: 1/18/2017 (23:08)

Data Log Event: 49872

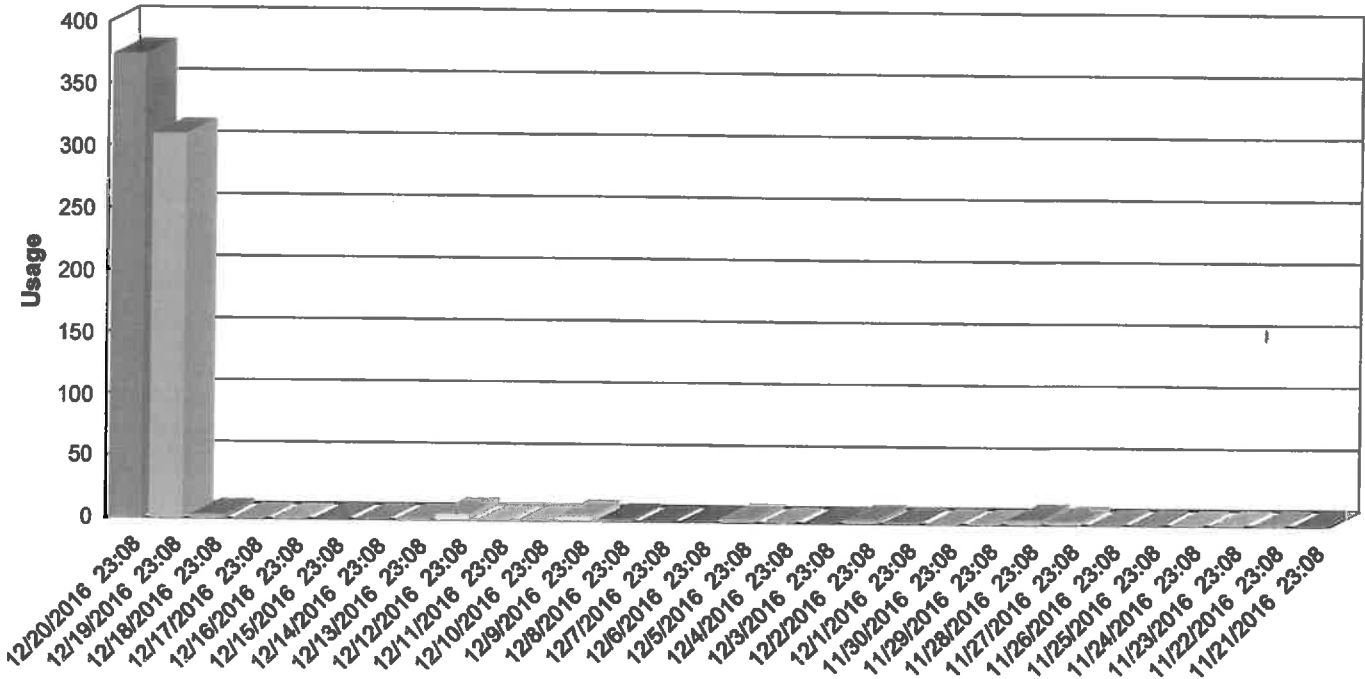
PrintDateTime

Address: 14 WISTERIA LN

Customer: MONJAZEB, RIAZ

MeterSN: 4636526 Electronic ID: 12278714

Peak Consumption: 375 Occurred 12/20/2016 (23:08)



### Date & Time

### Reading

### Usage

12/20/2016 11:08 PM  
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**Account Information**

Statement Date: 02/01/2017 Due: 03/20/2017  
 Billing Period: Dec.'16 & Jan.'17  
 Account Number: 160030047  
 Service Address: 14 WISTERIA LN



RIAZ MONJAZEB  
 14019 240TH ST NE  
 ARLINGTON, WA 98223

Due Date: 03/20/2017

Please Remit: 1,203.63

Check #: \_\_\_\_\_

Amount Paid: \_\_\_\_\_

Please remit payment to:

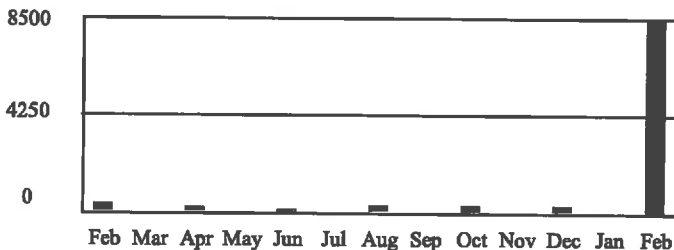
LWWSD  
 1220 Lakeway Drive  
 Bellingham, WA 98229

Please contact us if you have any questions at (360) 734-9224, Monday through Thursday, 8am to 5pm.

You may also email us 24 hours a day, 7 days a week at [ar@lwwsd.org](mailto:ar@lwwsd.org), or visit our website at [www.lwwsd.org](http://www.lwwsd.org).

**Account Name**

RIAZ MONJAZEB  
 14019 240TH ST NE  
 ARLINGTON, WA 98223

**Your Monthly Consumption****Message****Account Information**

Statement Date: 02/01/2017 Due: 03/20/2017  
 Account Number: 160030047  
 Service Address: 14 WISTERIA LN  
 Service Number: 160030047  
 Billing Period: Dec.'16 & Jan.'17  
 Water Units: 1.00 3/4" Meter  
 Sewer Units: 1.00 Sewer Base Charge  
 Misc Units:  
 Water 2 Units: Written From Filter Search

**Meter Information**

Previous	Current	Factor	Date	Consumption
W 0	8500	1.0000	01/18/2017	8500

**Account Activity**

Water Base Charge	57.29
Water Consumption	764.67
Sewer Base Charge	151.74
Late Charge	20.90

33

**Account Balance**

Previous Balance:	209.03
Adjustments:	0.00
Payments:	0.00
Current Charges:	994.60
<b>Balance:</b>	<b>1,203.63</b>


Account  
 160030047

30:	0.00	60:	209.03	90+:	0.00
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## LAKE WHATCOM WATER AND SEWER DISTRICT

### AGENDA BILL

DATE SUBMITTED:	February 14, 2017		
TO BOARD OF COMMISSIONERS			
FROM: Patrick Sorensen	MANAGER APPROVAL 		
MEETING AGENDA DATE:	February 23, 2017		
AGENDA ITEM NUMBER:	5.E.		
SUBJECT:	Revised Rates and Fees – General Engineering Services		
LIST DOCUMENTS PROVIDED ⇒ NUMBER OF PAGES INCLUDING AGENDA BILL:	1. Wilson Engineering's Proposed Rates and Fees for 2017		
	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**

Wilson Engineering in accordance with Section 7.4 of the on-call Engineering Services Contract has submitted the attached rates for 2017. These rate increases are variable depending on the services requested. The proposed rates are attached along with a copy of the 2016 rates. These numbers simply reflect inflation and the marketplace for engineering staff and services at this time.

#### **FISCAL IMPACT**

This is hard to know at this time since most of our work is requested on an on-call basis.

