

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

REGULAR MEETING OF THE BOARD OF COMMISSIONERS

AGENDA

April 26, 2017

8:00 a.m. - Regular Session

- 1. CALL TO ORDER
- 2. PUBLIC COMMENT OPPORTUNITY At this time, members of the public may address the Commission. Please state your name prior to making comments.
- 3. ADDITIONS, DELETIONS, OR CHANGES TO THE AGENDA
- 4. CONSENT AGENDA
- 5. SPECIFIC ITEMS OF BUSINESS:

 - A. North Shore Water Quality Testing
 B. North Shore Water Consolidation Study Presentation by Wilson Engineering C. Utility Billing Reconciliation

 - D. Summary of Existing District Projects
- 6. OTHER BUSINESS
- 7. MANAGER'S REPORT
- 8. PUBLIC COMMENT OPPORTUNITY
- 9. ADJOURNMENT



LAKE WHATCOM WATER AND SEWER DISTRICT

AGENDA BILL

DATE SUBMITTED:	April 18, 2017					
TO BOARD OF COMMISSIONERS						
FROM: Patrick Sorensen	MANAGER APPROVAL COSTA LOUIS					
MEETING AGENDA DATE:	April 26, 2017					
AGENDA ITEM NUMBER:	5.A.					
SUBJECT:	North Shore Water Quality Testing Update					
LIST DOCUMENTS PROVIDED →	1.					
NUMBER OF PAGES INCLUDING AGENDA BILL:	2.					
	3.					
TYPE OF ACTION REQUESTED	RESOLUTION FORMAL ACTION / INFORMATIONAL / OTHER ♥					

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:	April 18, 2017					
TO BOARD OF COMMISSIONERS						
FROM: Patrick Sorensen	MANAGER APPROVAL Kon'h Aur					
MEETING AGENDA DATE:	April 26, 2017					
AGENDA ITEM NUMBER:	5.B.					
SUBJECT:	North Shore Water Consolidation Study – Presentation by Wilson Engineering					
LIST DOCUMENTS PROVIDED □	1.					
NUMBER OF PAGES INCLUDING AGENDA BILL:	2.					
	3.					
TYPE OF ACTION REQUESTED	RESOLUTION FORMAL ACTION INFORMATIONAL MOTION □ OTHER ▼					

BACKGROUND / EXPLANATION OF IMPACT
Melanie Mankamyer from Wilson Engineering has been working on the Water System
Consolidation Study for the District's North Shore service area. She will be giving a presentation on the results of the study.

FISCAL IMPACT

None at this time.

RECOMMENDED BOARD ACTION Listen to the presentation and discuss.

PROPOSED MOTION

No proposed motion at this time.



Lake Whatcom Water and Sewer District

Consolidation Feasibility Study North Shore Water Systems



Melanie Mankamyer, PE Senior Project Manager



- BACKGROUND
- BENEFITS OF PUBLIC WATER
- APPROACH
- DESCRIPTION OF ALTERNATIVES
- FINANCING OPTIONS FOR THE DISTRICT
- COST SHARING OPTIONS
- EXAMPLE RATES, FEES AND CHARGES





- systems on the North Shore: Lake Whatcom Water and Sewer District operates three separate water
- Eagleridge Water System Group A, water source is City of Bellingham; 70 connections; capacity = 85
- Agate Heights Water System Group A, water source is a Districtowned well; 39 connections (44 ERUs); capacity = 48 connections (54 ERUs)
- owned well Johnson Well -Group B (2 connections), water source is a District-

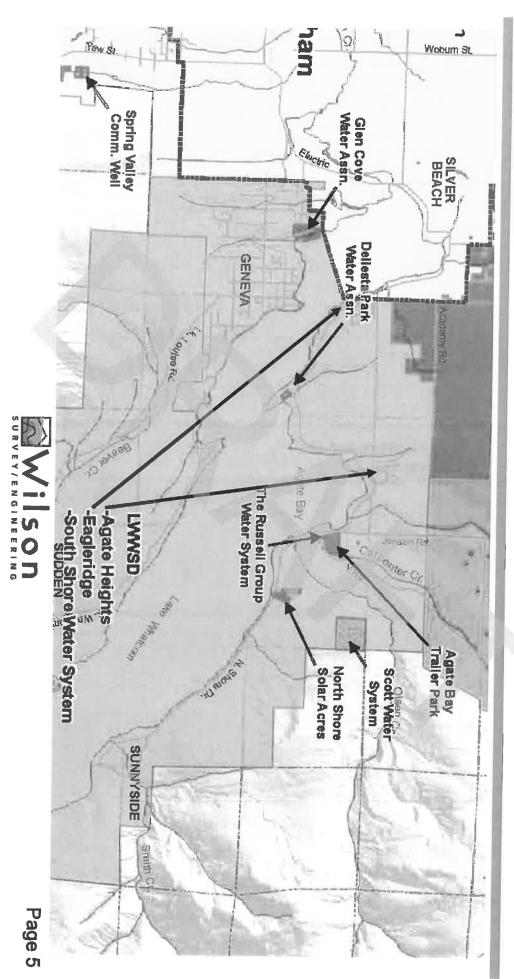




- There are two Group A and four Group B water systems inside the District's North Shore service area:
- Agate Bay Trailer Park Water System Group A, well source, 25 connections
- Russell Group (restaurant) Group A, well source, one connection
- Dellesta Park Group B, well source, 5 connections (capacity=7)
- North Shore Solar Acres Group B, well source, 6 connections
- Northshore Ridge Group B, well source, 4 connections
- Northshore Ridge #2 Group B, well source, 3 connections









- V surface water from Lake Whatcom The remaining residences are either on individual wells or direct draw of
- Estimated residences on surface water = (have asked DOE for #)
- Estimated residences on wells =

(Total = 206 District customers + \sim 100 residences on septic systems)

V development "on hold" indefinitely Hirst decision has put the use of individual wells for new residential



SURVEY/ENGINEERING Surface Water Rights status as of Jan 2016 (Note that some properties on wells show up as not having a water right)

