

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

REGULAR MEETING OF THE BOARD OF COMMISSIONERS

AGENDA

May 10, 2017

6:30 p.m. – Regular Session

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

Executive Session Per RCW 42.30.140(2) - Consideration of a Quasi Jurisdictional Matter (Appeal of General Manager's Decision) - 15 Minutes

- B. Connection Fees Presentation by FCSG
- C. Updated Presentation North Shore Water System Consolidation
- D. Water Comprehensive Plan Service Area Boundary Review
- E. Utility Billing Reconciliation
- F. Budget Update Report
- G. Reschedule August 9, 2017 Regular Meeting
- 6. OTHER BUSINESS
- 7. MANAGER'S REPORT
- 8. PUBLIC COMMENT OPPORTUNITY
- 9. ADJOURNMENT



LAKE WHATCOM WATER AND SEWER DISTRICT

AGENDA BILL

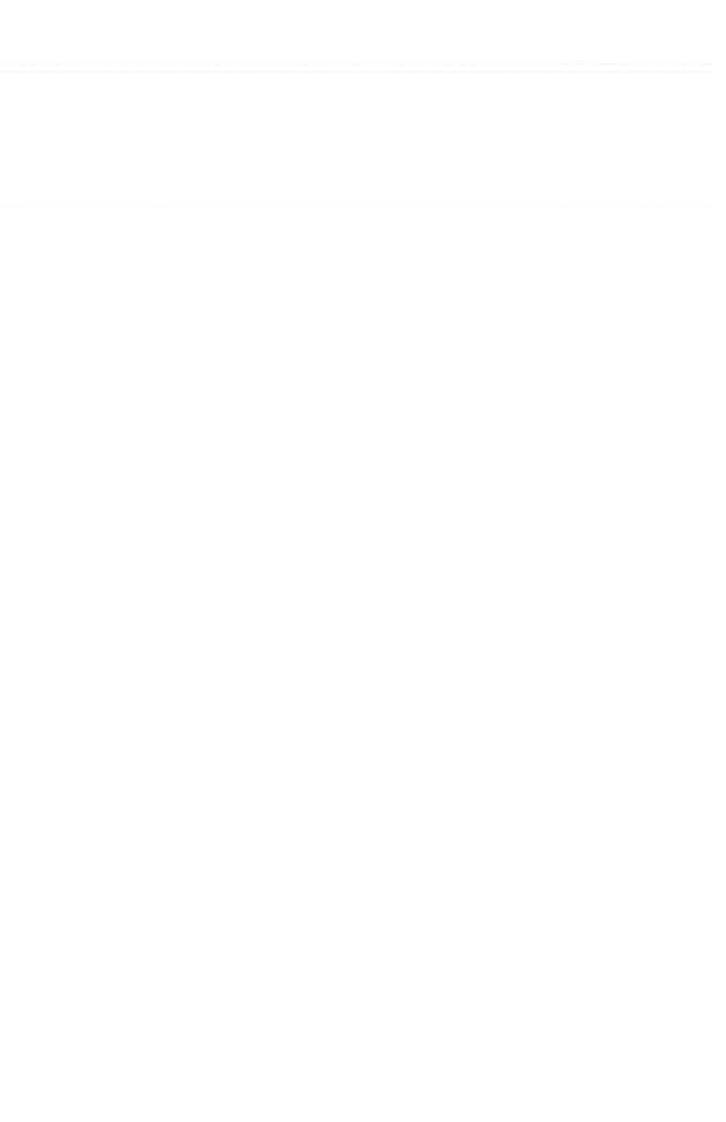
DATE SUBMITTED:	May 3, 2017				
TO BOARD OF COMMISSIONERS					
FROM: Bill Hunter	MANAGER APPROVAL				
MEETING AGENDA DATE:	May 10, 2017				
AGENDA ITEM NUMBER:	5.A.				
SUBJECT:	2125 North Shore Road – Disconnection of Sewer				
LIST DOCUMENTS PROVIDED →	Sewer Main Construction Record Drawing				
NUMBER OF PAGES INCLUDING AGENDA BILL:	2. Customer Sewer As-Builts for 2117 and 2125 North Shore Road				
————	3. Email Petition from Tim Farris dated 4/23/17 with attachments				
TYPE OF ACTION REQUESTED	RESOLUTION FORMAL ACTION / INFORMATIONAL / OTHER □				

BACKGROUND / EXPLANATION OF IMPACT

The owner of 2125 North Shore Road is petitioning the Board to: (1) overturn the General Manager's decision and allow capping the private Side Sewer at the private pump tank rather than at the Sewer Lateral near the Sewer Main, (2) suspend sewer billing, and (3) receive special consideration by the District to refund sewer service charges paid to the District since the house was abandoned 14 years ago or at least since when the house was demolished in September 2015.