#### **RECOMMENDED BOARD ACTION**

To review Wilson Engineering's 2017 proposed rates and fees to perform General Engineering Services for the District. These rates are very reasonable in the market today. Wilson provides value and knowledge to the District and through its service. Staff is pleased with their work.

#### **PROPOSED MOTION**

To approve Wilson Engineering's proposed rates and fees for 2017 as presented.



January 26, 2017

Patrick Sorensen, General Manager  
Lake Whatcom Water and Sewer District  
1220 Lakeway Drive  
Bellingham, WA 98229

Re: On-Call Engineering Services Contract  
Rate Increase Request for 2017

Dear Patrick:

Wilson Engineering, LLC respectfully submits the following rate increase request in accordance with Section 7.4 of the On-Call Engineering Services Contract. The proposed rates for 2017 are presented in the attached 2017 Rate Schedule.

We are also providing a revised list of Key Personnel per Section 2.2 D. There have been a few changes since we last provided the District with a list of our personnel. Brian Smith is now a licensed Professional Engineer and several staff have been promoted to the next level.

These new rates represent our ongoing efforts to retain and reward our experienced staff and are comparable to the rates of local firms our size. The market for good civil engineers has tightened over the past one to two years, making it essential for us to increase staff salaries in order to maintain our highly experienced work force and provide you with the level of service you expect.

We very much enjoy working with the District Board and staff and value our long-term relationship. We look forward to continuing to serve the District with its future engineering needs.

If you have any questions or require any additional information, please don't hesitate to call.

Very Truly Yours,

WILSON ENGINEERING, LLC

A handwritten signature in black ink, appearing to read "Andrew Law".

Andrew Law, PE  
Managing Principal

A handwritten signature in black ink, appearing to read "Melanie Mankamy".

Melanie Mankamy, PE  
Senior Project Manager

Encl. 2017 rates  
2017 Staff List

cc: Bill Hunter, PE, Assistant General Manager / District Engineer

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**KEY PERSONNEL LIST**  
**Lake Whatcom Water and Sewer District**  
**General Engineering Services**

**Key Personnel List**

**CIVIL ENGINEERING**

Andrew Law, P.E.	Managing Member, Principal Engineer
Elizabeth Sterling, P.E.	Senior Project Engineer
Melanie Mankamy, P.E.	Senior Project Engineer
Jeff Christener, P.E.	Senior Project Engineer
Michael Matthes, P.E.	Senior Project Engineer
Danielle Johnston, P.E.	Senior Project Engineer
Curtis Schoenfelder, P.E.	Project Engineer
Rhett Winter, P.E.	Project Engineer
Scott Wilson, P.E.	Project Engineer
Jenifer Ramsey, P.E.	Project Engineer
Brian Smith, P.E.	Project Engineer
Ryan Griggs, E.I.T.	Engineer II
Ria Nickerson	Inspector/ Senior CAD Design Tech /Survey Tech
Jeffery G. Smith	Inspector/ Senior CAD Design Tech
Cheri Pendarvis	CAD Design Technician
Jessica Amos	Inspector / CAD Design Technician /Survey Tech
Joseph Ford	Senior CAD Design Technician /Inspector
Anthony Cavender	Permit Technician

**STRUCTURAL ENGINEERING**

Charles Waugh, P.E., S.E.	Senior Project Engineer
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**LAND AND HYDROGRAPHIC SURVEY**

J. Thomas Brewster, PLS, CFM	Manager, Survey Department, Professional Land Surveyor
Paul Darrow, PLS	Crew Chief / Professional Land Surveyor
Bruce Raper	Senior Survey Technician
Alan Mooers, LSIT	Senior Survey Technician
Colette McNabb	Senior Survey Technician
Alger Beal	Senior Survey Technician
Colin Hopps	Survey Technician / Inspector

**Administrative Staff**

Diana McLean / Cathy Donnelly	Bookkeepers
Janice Clayton	Clerical

## WILSON ENGINEERING LLC BILLING RATES

Billing rates for work performed January 1 - December 31, 2017:

Principal Engineer	\$165	+58
Senior Project Engineer	\$150	+78
Project Engineer	\$135	+78
Engineer II	\$120	+58
Engineer I (EIT)	\$110	+58
Environmental Specialist	\$85	+48
Senior CAD Design Technician	\$95	+78
CAD Design Technician	\$80	+48
Inspector	\$85	+48
Clerical	\$70	-38
Senior Professional Land Surveyor	\$150	+128
Hydrographer	\$160	+168
Professional Land Surveyor	\$140	+118
Senior Survey Technician	\$110	+78
Survey Technician	\$85	+78
1 Person Survey Crew	\$130	+58
2 Person Survey Crew	\$190	+68
3 Person Survey Crew	\$240	+88
3-D Scanning Survey Crew	\$240	+88
Hydrographic Survey Crew	\$280	+128

Sub-consultants – reimbursed at cost plus 5%

Reimbursable direct expenses – reimbursed at cost plus 5% - include (but are not limited to) the following:

Project application fees and project permit fees

Publication of notices

Reproduction of drawings and construction documents

Postage and shipping

Direct expenses for travel, meals and lodging outside of Whatcom and Skagit Counties

Mileage at project-current IRS mileage rate

\*Specialized Equipment Rental, at rental rate

**Billing rates for work performed January 1-December 31, 2016:**

Principal Engineer .....	\$157 per hour
Senior Project Engineer .....	\$138 per hour
Project Engineer .....	\$125 per hour
Engineer II .....	\$114 per hour
Engineer I (EIT) .....	\$104 per hour
GIS Analyst .....	\$98 per hour
Environmental Specialist .....	\$82 per hour
Senior CAD Design Technician .....	\$88 per hour
CAD Design Technician .....	\$77 per hour
Inspector .....	\$82 per hour
Clerical .....	\$72 per hour
Senior Professional Land Surveyor .....	\$132 per hour
Hydrographer .....	\$135 per hour
Professional Land Surveyor .....	\$124 per hour
Senior Survey Technician .....	\$102 per hour
Survey Technician .....	\$79 per hour
GIS Mapping Technician .....	\$112 per hour
1-Person Survey Crew .....	\$124 per hour
2-Person Survey Crew .....	\$178 per hour
3-Person Survey Crew .....	\$220 per hour
3-D Scanning Survey Crew .....	\$220 per hour
Hydrographic Survey Crew .....	\$245 per hour*

Sub-consultants – reimbursed at cost plus 5%

Reimbursable direct expenses include (but are not limited to) the following (outside expenses are reimbursed at cost plus 5%):

Project application fees and project permit fees

Publication of notices

Reproduction for Deliverables (drawings, reports, etc.)