BACKGROUND



- V following: smaller water systems with larger water systems by offering the Washington State Department of Health is encouraging consolidation of
- Grants (up to \$30,000) for Consolidation Feasibility Studies
- Loans with up to 50% principal forgiveness (depending on availability of funds)
- V and Agate Heights water systems, and potentially incorporate other Group A and Group B systems, and individual residences Consolidation grant to study the feasibility of combining its Eagleridge Lake Whatcom Water and Sewer District applied for and received a





BENEFITS OF PUBLIC WATER

- V Consistent supply of clean, potable water
- V Regulation and oversite of water quality by State
- V Sufficient quantity and storage of water for fire protection – potential for reduction in insurance rates
- V Professionally maintained and operated by certified staff
- Record keeping and reporting
- Water sampling
- **Notifications**
- V Long term capital planning and reserves for emergencies and upgrades





FEASIBILITY STUDY APPROACH

- V eastern end of Northshore Road. water systems on the North Shore and identified three service zones In 2004, the District had investigated the possibility of connecting its two For this study a fourth zone was added that would extend service to the
- V Several Alternatives were developed with District staff input
- V lots) assessed (existing water customers, sewer-only customers; consolidated The number of potential water connections for each Alternative was
- V System components for each Alternative were sized based on capacity requirements and hydraulic model results





DESCRIPTION OF ALTERNATIVES

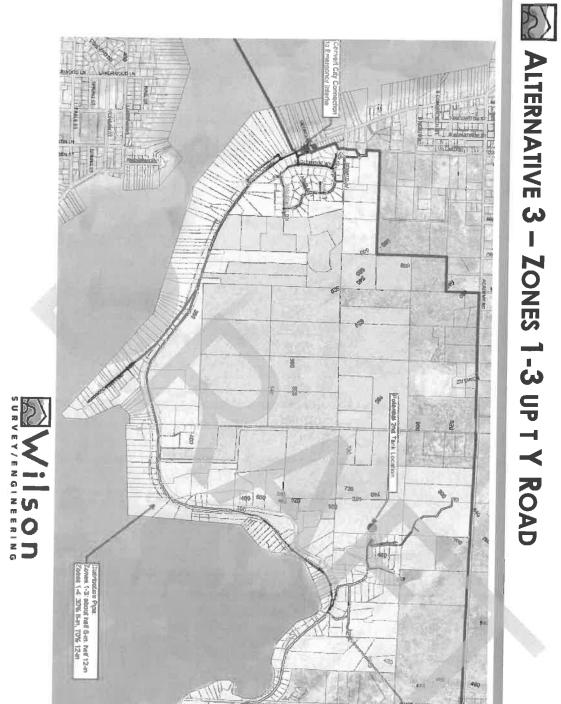
Dage 11			
\$6.7M - \$7.3M	\$10M - \$11M	\$7.5M - \$8M	Estimated Project Cost
235	410	285	Estimated future connections
119	119	119	Incorporate existing District water system connections
ယ္ထ	58	39	New tire hydrants
185,000 gallons	333,000 gallons	185,000 gallons	Additional storage capacity
190 gpm	280 gpm	280 gpm	Upgrade the Water Treatment Plant and transmission pumping capacity
extend to the east only to Y Road	extend to east end of Northshore Road	match the existing District sewer service area	Connect and extend water mains
Zones 1-2; Zone 3 to Y Road	Zones 1-4	Zones 1-3	
Alternative #3	Alternative #2	Alternative #1	

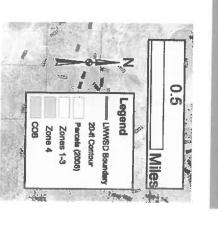
ALTERNATIVE 1 - ZONES 1-3



ALTERNATIVE 2 -ZONES







Page 14



FINANCING OPTIONS FOR DISTRICT

- V Drinking Water State Revolving Fund Consolidation Loan – 1.5%; 24 years
- Potential for 50% principal forgiveness (if funds are available)
- V Public Works Trust Fund Loan — 1-2%; 20 years
- V Revenue Bond – 2.73%; 20 years (as of 4/20/17; AA Bond Rating)
- V USDA-Rural Development – 3.375%; up to 40 years
- Funding source of last resort





COST SHARING OPTIONS

- Utility Local Improvement District (ULID)
- improvement Value of assessment must be no more than the increased property value after the
- Payback term can be up to 20 years
- All properties benefitting from the improvement contribute
- V "Special Benefit Area" fee collected upon connection
- Possibly offer discount for those connecting during project construction
- Pay over time with security interest recorded against property
- V Surcharge on water bill to collect funds over time





COST SHARING OPTIONS

	Y Road \$	ALTERNATIVE #3 – \$		ALTERNATIVE #2 – \$ ZONES 1-4		€	ZONES 1-3 \$		
4	7,300,000	6,700,000	11,000,000	10,000,000		8,000,000	7,500,000	Estimated Project Cost Range	
SURVEY/ENGINEERING	212	212	369	369		257	257	(assume 90% participation)	New Connections
	\$34,500	\$31,700	\$29,900	\$27,200	-	\$31,200	\$29,200	Lump Sum Fee	Cost Share pe
Page 17	\$2,261	\$2,078	\$1,960	\$1,783	**************************************	\$2.045	\$1,914	Annualized Fee (20-year Bond repayment)	Cost Share per Connection



EXAMPLE RATES, FEES AND CHARGES

- **District Fees:**
- General Facilities Charge = \$4,110
- Permit Processing = \$40.00
- Service Installation / Initial Inspection = \$725 (can be waived for early participants)
- V Bi-monthly water charges:
- Base Rate = \$62.31
- Water Usage over 600 cubic feet (CF) = \$8.85/100 CF
- Bi-monthly Base + average usage = \$100-\$225 (\$50-\$112/month)







LAKE WHATCOM WATER AND SEWER DISTRICT North Shore Water System Conolidation Feasibility Preliminary Cost Estimates