This is the first such instance where the Board of Commissioner's is petitioned to overturn the General Manager's best practice and professional judgement decision related to the location of a Sewer Lateral cap or a similar situation when installing a Two-Way Cleanout (installed to allow sewer-only billing customers to suspend billing).

The District Engineer recommends capping the abandoned Side Sewer (privately owned pipe located on private property) at the Sewer Lateral (the length of pipe owned by the District from the Sewer Main to the easement or right-of-way) as close as possible to the Sewer Main. This provides the greatest protection to the District's public sewer system and the environment by minimizing the risks of inflow and infiltration into the public system; rocks, debris, sand, and animals from entering the public system; sewer back-flowing down the private Side Sewer pipe in the event of a public Sewer Main blockage. A blockage in the Sewer Lateral represents the greatest and most probable risk. This is due to the fact the Sewer Lateral is shared with 2117 North Shore Road which is a pumped service. The pressurized sewer from 2117, if blocked at the Sewer Lateral, would then back-flow and pressurize the abandoned 2125 service line. It also



ensures that the Side Sewer is not used without District authorization and no other connections are utilizing the Side Sewer.

The International Plumbing Code recognizes these risks by defining abandoned plumbing as unsafe: "108.7 Unsafe plumbing. Any plumbing regulated by this code that is unsafe or that constitutes a fire or health hazard, insanitary condition, or is otherwise dangerous to human life is hereby declared unsafe. Any use of plumbing regulated by this code constituting a hazard to safety, health or public welfare by reason of inadequate maintenance, dilapidation, obsolescence, fire hazard, disaster, damage or abandonment is hereby declared an unsafe use. Any such unsafe equipment is hereby declared to be a public nuisance and shall be abated by repair, rehabilitation, demolition, or removal." (2012 International Plumbing Code)

Capping the Sewer Lateral as close to the Sewer Main as possible is a standard requirement for public sewer systems. For example:

- The City of Bellevue requires: "Side sewer demolition shall be performed prior to removal of building foundation. The side sewer for each building shall be excavated and removed from the house connection to the edge of the public right-of-way, or property line. The Contractor shall cap the end of the side sewer to remain in place. Side sewer demolition shall be performed in the presence of the City of Bellevue Sewer Maintenance Engineering Technician." (City of Bellevue, Utilities Department, Sanitary Sewer Engineering Standards January 2012, S2-04.3 Sanitary Sewer General Plan Notes, Note
- The City of Seattle requires: "Side Sewer Capping: You must have an issued side sewer permit before your side sewer is capped. See Tip 503, Side Sewer Permits in Seattle, for more information on obtaining a side sewer permit. The side sewer must be capped as close to the property line as possible without interrupting service to any other building. The end of the pipe must be completely filled with concrete for a minimum length of 12 inches. A SDCI site inspector must inspect the side sewer capping SDCI before it is covered." (City of Seattle, Seattle Department of Construction and Inspections Tip 337 -Demolition and Deconstruction)
- The City of Redmond requires: "Side sewer terminations have to be capped by either: (1) Temporary Cap - the side sewer stub is going to be reused. The temporary cap is usually at the property line. Utility billing will not stop and the base fees will continue to be charged. An additional inspection fee will be charged upon reconnecting the sidesewer stub. The permit applicant/contractor shall verify that the existing sanitary sewer stub is in satisfactory condition for usage, or (2) Final Cap - the side sewer stub at the City mainline in the street with a permanent cap when the stub is not going to be reused. Utility billing will stop." (City of Redmond Side Sewer Website http://www.cityofredmond.gov/cms/One.aspx?portalId=169&pageId=136723)
- Alderwood Water & Wastewater District requires: "Abandoning/Capping. The Contractor shall excavate the existing tee on the mainline and plug or cap the existing tee. (1) For existing concrete lines: A mechanical plug sized to fit the existing bell but larger than 6-inch inside diameter is used. See section 5-2.020 for type. The plug is inserted and grouted. Abandoned piping is either removed or grout plugged and filled with flowable Control Density Fill (CDF). Method to be determined by the District or jurisdictional authority, whichever is more stringent shall apply. (2) For existing PVC lines,