<u>In-house Plotter/Copy Fees</u>	<u>Cost per SF</u>
Premium Color / photo	\$3.50
Standard color on bond	\$1.00
Mylar - B&W (INK)	\$1.00
B&W Plot on bond (ink)	\$0.50
B&W copy on bond (toner)	\$0.15
8x11 (per sheet)	\$0.015 B&W; \$0.08 Color
11x17 (per sheet)	\$0.02 B&W; \$0.10 Color

Postage and shipping

Direct expenses for travel, meals and lodging outside of Whatcom and Skagit Counties

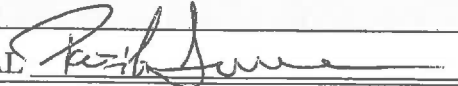
Mileage at project-current IRS mileage rate

\*Specialized Equipment Rental, at rental rate



## LAKE WHATCOM WATER AND SEWER DISTRICT

### AGENDA BILL

DATE SUBMITTED:	February 14, 2017		
TO BOARD OF COMMISSIONERS			
FROM: Bill Hunter	MANAGER APPROVAL 		
MEETING AGENDA DATE:	February 23, 2017		
AGENDA ITEM NUMBER:	5.F.		
SUBJECT:	Geneva and Par Lane Sewage Pump Stations-Engineering Services		
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**

The District published a Request for Proposals for professional engineering services in the Bellingham Herald on January 28, 2017. Proposals are due February 17, 2017. The District's consultant selection committee will meet February 21, 2017 to review, discuss, and select the most qualified consultant.

The committee intends to make a recommendation at the board meeting.

#### **FISCAL IMPACT**

None at this time.

#### **RECOMMENDED BOARD ACTION**

See proposed motion.

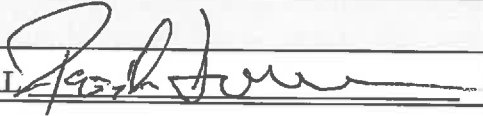
#### **PROPOSED MOTION**

The District selects \_\_\_\_\_ as the most qualified professional engineering consultant for the Geneva and Par Sewer Pump Station Improvements project and authorizes District staff to begin scope of work and fee negotiations for professional services.



## LAKE WHATCOM WATER AND SEWER DISTRICT

### AGENDA BILL

DATE SUBMITTED:	February 16, 2017		
TO BOARD OF COMMISSIONERS			
FROM:	MANAGER APPROVAL 		
MEETING AGENDA DATE:	February 23, 2017		
AGENDA ITEM NUMBER:	5.G.		
SUBJECT:	Utility Billing Reconciliation Report		
LIST DOCUMENTS PROVIDED ⇒ NUMBER OF PAGES INCLUDING AGENDA BILL:	1. May 21, 2013 Sanitary Sewer Service Report/Legal Counsel 2. May 29, 2013 Minutes 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**

From time to time the District will audit its account base to see if billing coincides with actual connections. If there is an inconsistency we bring this information forward to the Board for action to correct the situation. We last did this in 2013 and corrected a handful of accounts. We are bringing forward four specific accounts at this time. Each is described in a memo from District legal counsel that is attached. Recommendations are included in the report. We have to charge for service received. The real question is how far back we will bill these customers for the service they are receiving. An explanation of how this was dealt with back in 2013 is also attached.

#### **FISCAL IMPACT**

We have not calculated any missed revenue but recommend that we now correct the problem.

#### **RECOMMENDED BOARD ACTION**

That the Board reviews the outlined issue with each of the four accounts and directs staff to back bill each party for service received for a specific period of time. In 2013 the Board used six months as the designated period. However, the six month time period was not set in policy.

#### **PROPOSED MOTION**

A motion to establish a back billed period of time for each of the accounts described in the attached report.





ROBERT A. CARMICHAEL | Attorney  
bob@carmichaelclark.com

## MEMORANDUM

**TO:** LWWSD Board  
**FROM:** Robert Carmichael and Catherine Moore  
**DATE:** February 15, 2017  
**SUBJECT:** Utility Account Audit

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### QUESTION

What are Lake Whatcom Water Sewer District ("the District")'s options for addressing four properties which never paid connection fees and do not pay for all water and sewer service they receive?

### SHORT ANSWER

Four (4) properties have recently been discovered not paying for all the water or sewer connections that service them. The District must commence collecting the appropriate monthly service charges for the number of ERUs on each property. The District has the legal right to collect charges incurred in the past six (6) years from these properties. For each property, collection of past due connection charges is time barred under the six (6) year statute of limitations. However, the District is able to collect monthly service charges due for service received for the past six (6) years.

When the District faced a similar issue in 2013, the District Board determined that it would only pursue service fees for the prior six (6) months. However, the Board also indicated that it was a one-time decision and not to be considered District policy for future cases. The current District Board has the legal right to collect up to a maximum six (6) years back service charges for each of these properties, or such lesser amount as determined in its discretion.

### FACTS

In a recent utility account audit, District staff uncovered four (4) separate properties receiving service for which the District has no record of connection fee payment or monthly service charges. Those properties and information of their circumstances is set forth below. The information is based on a combination of information on the Assessor's website and District records.

**1. 920 Euclid Avenue ("Euclid Property").** There are two residential units on the property, each built in 1959. One residential unit is 1376 square feet, 3 bedrooms, with 1 ½ baths. The other residential unit is 874 square feet, 2 bedrooms, with 1 bath.

The District is currently billing the Euclid Property for 2 sewer services and 1 water service. Under District code, the Euclid Property should be billed for 2 sewer services and 2 water services.

District files include a sewer as-built drawing showing 2 residences from 2007-08. Permits were paid for sewer general facilities in 2007, one in the amount of \$6,542 and the other in the amount of \$978.

A water service as-built drawing from 2002 also shows two residences on the Euclid Property labeled as "large home" and "small home." Bill says the file also contains a note from 1981 indicating there are two houses off this service. The District knew or should have known in 1981 of the existence of two separate water services at the Euclid Property.

**2. 219 Polo Park Drive ("Polo Park Property").** There are two residential units on the Polo Park Property, one built in 1978 and the other built in 1997. One residential unit is 992 square feet, 3 bedrooms, and 2 full baths. The other residential unit is 862 square feet, 1 bedroom, and 1 full bath.

The District is currently billing the Polo Park Property for 1 sewer service and 1 water service. Under District code, the Polo Park Property should be billed for 2 sewer services and 2 water services.

District files include a sewer as-built drawing from 1996 showing a residence and garage connected to sewer. The file contains one water service permit from 1976 and one side sewer permit from 1997. In light of the 1997 sewer as-built, the District knew or should have known in 1997 of the existence of two separate sewer and two separate water services at the Polo Park Property.

**3. 3901 Lakeway Drive ("Lakeway Property").** There are two residential units on the Lakeway Property, both built in 1926. One residential unit is 1262 square feet, 2 bedrooms, and 1 full bath. The other residential unit is 864 square feet, 2 bedrooms, and 1 full bath.

The District is currently billing the Lakeway Property for 2 water services but only 1 sewer service. Under District code, the Lakeway Property should be billed for 2 sewer services.

District files include a sewer permit for one residence issued in 2005, but there were two water services to the same property. In light of this discrepancy, the District knew or should have known of the existence of two sewer permits in 2005.

**4. 4721 Fremont St. ("Boy Scout Cabin").** There is water to the Boy Scout Cabin, but it does not contain any bedrooms or bathrooms. There is 1 water service to the cabin and no sewer service. The Boy Scout Cabin should be billed for 1 water service, but while the Cabin's water usage has been recorded, it has never been billed.