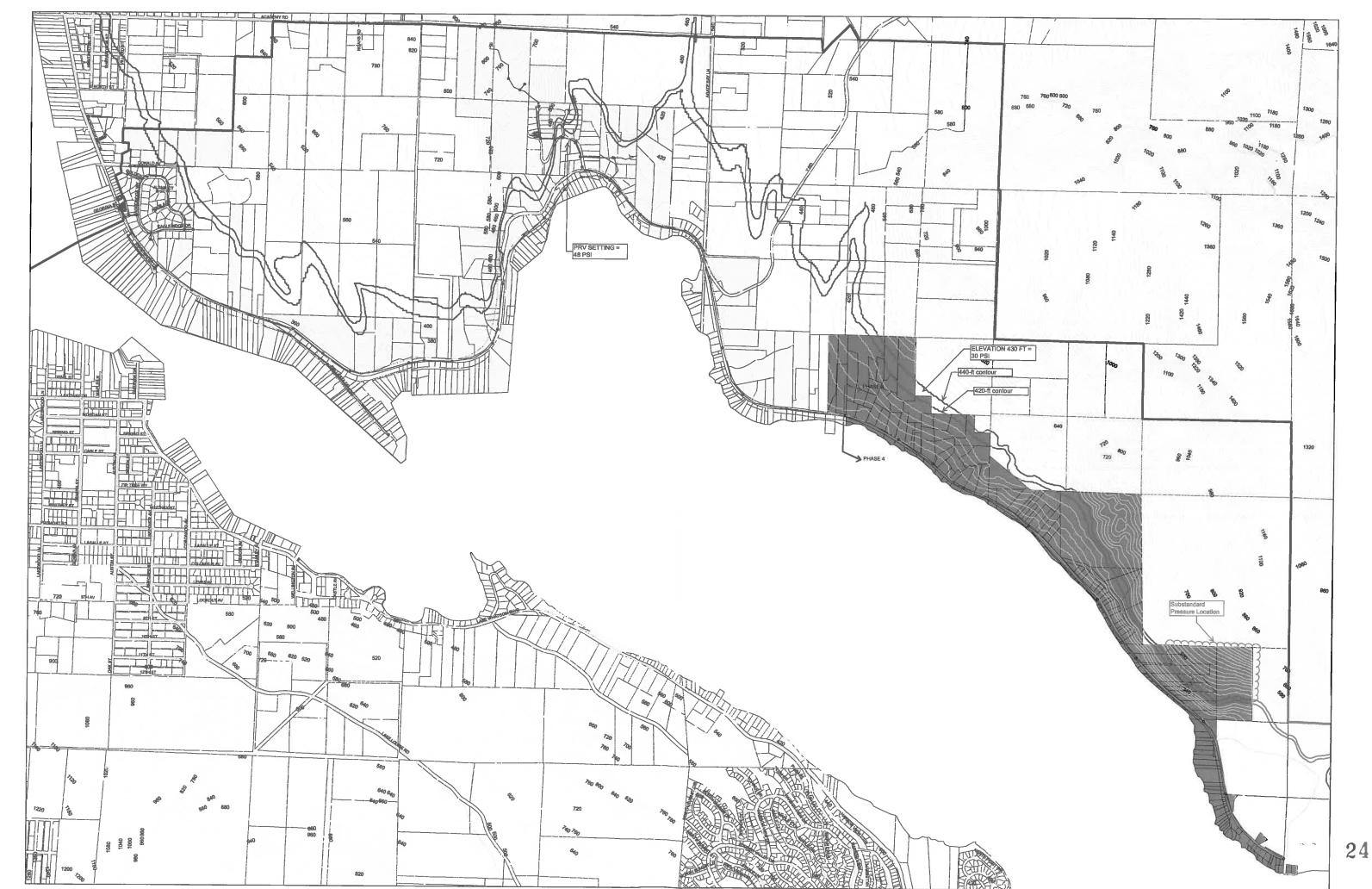
3/31/2017

Prepared by: Curt Schoenfelder, PE and Melanie Mankamyer, PE, Wilson Engineering LLC

Wilson Job No.: 2016-093

Preliminary Cost Estimates - Phases 1-2; Phase 3 only through Group A systems (extents just beyond restaurant)

B. Traffic Control (5.5%)	item Description	Quantity	Unit	I	Unit Price	Γ	Amount
D. Traffic Centrol (5.5%) 1	a. Mobilization (10%)			\pm			
C. Temporary Erosion and Sediment Control (1.2%) d. Distribution Improvements 8-inch DI Pipe 17,800 1		11	LS	\$	356,848	\$	356,84
d. Distribution Improvements		1	LS	\$	196,266	\$	196,266
Belief Di Pipe 7,600 F \$ 65 \$ 494,00	c. Temporary Erosion and Sediment Control (1.2%)	1	LS	15	42.822	2	42 82
12-Inch DI Pipe	d. Distribution Improvements			Ť		Ť	72,023
12,000		7 600	1.5	1		-	
12-Inch Gate Valve				_			494,000
Thydrant Assembly							
Combination Air Release Vacuum Valve	12-inch Gate Valve						
Substitution Subs	riyurant Assembly						
Connect to Existing Main 2	Combination Air Release/Vacuum Valve						
Service Connections (all inclusive; saddles, corps, meter ass'y, box, line) 3							
Restoration	Service Connections (all Instrumental)	3					
19,600 LF \$ 24 \$ 470,40	Restoration Restoration	275					
Building Addition (20°x20° and a bit taller) Filtronics Model FV-96 Electromedia 1 Fa/Mn Removal System (Equipment only, includes filter, reaction vessels, controls and chem feed equipment) Filtronics treatment system installation Filtronics filt	1 COSTOCIATION	19,600	LF				470,400
Building Addition (20°x20° and a bit tailer) Filtronics beginning to the session of the session	Subtotal			⊢		•	2 000 017
Building Addition (20%20' and a bit taller) Filtronics to Model FV-09 Electromedial at Fe/Mn Removal System (Equipment only, includes filter, reaction vessels, controls and chem feed equipment) Filtronics treatment system installation Filtronics and chem feed equipment Filtronics treatment system installation Filtronics tr	e. Treatment and Pumping Improvements					-	2,009,017
Filtronics Model FV-09 Electromedia 1 Fe/Mn Removal System (Equipment only; includes filter, reaction vessels, controls and chem feed equipment) LS \$ 225,000 \$ 225,000	Building Addition (20'x20' and a bit teller)	وجوجا					
Storage Improvements 1	Filtronics Model EV-09 Electromadia 1 Eg/Mo Romand Curton (5	1	LŞ	\$	100,000	\$	100,000
Booster pump station, duplex skid mount including Controls (Equipment only)		1	LS	\$	225.000	\$	
Booster pump station installation	Booster num station duplay skid mount including	1	LS				112,500
Chlorination and other misc, upgrades	Booster pump station installation		LS	\$			33,000
Electrical upgrades	Chlorination and other misc. upgrades				16,500	\$	16,500
Subtotal 1	Electrical upgrades				25,000	\$	25,000
Subtotal							35,000
Storage Improvements		1	LS	\$	55,000	\$	55,000
Concrete storage tank 185,000 Gallon 30x35 (installed by supplier, prevailing wages) 1	Subtotal					\$	602,000
Subtotal	. Storage Improvements						
Subtotal	Concrete storage tank 185,000 Gallon 30x35 (installed by supplier, prevailing wages)	1	IS	¢.	170 775	e	170 775
Subtotal	Site Freparation and misc, under tank night etc						
Subtotal \$ 296,663	riping/valving north new tank to existing	1					40,500
Subtotal \$ 4,164,415	Subtotal						
Subtotal \$ 4,164,415 Contingencies 15% \$ 624,662 Sales Tax 8.5% \$ 407,072 Preliminary Estimated Construction Costs \$ 5,196,149 Permitting (Consulting and Permit Fees) 2.5% \$ 129,900 Topographic Survey 4% \$ 207,850 Engineering Design 15% \$ 779,420 Construction Phase Engineering/Inspection 10% \$ 519,610 Construction Phase Surveying 3% \$ 155,880 CONSTRUCTION Phase Surveying					-	\$	296,663
Contingencies 15% \$ 624,662 Sales Tax 8.5% \$ 407,072 Preliminary Estimated Construction Costs \$ 5,196,149 Permitting (Consulting and Permit Fees) 2.5% \$ 129,900 Topographic Survey 4% \$ 207,850 Engineering Design 15% \$ 779,420 Construction Phase Engineering/Inspection 10% \$ 519,610 Construction Phase Surveying 3% \$ 155,880 Construc							
Sales Tax 8.5% \$ 407,072							4,164,415
Preliminary Estimated Construction Costs \$ 5,196,149							624,662
Permitting (Consulting and Permit Fees) 2.5% \$ 129,900 Topographic Survey 4% \$ 207,850 Engineering Design 15% \$ 779,420 Construction Phase Engineering/Inspection 10% \$ 519,610 Construction Phase Surveying 3% \$ 155,880 CONSTRUCTION Phase Surveying 5% 5% 5% CONSTRUCTION Phase Surveying 3% \$ 155,880 CONSTRUCTION Phase Surveying 5% 5% 5% 5% CONSTRUCTION Phase Surveying 5% 5% 5% 5% 5% 5% CONSTRUCTION Phase Surveying 5% 5% 5% 5% 5% 5% 5% 5	Preliminary Estimated Construction Costs	8.5%					
Topographic Survey							-,100,1-10
Engineering Design 15% \$ 779,420 Construction Phase Engineering/Inspection 10% \$ 519,610 Construction Phase Surveying 3% \$ 155,880	Fermitting (Consulting and Permit Fees)					\$	129,900
Construction Phase Engineering/Inspection 10% \$ 519,610 Construction Phase Surveying 3% \$ 155,880	1 opographic Survey						207,850
Construction Phase Surveying 3% \$ 155,880	Construction Phase Engineering Design						
CRAND TOTAL	Construction Phase Surveying						
GRAND TOTAL \$ 6,988,809	GRAND TOTAL	570		_			





LAKE WHATCOM WATER AND SEWER DISTRICT

AGENDA BILL

DATE SUBMITTED:	April 18, 2017				
TO BOARD OF COMMISSIONERS					
FROM: Patrick Sorensen	MANAGER APPROVAL Vast				
MEETING AGENDA DATE:	April 26, 2017				
AGENDA ITEM NUMBER:	5.C.				
SUBJECT:	Utility Billing Reconciliation Report				
LIST DOCUMENTS PROVIDED => NUMBER OF PAGES	February 21, 2017 Report from legal counsel with attachments 2.				
INCLUDING AGENDA BILL:	3.				
TYPE OF ACTION REQUESTED	RESOLUTION FORMAL ACTION / INFORMATIONAL / OTHER ☐				

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 dated February 15, 2017 (attached). This year's issue was originally brought to the Board in February. At that time the Board wanted to first get past some other pressing issues and requested that staff bring this back to you in April. Recommendations are included in Bob Carmichael's 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 in 2013 as the Board at the time wanted to reserve the right to review the circumstances on issues as they came up in the future.

Page 1 25

PROPOSED MOTION

To establish a back billed period of time for each of the customer accounts as presented.



1700 D Street Bellingham, WA, 98225

P. 360 647 1500 F. 360 647 1501 carmichaelclark.com

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

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.

February 15, 2017 Page 2 of 5

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.

February 15, 2017 Page 3 of 5

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. 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. 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.³

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

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

² 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).

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

February 15, 2017 Page 4 of 5

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." ⁴ 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.⁵ 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.⁶ A claimant should have known of the conditions if "the reasonable exercise of diligence" would have uncovered those conditions.⁷

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

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

⁵ 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.

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

⁷ Id. at 575-76, 428.

February 15, 2017 Page 5 of 5

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 a 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

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

412 N. Commercial Street Bollingham, WA 98225

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

Telephone (360) 671-9212 Fax (360) 671-9226 TFrven@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 #6000899 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.

Patrick Sorensen -2-5-21-13

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. 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. 2 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.

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. 4 Operation of a utility, on the other hand, has been classified by the Washington State Supreme Court as a proprietary function of government. 5 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 threeyear 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. The term "accounts receivable" has also been described as an open account, that is an

¹¹ Bollevue 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 Cv. 10 Wn. 2d 474, 479 (1941); Charleveson v. Dwyer, 83, Wn. 303 (1950).