Billing on the account appears to be suspended. There is also a note in the file from 2006 stating "Not locked, no charges since the beginning of time."

### ANALYSIS

**A. A six-year statute of limitations likely applies because utility charges are probably accounts receivable.**

Previously, the District had an audit performed in 2013. That audit found eight (8) properties in situations similar to the ones described above.<sup>1</sup> The District sought the advice of its then-attorney, Thomas Fryer, regarding its legal rights to collect connection charges and service fees for one of the properties in particular. Mr. Fryer's letter is attached to this memo as Attachment 1. Mr. Fryer's 2013 letter concluded that a six-year statute of limitations would likely apply to an action to collect unpaid connection charges and service fees. We agree with Mr. Fryer's assessment.

Chapter 4.16 RCW defines statutes of limitations after which actions may not be brought. RCW 4.16.160 provides that municipal and quasi-municipal actors are subject to the same statutes of limitations as private actors, except when acting for the benefit of the state. Washington courts have held that operation of a utility is a proprietary action, not an action for the benefit of the state.<sup>2</sup> Therefore, the connection charges and service fees will be subject to the statutes of limitations as if the District were a private entity.

Two statutes of limitations could potentially apply. The three-year statute of limitations at RCW 4.16.080(3) applies to transactions without a written contract. The six-year statute of limitations at RCW 4.16.040(2) applies to accounts receivable. Most of the accounts at issue do not appear to have written contracts reflecting the correct number of connections. Unless the delinquent charges and fees are considered to be accounts receivable, the three-year statute of limitations applies due to the lack of written contracts for these accounts.<sup>3</sup>

Fortunately for the District, however, utility charges probably fall under the umbrella of accounts receivable. The statute defines an "account receivable" as "any obligation for payment incurred in

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<sup>1</sup> There is no explanation for why the 2013 audit did not also discover these four properties.

<sup>2</sup> *City of Tacoma v. Taxpayers of Tacoma*, 108 Wn.2d 679, 694-95, 743 P.2d 793, 800-01 (1987). See also *Municipality of Metropolitan Seattle v. Division 587, Amalgamated Transit Union*, 118 Wn.2d 639, 645, 826 P.2d 167, 170 (1992); *Sudden Valley Community Association v. Whatcom County Water District No. 10*, 113 Wn.App. 922, 926, 55 P.3d 653, 654-55 (2002).

<sup>3</sup> When a written contract accurately describing the connections does exist, the six-year statute of limitations at RCW 4.16.040(1) applies.

the ordinary course of the claimant's business or profession, whether arising from one or more transactions and whether or not earned by performance." The Washington Supreme Court addresses the definition of "account receivable" in the context of RCW 4.16.040 in *Tingey v. Haisch*. In that case, the Court interpreted an earlier version of the current statute, provided only for "an account receivable incurred in the ordinary course of business." RCW 4.16.040 (2006). The court held that the plain meaning of "account receivable" was "an amount due a business on account from a customer who has bought merchandise or received services."<sup>4</sup> Because a utility charge is compensation for a service provided to a customer in the course of a proprietary venture, service fees and connection charges very likely would be considered accounts receivable.<sup>5</sup> It should be noted that though it is our conclusion that the six-year statute of limitations applies, Washington courts have never interpreted whether utility charges are accounts receivable.

The statute of limitations begins to run when a claimant knew or should have known of the conditions resulting in the claim.<sup>6</sup> A claimant should have known of the conditions if "the reasonable exercise of diligence" would have uncovered those conditions.<sup>7</sup>

**B. Recovery of connection fees is time barred, but the District has a right to collect service fees from the previous six (6) years on the properties.**

In our opinion, the District has a legal right to collect on any utility charges up to six (6) years overdue. However, in the case of each of the subject four (4) properties, recovery of the connection fees is time-barred. In each case, the District knew or should have known of the connections more than six (6) years ago. Despite the fact that these discrepancies were not discovered until the most recent audit, the District's prior documentation should have alerted it to the non-paying properties.

In our opinion, the District has the right to collect unpaid monthly service charges dating back six (6) years. Collecting farther back in time than six (6) years is barred by the statute of limitations.

**C. The District previously collected only six months of past due utility charges, but stated that was a one-time only agreement.**

The minutes of the Board meeting describing the following actions are attached as Attachment 2. In 2013, an audit discovered eight properties not being charged for the correct number of water or sewer connections. One residence was built in 2003 and its connection to the sewer system was never recorded; one residence replaced an older home in 1984, apparently without submitting a

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<sup>4</sup> *Tingey v. Haisch*, 159 Wash.2d 652, 655, 152 P.3d 1020, 1022 (2007).

<sup>5</sup> This is the conclusion of our office, Mr. Fryer, and MRSC, a nonprofit which provides legal and policy guidance to local Washington governments, though no case law exists addressing this question.

<sup>6</sup> *1000 Virginia Ltd. P'ship v. Vertecs Corp.*, 158 Wn.2d 566, 576, 146 P.3d 423, 428 (2006), *as corrected* (Nov. 15, 2006).

<sup>7</sup> *Id.* at 575-76, 428.

new sewer permit and connection fee; one property had an accessory dwelling unit built in 2004 without its own water or sewer line; the other five properties were similarly situated.

The District sent each property owner a letter requesting a discussion about the status of their individual accounts and advising the property owners that the District had the right to collect up to six years' worth of fees. Three of the property owners met with District staff and protested the collection of six years' worth of fees.

The District Board decided to pursue only the previous six (6) months' worth of utility charges plus any connection fees less than six (6) years old from the eight property owners. District staff worked out a payment plan with late fees waived for each property owner. The Board also determined that this solution was not a long-term policy and would only apply to those eight accounts.

**D. Decision on the subject four (4) properties.**

The Board must require each property to begin paying appropriate monthly service charges for each ERU. The Boy Scout cabin may not legally continue to receive free water. It should either commence paying monthly service fees under the current District Code or disconnect from service. The real question for all the properties is how far back in time should the District go in collection of their unpaid monthly service charges. The District Board may pursue any amount of charges from the delinquent accounts, so long as it only pursues charges up to a maximum of six (6) years old.

**CONCLUSION**

This the second time the issue of properties having never paid the correct connection fees and service charges has come up. The District must require all such properties to commence paying the proper monthly service charges for each ERU. As to collection of past due charges, our advice is the same as the District's previous attorney: the District may collect any fees that accrued within the past six (6) years. Here, the District should have known of all of these connections more than six (6) years ago, so it is unable to collect any connection fees. However, the District may still pursue up to six (6) years of monthly service charges. How far back in time the District chooses to collect monthly service fees, up to a maximum of six (6) years, is within the discretion of the Board.

THE LAW OFFICES OF  
**RESICK HANSEN FRYER HALL & HEINZ, PLLC**

412 N. Commercial Street  
Bellingham, WA 98225

Thomas J. Resick  
Brian L. Hansen  
Thomas H. Fryer  
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Andrew W. Heinz

Telephone (360) 671-9212  
Fax (360) 671-9226  
[TFryer@RHF-Law.com](mailto:TFryer@RHF-Law.com)

May 21, 2013

Patrick Sorensen  
General Manager  
Lake Whatcom Water & Sewer District  
1220 Lakeway Drive  
Bellingham, WA 98229

**Attorney Client Communication  
Privileged and Confidential**

**Re: 1143 Lakewood Lane  
District Account #6008899  
Sanitary Sewer Service**

Dear Mr. Sorenson:

**BACKGROUND**

The property located at 1143 Lakewood Lane is receiving but has not been billed for sanitary sewer service for the past nine years. According to District records an as-built side sewer inspection was performed by the District on February 24, 2004. Pursuant to Administrative Code Section 3.5.10(b) sewer billing should have commenced on that date. While an inspection of the sewer connection was completed no connection fee was demanded by the District or paid, and as such no permit was issued to the then property owner. An assessment for ULID #18 was, however, paid by the property in full in 2006. The current cost of the permit to the property owner is \$5,316.00.

The property is currently owned by Francis and Joanna Miley who purchased the land and residential building in 2004. Whatcom County records reveal that a building permit was issued, approving construction on March 23, 2003. My understanding is that the Miley's purchased the residence from the builder/contractor and have remained in possession of the residence for the past nine years.

**ISSUE**

How much of the past sewer service fee and unpaid connections fee is recoverable.

### ANALYSIS

The starting point in answering this is to determine whether the District is subject to a time based limitation on a collection action such as this. RCW 4.16.160 provides that a municipality or quasi-municipality is subject to the same statutes of limitations as a private party except that there shall be no limitation to actions brought in the name of or for the benefit of the State. Municipal actions are brought "for the benefit of the State" when these actions arise out of the exercise of powers traceable to the sovereign powers of the State which have been delegated to the municipality.<sup>1</sup> For example the tax collecting process is an essential and basic attribute of sovereignty and as such no step in the tax collecting process is subject to the defense of the statute of limitations.<sup>2</sup> Conversely the language in RCW 4.16.160 mandating the same limitations on a municipality as a private party subjects municipalities to the defense of the statute of limitations when they are acting in a propriety capacity.<sup>3</sup>

We believe that in the case of 1143 Lakewood Lane the District is acting in a proprietary capacity. A government acts in a proprietary capacity when it engages in a business venture as contrasted with a governmental function. Education and collection of taxes have been found to be governmental functions.<sup>4</sup> Operation of a utility, on the other hand, has been classified by the Washington State Supreme Court as a proprietary function of government.<sup>5</sup> This is because a public utility engages in a business like venture, selling water and sewer services to the public. Unlike education, water and sewer service has not been expressly made an attribute of sovereignty by the Washington State Constitution. Thus in the instant case, the limitations placed on filing an action as set forth in chapter 4.16. RCW are applicable to the District in the same manner as if it were a private citizen.

The next question is whether the collection of past sewer service fees is subject to the three-year statute of limitations set forth in RCW 4.16.080(3) or the six-year statute of limitations set forth in RCW 4.16.040(2). Because the district does not have a written agreement with the Miley's, ordinarily RCW 4.16.080(3) would apply and the District would be limited to only pursuing collection of the outstanding user fees incurred over the past three years. However, in 1989 the legislature amended RCW 4.16.040, the six-year statute of limitations by adding a new category, "actions upon an account receivable incurred in the ordinary course of business".

The Washington State Supreme Court has interpreted "accounts receivable" to mean amounts due to a business on account from customers who have bought merchandise or received services.<sup>6</sup> The term "accounts receivable" has also been described as an open account, that is an

<sup>11</sup> *Bellevue Sch. Dist. 405 v. Brazier Constr. Co.*, 103 Wn.2d 111, 114 (1984); *Tacoma v. Hyster Co.*, 93 Wn.2d 815 (1980);

*Commercial Waterway Dist. 1 v. King Cy.*, 10 Wn. 2d 474, 479 (1941); *Gustavson v. Dwyer*, 83 Wn. 303 (1950).

<sup>2</sup> *Commercial Waterway Dist. 1*, 10 Wn.2d 474, 478 (1941)

<sup>3</sup> *Washington Public Power Supply System v. General Electric Co.*, 113 Wn.2d 288, 291 (1989)

<sup>4</sup> *Municipality of Metro. Seattle v. Div. 587, Amalgamated Transit Union*, 118 Wn.2d 639, 645 (1992)

<sup>5</sup> *Sudden Valley Community Association v. Whatcom County Water District No. 10*, 113 Wn.App. 922, 923 (2002).

<sup>6</sup> *Tingey v. Heisch*, 159 Wn.2d 652, 655 (2007)

account that is left open for ongoing debit and credit entries by two parties and that has a fluctuating balance until either party finds it convenient to settle and close.<sup>7</sup> In the instant case both definitions are applicable and thus RCW 4.16.040(2) appears to be controlling, giving the District a six-year period in which to collect unpaid sewer service fees.

As to the recovery of the unpaid connection fee any such claim would be time barred by both the six-year and the three-year statute of limitations.

In addition, as to the collection of costs associated with the original connection of the property to the sewer system the current owners would be able to avail themselves of the defense of laches. In this regard, the equitable doctrine of laches is the implied waiver arising from knowledge of existing conditions and acquiescence in them.<sup>8</sup> Laches consist of two elements: (1) inexcusable delay and (2) prejudice to the other party from such delay.<sup>9</sup>

Our understanding is the District has no explanation for the failure to charge a connection fee to the owner of 1143 Lakewood Lane other than inattention. The Mileys had, presumptively, reason to believe the fee was paid prior to the sale of the property by the seller/builder. The delay in going forward with collecting the fee has harmed them to the extent that the Mileys are now time barred from, in turn, collecting the connection fee from the seller. Had the connection fee been collected at the time of the inspection there is every reason to believe the owner of the home, at the time of the inspection, would have paid the fee. As such the Miley's have been harmed by the delay in collecting the connection fee and thus the District's claim may fail due to the defense of laches.

Based on the foregoing it is my opinion that the District should seek payment from the Miley's of back sewer charges for the last six years but should waive payment for the sewer connection fee. If you have any questions regarding any of this or need any additional information please do not hesitate to let me know.

Very truly yours,

RESICK HANSEN FRYER  
HALL & HEINZ, PLLC



THOMAS H. FRYER

THF/mkl  
Enclosures

<sup>7</sup> Tingey v. Haiech, 129 Wn.App 109, 113 (2005)

<sup>8</sup> Felida Neighborhood Assoc. v. Clark County, 81 Wn.App. 155, 162 (1996)

<sup>9</sup> Clark County Pub. Util. Dist. No. 1 v. Wilkinson, 139 Wn.2d 840, 848 (2000)



**Lake Whatcom Water and Sewer District  
Regular Meeting of the Board of Commissioners  
May 29, 2013**

Board President Leslie Mc Roberts called the Regular Session to order at 8:00 a.m. Other District representatives present included Commissioners Deborah Lambert and John W. Millar, General Manager Patrick Sorensen, District Engineer Bill Hunter, Consulting Engineer Melanie Mankamy, Legal Counsel Tom Fryer, Finance Manager Debi Hill and Recording Secretary Lyn Edwards. Commissioner Welde attended the meeting via speakerphone. Commissioner Citron was excused from the meeting. A list of interested participants is on file.