Commercial Waterway Dist. 1, 10 Wn.2d 474, 478 (1941)

Wathington Public Power Supply System v. General Electric Co. 113 Wn.2d 288, 291 (1989)
Municipality of Metro. Seattle v. Div. 587, Amalogmated Transit Union, 118 Wn.2d 639, 645 (1992)

Sudden Valley Community Association v. Whatcom County Water District No. 10, 113 Wn. App. 922, 923 (2002).

Tingey v. Haisch, 159 Wa.2d 652, 655 (2007)

Patrick Sorsensen -3- 5-21-13

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. 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. Latches consist of two elements: (1) inexcusable delay and (2) prejudice to the other party from such delay.

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

Tingov v. Haisch, 129 Wn. App 109, 113 (2005)

Felida Neighborhood Assoc. v. Clark County; 81 Wn. App. 155, 162 (1996) Clark County Pab. Utill. 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 Mankamyer, Legal Counsel Tom Fryer, Finance Manager Debi Hill and Recording Secretary Lyn Edwards. Commissioner Weide 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, Miliar seconded, approval of:

Meeting Minutes for May 7, 2013
 Motion passed.

Background information on Billing/Permitting Reconcillations

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 – 1148 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 Dellests Drive

The findings for 2058 Deliests Drive indicate that a sewer permit was paid for and issued on July 26, 1979; however the current residence was not built until 1964. 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

- 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
- 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, Miller 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 SVCAs 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

LAKE WHATCOM WATER AND SEWER DISTRICT REGULAR BOARD MEETING

SUMMARY OF ACTION ITEMS

To: Commissioners, gm, am, et, as, do, do, Wisen Engineering, Bran Hansen, Start Buildin Roard

*** NOTE FOR COMMISSIONERS ***

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

- 1. BILLING/PERMITTING RECONCILIATION -- 1143 LAKEWOOD LANE
 - 1.1. Staff will write a latter 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 balence
 - 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. Properly should be billed as a duplex with two water volume charges and two sewer volume charges.
 - 3.2. The properly 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 sox-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
- 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.



Page 1 of 2

- 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 services 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.
- POLO PARK BRIDGE REPLACEMENT WATERLINE RELOCATION-AWARD CONTRACT
 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 ilwacco for \$6,000.00.
- 7. PURCHASE OF PLUSHAVAC 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 12th meeting to the July 10th meeting so that lan 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/Vec Truck

Page 2 of 2

JE W	HATC
. Ala	ke 🐪
wha	tcom
	1

LAKE WHATCOM WATER AND SEWER DISTRICT

AGENDA BILL

DATE SUBMITTED:	April 18, 2017
TO BOARD OF COMMISSIONERS	7.1
FROM: Bill Hunter and Staff	MANAGER APPROVAL
MEETING AGENDA DATE:	April 26, 2017
AGENDA ITEM NUMBER:	5.D.
SUBJECT:	Summary of Existing District Projects
LIST DOCUMENTS PROVIDED	1. April 2017 Summary of Existing District Projects
NUMBER OF PAGES	2.
INCLUDING AGENDA BILL:	3.
TYPE OF ACTION REQUESTED	RESOLUTION FORMAL ACTION INFORMATIONAL MOTION □ OTHER □

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	Prepar	ed by
April 26, 2017	April 20, 2017		LE/BH	
Status of Water and System Cap	acities			
	South Shore ID# 95910	Eagleridge ID #08118	Agate Heights ID# 52957	Johnson Well ID# 04782
DOH Approved #	3935	85	54	2
Connected ERUs	3809	69	44	2
Remaining Capacity (ERUs)	126	16	10	0
Commitments - Not yet connect	ed		-	
Permitted ERUs Under Construction	9	1	0	0
Pre-paid Connection Certificates and Expired Permits	11	0	5	0
Water Availabilities (trailing 12 months)	31	0	0	0
Subtotal	51	1	5	0
Available ERUs	75	15	5	0

	Completed Capital Projects in 2017
C1506B	Whatcom Falls Manhole Replacement
C1606	Replace SCADA Workstation Hardware
C1702	Office Staff Vehicle

	State Required Report Status				
Reporting	Name of Report & Preparer	Completed	When Due		
	Chlorination Report Agate Heights (Kevin)	Jan Feb Mar Apr May June July Aug Sept Oct Nov Dec	Postmarked by 10 th of month		
MONTHLY	Surface Water Treatment Rule Report (SVWTP) (Kevin)	Jan Feb Mar Apr May June July Aug Sept Oct Nov Dec	Postmarked by 10 th of month		
	Department of Revenue (Debi)	Jan Feb Mar Apr May June July Aug Sept Oct Nov Dec	Due end of following month		
	Community Right to Know (Hazardous Materials) (Rich)	February 27, 2017 Due by March			
ANNUALLY	WA State Cross Connection Report (Rich)	April 19, 2017 Due Annually May			
	OSHA 300 Log (Rich)	Completed February 3, 2017 Due by Feb 1st			

	State Required Report Status		
Reporting	Name of Report & Preparer	Completed	When Due
	Water Use Efficiency Performance Report (Kevin)	June 30,2016	Due by July 1st
ANNUALLY	Consumer Confidence Reports (Kevin)	May 2016	 Geneva- 5/16 Sudden Valley 5/16 Eagleridge – 5/16 Agate Hghts – 5/16

	Hazardous Waste Activity Report (Rich)	March 9, 2017	Due by March 31st
	Report Number of Sewer ERUs to City of Bellingham	Completed April 20, 2017	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

Summary of Annual Safety Training			
	Enrollments	Completions	% Complete
Engineering - Managers	34	34	100%
Engineering - Staff	19	19	100%
Field Crew	184	149	80%
Field Crew - Managers	25	3	12%
Office Managers	37	18	48%
Office - Staff	52	26	50%
	Weekly Crew Sa	afety Meetings	THE STATE OF THE S

Safety meetings for the field crew take place every Tuesday or Wednesday at 5:00 p.m.