- **Consent Agenda**

- **Action Taken**

- Lambert moved, Millar seconded, approval of:

- Meeting Minutes for May 7, 2013

- Motion passed.

- **Background Information on Billing/Permitting Reconciliations**

Sorensen explained that in late 2012 staff conducted an audit of the District's water and sewer accounts in order to identify any "phantom" or unauthorized connections. The goal of the audit was to insure that the properties that are receiving service are actually paying for the services received, and that permit fees have been collected for each connection. The review, concluded in April of this year, identified eight properties needing further examination. A letter was subsequently sent to each of the property owners outlining the District's findings and requesting that they schedule an appointment to meet with District staff to discuss their account. District legal counsel advised the Board that the District has the ability to collect for up to six years of unpaid user fees and permitting fees under the statute of limitations.

The three following property owners have met with District staff and are appealing the staff's decisions to the Board:

- **Billing/Permitting Reconciliation – 1143 Lakewood Lane**

The findings for 1143 Lakewood Lane indicate that the residence was built in 2003 and a water account was established at that time. Staff found that the residence is connected to the District's sewer system but there is no record of a sewer connection/permit fee being collected nor is there a sewer service account established for the property.

- **Billing/Permitting Reconciliation – 2058 Dellesta Drive**

The findings for 2058 Dellesta Drive indicate that a sewer permit was paid for and issued on July 26, 1979; however the current residence was not built until 1984. The residence appears to have been connected to the sewer system without the District's knowledge, so the property has apparently enjoyed the benefit of sewer service since 1984 without a sewer service account ever having been established.

- **Billing/Permitting Reconciliation – 1185 Lakewood Lane**

The findings for 1185 Lakewood Lane indicate that an accessory dwelling unit has been constructed on the property, presumably in 2004 when the building permit was issued by Whatcom County. Although the original residence is connected to the District's water and sewer system and an account for both utilities is being billed and paid for there is no record of a connection fee being paid, however there is correspondence regarding the connection fee being

waived in exchange for an easement to allow service to an adjacent property. In addition, there was no water or sewer account established for the accessory dwelling unit. Per the District's Administrative Code, two residential units on one piece of property qualify as a duplex requiring two water and sewer connection permits and a utility billing account for two dwelling units instead of the one unit that has been being billed.

- **Public Comment**

The affected property owners that were present at the meeting spoke to the Board about their individual circumstances and other issues that came to light as a result of the District's audit.

- **Board Discussion on Billing/Permitting Reconciliation**

The Board discussed the District's utility reconciliation findings and deliberated on the various policy options pertaining to the collection of unpaid fees and considering the parameters under which the District is required to operate. The results of the board's extensive deliberations are as follows:

1. The policy regarding the 2012/2013 account reconciliation is not intended to be a long term policy; it will apply to the eight accounts affected by the audit only.
2. Any uncollected connection fees for the eight accounts will not be pursued if they are beyond the six-year statute of limitations.
3. The eight property owners will be responsible for the last six months of unpaid utility balances.
4. Payment plans on the uncollected utility balances are to be negotiated with District staff.
5. The uncollected utility balances will not incur late fees provided that the pre-arranged payment plan is adhered to.
6. Issues that are specific to each of the properties will be negotiated with District staff; if necessary, staff's decisions can then be appealed to the Board.

**Action Taken**

Lambert moved, Millar seconded, that for the District's 2012/2013 Billing and Permitting Reconciliation audit, based upon the fact that there is inconclusive data or a lack of a record in some instances and that the District's bi-monthly billings are not clear, the Board has determined that the District will bill for six months of unpaid user fees for the eight affected properties. Motion passed.

- **Polo Park Bridge Replacement Waterline Relocation Project – Award Contract**

Hunter reported that the Sudden Valley Community Association (SVCA) is replacing a large culvert with a bridge to cross Beaver Creek on Polo Park Drive. The project was originally scheduled for construction last summer, but was delayed due to permitting issues. The Community Association has contracted with Strider Construction to build the bridge this year.

As a consequence of SVCA's bridge project, the District's water main will need to be relocated to hang on the bridge. The District's water main relocation portion of the project is a public works project. Therefore, District staff has independently prepared construction contract documents, advertised for bids, and will work with its own contractor in accordance with public works project laws. An Advertisement for Bids was published and two bids were received.

**Action Taken**

Lambert moved, Millar seconded, to award the Polo Park Bridge Replacement Waterline Relocation Project to Strider Construction in the amount of \$31,200.00 plus tax. Motion passed.

2

LAKE WHATCOM WATER AND SEWER DISTRICT  
REGULAR BOARD MEETING

**SUMMARY OF ACTION ITEMS**

**MEETING DATE: MAY 20, 2013**


**To: Commissioners, gm, am, et, aa, da, de, Wilson Engineering, Brian Hansen, Staff Bulletin Board**

**\*\*\* NOTE FOR COMMISSIONERS \*\*\***

Please review and advise Lyn by close of business on Tuesday, June 10, 2013 if any action item is incompletely or inaccurately stated, or if any are missing.

1. **BILLING/PERMITTING RECONCILIATION – 1143 LAKEWOOD LANE**
  - 1.1. Staff will write a letter to the property owners stating that the Board decided to waive any uncollected connection fees and to waive all but the last six months of uncollected sewer service charges.
  - 1.2. Staff will negotiate a payment plan with the property owners on the six month uncollected sewer service balance.
  - 1.3. Late fees will not be applied to the six-month uncollected sewer service balance.
  - 1.4. Staff will set up a sewer service account for the property and begin the regular bi-monthly billing for sewer service as of May 1, 2013.
2. **BILLING/PERMITTING RECONCILIATION – 2058 DELLESTA DRIVE**
  - 2.1. Staff will write a letter to the property owners stating that the Board decided to waive all but the last six months of uncollected sewer service charges.
  - 2.2. Staff will negotiate a payment plan with the property owners on the six month uncollected sewer service balance.
  - 2.3. Late fees will not be applied to the six month uncollected sewer service balance.
  - 2.4. Staff will set up a sewer service account for the property and begin the regular bi-monthly billing for sewer service as of May 1, 2013.
3. **BILLING/PERMITTING RECONCILIATION – 1185 LAKEWOOD LANE**
  - 3.1. Staff will work with the property owners to resolve the billing issue for the accessory dwelling unit.
    - 3.1.1. Property should be billed as a duplex with two water volume charges and two sewer volume charges.
  - 3.2. The property owner will be billed for the last six months of uncollected water and sewer volume charges for the accessory dwelling unit.
  - 3.3. Late fees will not be applied to the six-month uncollected account balance.
  - 3.4. Staff will begin billing the account as a duplex instead of a single family dwelling unit as of May 1, 2013.
4. **Board policy decisions regarding the eight 2012/2013 Account Reconciliation properties are as follows:**
  - 4.1. Staff will set up utility billing accounts for each property as applicable.