Dates of Safety Committee Meetings			
January 12, 2017			
March 9, 2017			
April 13, 2017			

Summary of Work-Related Injuries & Illr	esses		i Aug	
Year	2017	2016	2015	2014
Total Number of Work Related Injuries Defined as a work related injury or illness that results in: Death Medical treatment beyond first aid Loss of consciousness Significant injury or illness diagnosed by a licensed health care professional Days away from work (off work) Restricted work or job transfer	1	0	1	1
Total Number of Work Related Injuries Defined as a work related injury or illness that results in:	1			
Death				
 Medical treatment beyond first aid Loss of consciousness 				
 Significant injury or illness diagnosed by a licensed health care professional 				
Days away from work (off work)				4
Restricted work or job transfer				370
Total Number of Days of Job Transfer or Restriction	13	0	0	

(Light duty or other medical restriction)				
Total Number of Days Away From Work				
(At home, in hospital, not at work)	4	0	0	
Near misses	4			

	nsion Agreements
D1601 Geneva Woods Developer Extensi	
SCOPE Water and sewer improvements for 6 wa	ter and sewer connections
SIGN DATE 7/27/2016	EXPIRATION DATE 7/27/2019
Prior to Commencing Construction	Prior to Final Acceptance
1. District Engineer approves design 2. Reimbursement of District Engineer review costs 3. Copy of insurance policy 4. Pay guarantee deposit 5. Copies of recorded easement 6. Copies of permits 7. Pay conformance deposit 8. Payment and performance bond 9. Pay 25% general facilities fees 10. Pays initial facilities inspection deposit 11. District issue Notice to Proceed w/Construction Tasks/Notes:	 □ 1. District inspects & approves facilities as complete. □ 2. Record drawings □ 3. Easements and title insurance □ 4. Maintenance Bond □ 5. Bill of Sale □ 6. Latecomers Fees □ 7. Supplemental, processing, or administrative fees □ 8. Deliver water meters to District

- 4/11/2016 Board approves DEA Application for 5 lots.
- 4/14/2016 District Legal Counsel reviewing master developer extension agreement prior to delivering to the developer.
- 5/25/2016 Board approved addition of 6th lot to DEA. Staff and Legal Counsel preparing DEA documents.
- 7/14/2016 Plans received from developer.
- 7/28/2016 DEA executed and recorded at Auditor's office
- 7/28/2016 Plans transmitted to Wilson for review and comment.
- 8/1/2016 Wilson completed fire flow analysis no issues. About 3030 GPM fire flow available after improvements.
- 8/16/2016 District received revised plans from developer.
- 8/17/2016 Wilson reviews plans and requests copy of proposed easements for review.
- 8/22/2016 District returns plan review comments and easement comments to developer.
- 9/7/2016 Draft easements are good to record. Returned originals to developer for recording.
- 2/21/2017 District received revised set of plans from Developer.
- 3/16/2017 District returns plan review comments to Developer.

Lake Whatcom Water & Sewer District Capital Improvment 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

1000		
	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 concensus 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.
Thursday, Apri	8/4/2015 I 20,2017	Staff working with G&O on scope of work for next project phase - detailed design, plans, specs,
	, ,	1 01 10

	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 Counicl Chambers.
	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.
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 originall 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
0 Construct	tion
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.
	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.
	Contractor finished applying internal coatings. Exterior coat will be applied later in spring when
3/22/2017	weather is better. Yard piping and vault installation to begin in the next few days.

C1407 Lowe Sewer PS VFD

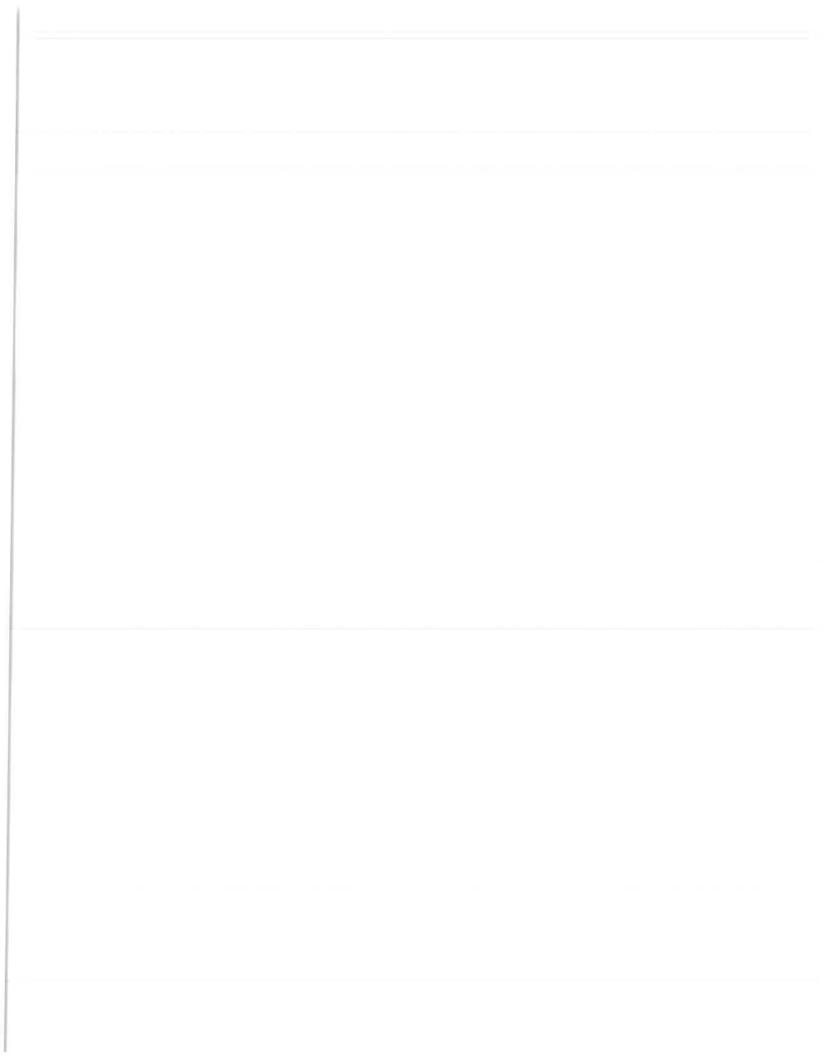
Replace rotophase with VFD.