- 
- 4.2. Billing for the regular bi-monthly sewer or water utility service will begin as of May 1, 2013.
- 4.3. Details of variant situations will be negotiated with District management staff; Management staff's decisions can then be appealed to the Board in writing if the customer is not satisfied.
- 4.4. Connection fees will not be collected due to the statute of limitations for connections that are six or more years old.
- 4.5. Property owners will be billed for the last six (6) months of back sewer and/or water service account charges where applicable.
- 4.6. Staff will negotiate payment plans with the property owners for each account.
- 4.7. Late fees will not be applied to the six-month uncollected utility account balances.
- 4.8. Staff will reformat all bi-monthly water and sewer bills to show water and sewer service charges separately to clearly delineate the services that are being received and billed from the District.
- 4.8.1. For accounts with only one utility service, the bills will specify water = 0 balance or sewer = 0 balance.
- 4.9. Letters to District customers that could potentially be heavy handed, harsh and/or contentious should be reviewed by the Board before mailing.
5. POLO PARK BRIDGE REPLACEMENT WATERLINE RELOCATION-AWARD CONTRACT
- 5.1. Staff will notify Strider Construction that the waterline relocation contract was awarded to them for the amount of \$31,200.00 + tax.
6. SURPLUS/SALE OF VACTOR TRUCK
- 6.1. The surplus 1983 Camel Vactor truck will be sold to the City of Ilwaco for \$6,000.00.
7. PURCHASE OF FLUSH/VAC TRUCK
- 7.1. Mechanical evaluation not yet completed; decision postponed to June 12, 2013 Meeting.
8. OTHER BUSINESS
- 8.1. Blair Burroughs from WASWD to speak to the Board regarding Caucus Special Water Rights Legal Counsel issue.
- 8.1.1. Patrick will try to reschedule Blair Burroughs visit from the June 12<sup>th</sup> meeting to the July 10<sup>th</sup> meeting so that Ian can be present.
9. FUTURE BOARD MEETING AGENDAS
- 9.1. Lyn will include on the June 12, 2013 Regular Meeting Agenda the following items:
- 9.1.1. Purchase of Flush/Vac Truck



## LAKE WHATCOM WATER AND SEWER DISTRICT

### AGENDA BILL

DATE SUBMITTED:	February 15, 2017		
TO BOARD OF COMMISSIONERS			
FROM:	MANAGER APPROVAL _____		
MEETING AGENDA DATE:	February 23, 2017		
AGENDA ITEM NUMBER:	H.		
SUBJECT:	Resolution No. 833 -- Update to Purchasing and Public Work Policies		
LIST DOCUMENTS PROVIDED ⇒ NUMBER OF PAGES INCLUDING AGENDA BILL:	1. Resolution No. 833		
	2. Exhibit A – Marked Document		
	3.		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input type="checkbox"/>	INFORMATIONAL/ OTHER <input type="checkbox"/>

#### **BACKGROUND / EXPLANATION OF IMPACT**

Attached is proposed Resolution No. 833 which is intended to amend the existing Resolution No. 813 and the Administrative Code Sections 2.16 and 2.17. Pursuant to a staff request to update the public bidding requirements for public works contracts from a minimum dollar amount of \$20,000 to \$50,000 in the District's Administrative Code (Code), legal counsel discovered some discrepancies in codification of the Code and some organizational changes that needed to be made for clarification. In this review legal counsel also clarified a few other existing provisions.

Resolution No. 833 is written and numbered so that it may be lifted wholesale from the body of the resolution into the Code without changing any numbering. In doing so, the District should add "Resolution No. 833" to the legislative history line at the end of each section. Exhibit A is simply for reference with additions and deletions shown so that the Board can see the changes that are being made to the Code.

#### **FISCAL IMPACT**

Adopting Resolution No. 833 adds no additional expense to the District or its operations. This cleans up an existing resolution and makes it possible for the District to take advantage of the higher public bidding threshold of \$50,000.

#### **RECOMMENDED BOARD ACTION**

That the Board adopts Resolution No. 833, which amends Resolution No. 813 and District Administrative Code Sections 2.16 and 2.17.

**PROPOSED MOTION**

To adopt Resolution No. 833 in order to amend Resolution No. 813 and the District Administrative Code Sections 2.16 and 2.17.

**LAKE WHATCOM WATER AND SEWER DISTRICT  
RESOLUTION NO. 833**

A Resolution of the Board of Commissioners  
Amending Resolution No. 813 and District Administrative Code Sections 2.16 and 2.17  
Updating the Purchasing Policy and Policy Governing Award of Public Works Contracts

**WHEREAS**, on the 8<sup>th</sup> day of April 2015, the Lake Whatcom Water & Sewer District ("District") Board adopted Resolution No. 813, *A Resolution of the Board of Commissioners Updating the Purchasing Policy*; and

**WHEREAS**, the District Board has reviewed its Purchase Policy and Public Works Contract Policy and wishes to amend portions of Resolution No. 813; and

**WHEREAS**, Exhibit A attached hereto is for reference purposes only, and identifies the specific amendments to the District's Administrative Code, Title 2.16 and 2.17, with deletions in strikethrough and additions underlined; and

**WHEREAS**, the foregoing recitals are a materials part of this Resolution;

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

**Section 1.** Section 2.16 of the District Administrative Code, is repealed and replaced with the following:

**2.16 Purchase of Supplies, Materials or Equipment**

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. [Resolution 813]

**2.16.1 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. [Resolution 755, Resolution 813]

**2.16.2 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 as described in Title 2.16.4. [Resolution 813]

**2.16.3 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 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. [Resolution 813]  
[Resolution 789]

**2.16.4 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. Procedures for establishing and maintaining a vendor list are described in Title 2.16.1.

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. [Resolution 813]

**2.16.5 Purchases greater than \$50,000.00**

Any purchase of materials, supplies, or equipment with an estimated cost of \$50,000.00 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. [Resolution 813]

**2.16.6 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. [Resolution 813]

**2.16.7 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. [Resolution 755, Resolution 813]

#### **2.16.8 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. [Resolution 813]

**Section 2.** Section 2.17 of the District Administrative Code, is repealed and replaced with the following:

#### **2.17 PUBLIC WORKS CONTRACTS**

##### **2.17.1 Contracts less than \$50,000.00**

The District need not comply with formal bidding procedures as set forth in RCW 57.08.050 when the estimated cost does not exceed \$50,000.00. [Resolution No. 755]

##### **2.17.2 Contracts less than \$300,000.00**

The District may use the small works roster as described in RCW 39.04.155(1) and section 2.17.5 for public work with an estimated cost of \$300,000.00 or less. [Resolution No. 755]

##### **2.17.3 Waiver of Competitive Bidding**

The Board of Commissioners may waive competitive bidding requirements 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. [Resolution 813]

##### **2.17.4 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. [Resolution 813]

#### **2.17.5 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 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. [Resolution 813]

**2.17.6 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. [Resolution 813]

**Section 3.** Section 2.22.4 of the District Administrative Code is ratified:

**2.22.4 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. [Resolution No. 755, Resolution No. 813]

**Section 4:** 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 5:** 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 6:** This Resolution shall be effective immediately.

**ADOPTED** by the Board of Commissioners of Lake Whatcom Water and Sewer District, Whatcom County, Washington, at a Special Meeting thereof, on the \_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
John Carter, Commissioner

\_\_\_\_\_  
Curtis Casey, Commissioner

\_\_\_\_\_  
Todd Citron, Commissioner

\_\_\_\_\_  
Laura Weide, Commissioner

\_\_\_\_\_  
Bruce R. Ford, Commissioner

\_\_\_\_\_  
Approved as to form, District legal counsel

## **EXHIBIT A**

### **2.16 Purchase of Supplies, Materials or Equipment**

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. [Resolution 813]

#### **Amend section 2.16.1 with the following:**

##### **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. [Resolution 755, Resolution 813]

#### **Delete section 2.16.2**

#### **Add a new section 2.16.2:**

##### **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 as described in Title 2.16.4. [Resolution 813]

#### **Amend section 2.17.3 with the following and renumber to 2.16.3:**

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. [Resolution 789, Resolution 813]

#### **Add a new section 2.16.4:**

##### **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. Procedures for establishing and maintaining a vendor list are described in Title 2.16.1.

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. [Resolution 813]

**Add a new section 2.16.5:**

Purchases greater than \$50,000.00

Any purchase of materials, supplies, or equipment with an estimated cost of \$50,000.00 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. [Resolution 813]

**Renumber section 2.17.5 to 2.16.6:**

**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. [Resolution 813]

**Renumber 2.17.4 to 2.16.7:**

**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. [Resolution 755, Resolution 813]

**Add a new section 2.16.8:**

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. [Resolution 813]

## **2.17 PUBLIC WORKS CONTRACTS**

### **2.17.1 Contracts less than ~~\$20,000.00~~ \$50,000.00**

The District need not comply with formal bidding procedures as set forth in RCW 57.08 .050 when the estimated cost does not exceed ~~\$20,000.00~~ \$50,000.00. ~~Instead, the District may establish a small works roster as described in Title 8.2.4 . The District may also participate in a shared small works roster.~~ [Resolution No. 755]

### **2.17.2 Contracts less than \$300,000.00**

~~As an alternative to (8.2.1)~~ The District may use the small works roster as described in RCW 39.04.155(1) and section 2.17.5 for public work with an estimated cost of \$300,000.00 or less. [Resolution No. 755]

#### **Add the following new Sections:**

### **2.17.3 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. [Resolution 813]

### **2.17.4 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. [Resolution 813]

### **2.17.5 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 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. [Resolution 813]

**2.17.6 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. [Resolution 813]

**2.22.4 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. [Resolution No. 755, Resolution 813]



## LAKE WHATCOM WATER AND SEWER DISTRICT

### AGENDA BILL

DATE SUBMITTED:	February 13, 2017		
TO BOARD OF COMMISSIONERS			
FROM: Patrick Sorensen	MANAGER APPROVAL <i>Patrick Sorensen</i>		
MEETING AGENDA DATE:	February 23, 2017		
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

February 23, 2017

### Special Board Meeting

9:00 a.m.

#### Important Upcoming Dates:

- **Meetings Associated with the Lake Whatcom Management Program:**
  - **Policy Group Meeting:** The next meeting is scheduled for May 15, 2017 at 3:00 p.m. downstairs at the Municipal Court Building in the conference room (same location as last year).
  - **Management Meeting:** There is not a meeting scheduled at this time.
- **Next Regular Board Meeting:** The next regular meeting will be held on **Wednesday, March 8, 2017** at 6:30 p.m.
- **Employee Staff Meeting:** The next staff meeting is set for **Thursday, March 9, 2017** 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 **March 9, 2017** at 9:00 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 Bob's Burger & Brew in Tulalip off I-5 at **6:15 p.m. on March 14, 2017**.
- **Whatcom Water District's Caucus Meeting:** The next Caucus meeting is set for **March 15, 2017** 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.
- **Dates for Spring & Fall 2017 WASWD Conferences:** Reminder, the Spring Conference will be in Yakima April 13 - 14. The Fall Conference will be September 27 - 29 in Wenatchee. The conferences end on Fridays at noon.
- **Annual Councils/Commission Lake Whatcom Meeting:** Reminder. The annual meeting with the City Council and County Council is scheduled to be held on Wednesday, March 29 at 6:30 p.m. in the Bellingham City Council Chambers. All available Council and Board members try to attend this meeting.
- **March Changed Meeting Date:** Reminder. The second meeting in March was changed to Tuesday, the 28th at 8:00 a.m.



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**INTRODUCTION:** WASWD has been busy commenting and talking to legislators on several bills of concern pending in the legislature.

House Bills [1805](#), [1842](#), and [1925](#) all attempt to address lead issues in water systems. As written, [HB 1805](#) could easily be read to require the removal of all pre-2014 brass fittings on water services. [HB 1842](#) and [HB 1925](#) both apply a new lower lead standard of one part per billion. Several member water districts have reached out to the sponsors of these bills detailing the enormous costs of compliance. These bills are no doubt in response to the Flint Michigan issue. However, these bills as drafted will add significant new costs to local agencies without a commensurate benefit to public health. WASWD was provided an opportunity to provide input on the fiscal note for [HB 1805](#). Jeff Johnson, manager of the Spanaway Water Company provided me with the following input. "The total Group A water connections in the state per the DOH website is 2,464,193 water connections (services). If each of these costs \$2,500 to simply meet the lead standard for fittings alone in [HB 1805](#), the statewide cost would easily exceed six billion dollars".

Another bill of concern is [HB 1574](#). If enacted, it would invalidate all claim provisions in a construction contract (including but not limited to all public works contracts) that limit a contractor's ability to make late claims without providing prior notice. The effect of this bill will be significant in that a contractor could assert claims well after a contract has been completed if they believe some condition or order of the public agency increased their costs. It essentially turns every contract into a cost-plus arrangement. Several WASWD members have reached out to the bill sponsors to voice concerns. Most disappointing is the contractor community never reached out to WASWD, Association of Cities or Association of Counties to express concerns with how claims are handled and how they were going to propose a legislative fix. We have requested the bill not move forward and that a stakeholders group meet. The bill as written would also apply to the private development community. I am not certain they are even aware of this bill.

The status of bills WASWD is closely monitoring is discussed below. In addition to this report, we're providing one other report showing all live bills we are watching on behalf of members. <sup>1</sup>

## **LEGISLATIVE PRIORITIES UPDATE:**

**WASWD Omnibus Bill:** [HB 1187](#) and [SB 5119](#): The House and Senate Local Government Committees have both passed out our Omnibus Bill. They are now in both chambers respective rules committees.

**Public Works Trust Fund:** The Governor's budget has proposed transferring \$250 million out of the PWTF into the state general fund. There are a number of legislators, and other groups

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<sup>1</sup> This report is based upon the best available knowledge as of the time of distribution. WASWD will attempt to keep members apprised of details and changes as soon as possible. Bills may be followed by clicking on the blue links below or on the links shown in the attached detailed reports.