01 Administration

1/5/2015 Staff obtaining quotes for VFD's from vendor. District electrician reviewing electrical panel space requirements and proposed VFD dimensions.

Thursday, April 20,2017

2 of 10



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 incorporation 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.
3/22/2017	Generator has been set and electrical wiring complete. District working with a consultant to integrate status and alarms into SCADA system.
4/20/2017	In coordination with SVCA District installed L-shaped 6-ft tall cedar screen fence to help mitigate visual impact from neighbors across the street.

C1606 Replace SCADA Workstation Hardware

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

01 Administration

2/4/2016	Hardware has been ordered and received. Staff working on configuration and setup of new hardware.
2/29/2016 Thursday, April 20,2017	Integration of the 1st of 4 replacement computers is done. Staff is in process of integrating other 3 of 10

machines.

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

3/22/2017 Installation of 2 of 3 machines is complete. Last machine is installed at the SVWTP, but needs an additional software driver protocol license to complete the project. Staff working with vendor to obtain additional license,

C1607 Northshore Water Quality Sampling

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

01 Administration

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.
2/9/2017	Tentative 2nd sampling event.
3/22/2017	Consultant completed second round of sampling in mid-March.

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.

Thursday, April 20,2017 4 of 10 46

C1611 Country Club Sewer Pump Station

Rehabilitation of Country Club Sewer Pump Station.

01	A	dn	nir	vie	fr	ati	in	n

VIAGIIII	71 Administration		
4/6/2016	Selection of consultant is in conjuction 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).		
12/21/201	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 Predesig	gn		
10/11/2010	6 Held predesign meeting with BHC and District staff. BHC beginning preliminary design.		
11/21/201	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.		
3/21/2017	Consultant completed 3 test bores to determine feasibility of horizontal direction drilling. They did not encounter any hard rock. One bore had sandstone the last 5 feet.		
4/19/2017	District received copy of Geotechnical Data Report that documents soil conditions found during exploratory boring. Geotechnical engineers are working on a 2nd report that will discuss and recommend horizontal drilling methodology for construction and bid documents.		
03 Permittii	ng		
10/20/2016	Pre-Application meeting with Whatcom County to review anticipated permitting requirements.		
11/7/2016	District and GeoEngineers met wet 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.

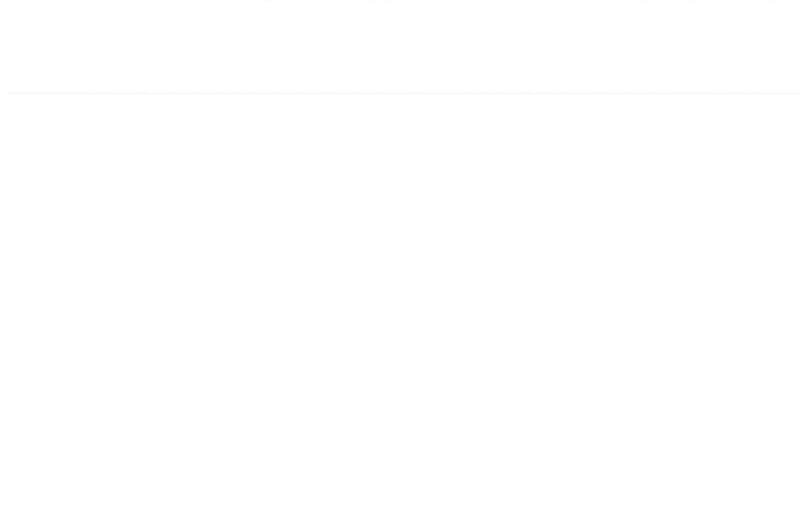
C1612 Cedar Hills Water Main Relocate

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

01 Administration

id em en		
	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 contigency fund.

Thursday, April 20,2017 5 of 10



6/2/2016 Staff coordinating with County and Wilson as needed.

10 Construction

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

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

01 Administration

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

Procure new tool truck from Washington State bid.

01 Administration

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

C1703 Utility System Support Specialist Vehicle

Procure vehicle from Washington State bid.

01 Administration

3/22/2017 Needed vehicle type not currently on state bid. Staff working to get quotes from vendors for new vehicle that meets District specifications.

Thursday, April 20,2017 6 of 10

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.

2/23/2017 RH2 was selected and approved by the Board for the project. Staff and consultant working to execute an AE Agreement.

4/10/2017 AE Agreement executed.

02 Predesign

4/18/2017 RH2 performed pump tests at both stations to collect hydraulic operating parameters for design.

C1706 Strawberry Canyon Stationary Generator

Install stationary generator and automatic transfer switch.

01 Administration

Generator order placed with vendor using federal GSA pricing available to local agencies for emergency preparedness equipment.

4/17/2017 Generator received by District.

4/19/2017 Automatic Transfer Switch received by District.

03 Permitting

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

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

Thursday, April 20,2017

7 of 10

C1712 SVWTP Chlorine Contact Tank Exterior Level Guage

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

01 Administration

3/22/2017

Staff prepared bill of materials needed for job. Parts will be ordered when District crews are ready to begin the project later this spring or summer.

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.

3/21/2017 Staff executing contract with specialty contractor to apply floor coating at SVWTP. District staff will do some basic surface prep before the contractor starts their surface grinding and coating process.

4/12/2017 Contractor starts work on floors.

C1715 SVWTP Chemical Feed Pumps and Benchtop Turbidimeter

Procure chemical feed pumps and benchtop turbidimeter.

01 Administration

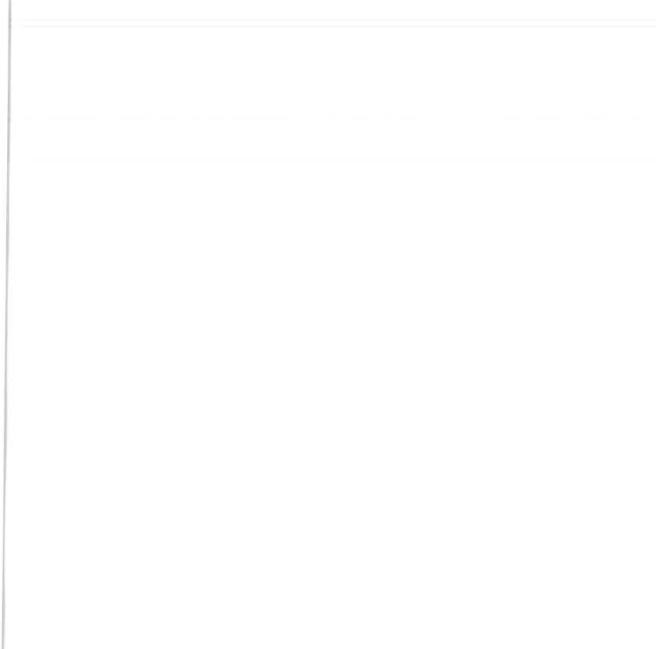
C1716A Dead End Blowoffs

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.

Thursday, April 20,2017 9 of 10 50



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

3/22/2017 Staff solicited quotes from about 10 local roofing contractors and received only two quotes. Staff is executing contract with low quote contractor to install a composition roof. Staff coordinating with SVCA on shingle color.

Small works contract executed with Western Roofing Co., Inc. Contractor and District are watching and waiting for a stretch of good weather days to schedule the work.

Thursday, April 20,2017 8 of 10 51

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 intertie.

01 Administration

2/27/2017 Wilson prepared engineer's brief sheet that includes details PRV sizing and configuration. Staff will begin preparing a bill of materials and order parts. It is anticipated District crews will perform the work.

Number of Projects

27

Thursday, April 20,2017

10 of 10

1	EWI	ATO	
2	^lal	œ	
	what	com	
/	SET	ER V	

LAKE WHATCOM WATER AND SEWER DISTRICT

AGENDA BILL

DATE SUBMITTED:	April 18, 2017			
TO BOARD OF COMMISSIONERS				
FROM: Patrick Sorensen	MANAGER APPROVAL			
MEETING AGENDA DATE:	April 26, 2017			
AGENDA ITEM NUMBER:	7.0			
SUBJECT:	Manager's Report			
LIST DOCUMENTS PROVIDED ⇒	1. Manager's Report			
NUMBER OF PAGES INCLUDING AGENDA BILL:	2.			
	3.			
TYPE OF ACTION REQUESTED	RESOLUTION FORMAL ACTION INFORMATIONAL MOTION □ OTHER □			

BACKGROUND / EXPLANATION OF IMPACT
Updated information from the General Manager in advance of the Board meeting.

FISCAL IMPACT None

RECOMMENDED BOARD ACTION

None required.

PROPOSED MOTION None

General Manager Comments

April 26, 2017

Regular Meeting

8:00 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).
 - o Management Meeting: There is not a meeting scheduled at this time.
- Next Regular Board Meeting: The next regular meeting will be held on Wednesday, May 10, 2017 at 6:30 p.m.
- Employee Staff Meeting: The next staff meeting is set for Thursday, May11, 2017 at 8:00 a.m. in the Board Room. Commissioner Citron is scheduled to attend.
- Employee Safety Committee Meeting: The next meeting is set for May 11, 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 and Brew min Tulalip on May 9, 2017 at 6:15 p.m.
- Whatcom Water District's Caucus Meeting: The next Caucus meeting is set for May 17, 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.
- <u>Date of Fall 2017 WASWD Conference</u>: Reminder, the Fall Conference will be September 27 29 in Wenatchee. The conference ends on Friday at noon.

Lord S. O. 1301



The boat inspections

requests from the public.

since April 2013.
Officials want to keep all invasive species, which hitch rides on boats from infested waterways, out of Lake Whatcom and Lake

ural enemies to control their growth here. That could allow them to reproduce rapidly and crowd out native species, causing millions of dollars in economic and ecological Because they're not native, such aquatic plants and critters have no nat-

Infestations can close recreation areas, and affect the taste and odor of drinking water - increasing costs for treating drinking water.

Lake Whatcom is the source of drinking water for about 100,000 residents in Whatcom County, including Rellinghar damages.

Non-native zebra and quagga mussels, which grow in masses, are the greatest concern. The freshwater mussels, first documented in the U.S. in 1988, can damage water intakes, docks and boats.

Whatcom & Northwest

STAFF The Bellingham He Boaters at Bloedel Donovan Park wait for inspections on July 1, 2013. The inspection station at the park and other places in Whatcom County will reopen Saturday. ALC: M

harmful nspections aim to keep nherald.com pests out of lakes Boat Inspection Program kicks off Saturday, when

BY KIE RELYEA krelyea@bhamher

your boat into
Lake Whatcom
or Lake Samish
this boating season? Remember to first have it
inspected to keep harmful
shellfish and other m-native pests out of the

The annual Whatcom

inspection stations open for the season. It will continue through Sept. 29.

To prevent aquatic invasive species from entering local waters, inspectors will check boats to make sure they're clean, drained and dry before allowing them onto the lakes. Nonmotorized boats, such as canoes and kayaks, also must be inspected.

The program is an effort of the City of Bellingham, Whatcom County government, and the Lake Whatcom Water and Sewer District.

New this year are more hours at Lake Samish and Sudden Valley for inspections, according to Renee LaCroix, assistant Public Works director in charge of the Natural Resources Division.

That's in response

8

including Bellingham.

AKES

Quagga mussels have spread as far west as Southern California and northern Nevada but have not yet been found living in Washington state.

Once the mussels have taken hold, they're just about impossible to get out of the water body they're infested.

They're not here, and the 16 inspectors checking boats this year are part of the effort to keep it that way.

Here's a quick look at

last year's program:

• 9,571 boats were inspected.

• 201 boats had standing water that could hold the microscopic larvae of aquatic pets, such as zebra or quagga mussels.

• 140 boats had aquatic plants that had to be re-

moved.

• Boats came from 19
different states or provinces, and three boats had
recently launched in water
infested by mussels.