- a spigot PVC plug shall be inserted into the existing tee or a PVC cap with rubber gasket placed on pipe within 1 foot of mainline. Inspection is required prior to backfill. (3) For existing ductile iron lines, a MJ plug shall be installed with gasket and bolts on the tee. (4) Inspection is required on capping of sewers laterals prior to backfill." (Alderwood Water & Wastewater District, Division 5 Standards for Side Sewer Installation Adopted 11/16/2015, Section 5-3.015 Tapping and Abandoning/Capping)
- Ronald Wastewater District requires: "8.5 Abandonment of Existing Side Sewers: When an existing side sewer is abandoned, the pipe shall be securely capped at the street right of way line or edge of easement. The end of the side sewer shall be marked with a 11/4" diameter PVC pipe capped a both ends and wrapped with a galvanized wire. The marking pipe shall extend from the capped pipe to at least six (6") inches above grade. The property owner shall pay this expense." (Ronald Wastewater District Resolution 09-26)
- Spokane County Environmental Services requires: "Abandonment of the sewer service requires a permit and inspection by the Environmental Services Department. The Department will not discontinue billing of the monthly sewer service fee until the abandonment has been accomplished to the satisfaction of this Department as follows: (1) When a mobile or manufactured home is removed from the site for the purpose of replacement of a newer mobile or manufactured home, the sewer drain pipe within the footprint of the home shall be capped with a glue-on cap manufactured for this specific use; (2) For all other situations, the building sewer shall be cut at a point no more than fifteen feet from the property line where the sewer service line enters the property. The open end of the sewer pipe leading the public sewer must be plugged or capped with fittings manufactured for this specific purpose." (Spokane County Environmental Services, Side Sewer Installation Handbook, page 14)
- Skyway Water & Sewer District requires: "The Property Owner or their Contractor engaged in demolishing or removing any structure connected to the public sewer shall notify the District of such work, and obtain a Side Sewer Permit from the District. Existing building side sewer and sewer service stubs may be used in connection with new buildings or buildings with expanded facilities/footprints only when they are found to be, on review of video examination and tests (observed by the District), to meet the requirements for new construction (i.e. material type, diameter, slope, overall condition, etc.). The disconnected side sewer, if approved for reuse, shall be temporarily exposed and plugged at the property line by the Property Owner in accordance with the requirements of the District with this Regulation The Property Owner shall replace those side sewer and sewer service stubs requested for reuse, but not meeting the requirements for new construction. Disconnection of the side sewer at the sewer main shall occur if the side sewer is being abandoned. A District representative must observe temporary and permanent plugging." (Skyway Water and Sewer District 2011 Side Sewer Regulations, 13.03 Demolished or Removed Buildings)
- City of North Bend requires: "Side Sewer Demolition. Any property owner who plans to demolish or remove any structure connected to the public sewer system shall notify the city prior to the commencement of such work. Side sewer demolition shall be performed prior to removal of building foundation. The side sewer for each building shall be excavated and removed from the house connection to the property line or the main as specified by the city. The contractor shall cap the end of the side sewer to remain in place. Side sewer demolition shall be performed in the presence of the city inspector. The inspector will inspect the stub to determine whether the side sewer can be re-used. If the

inspector determines that the side sewer cannot be re-used, the property owner shall either abandon the side sewer or upgrade the portion of side sewer on private property through a side sewer permit. The city will be responsible for repair or replacement of the portion of the side sewer located within public rights-of-way and public easements. When a property is redeveloped, the property owner shall abandon side sewers that are no longer needed. In addition, the property owner shall abandon all unused provisional side sewers within the scope of the redevelopment project. The allowable methods of side sewer abandonment are as follows: (1) Cap the side sewer at the main; (2) Install a cured-in-place liner inside the side sewer and fill side sewer pipe to be abandoned with controlled density fill. In addition, install a cured-in-place spot repair liner in the mainline to cover the side sewer opening. The spot repair liner shall extend a minimum of one foot upstream and downstream of the edge of the side sewer opening. (City of North Bend Municipal Code 19.02.050-L.)

Note that the City of Redmond, Alderwood Water and Wastewater District, and the City of North Bend have very strict specifications which require a cap at the mainline.

The attached petition and email correspondence summarize the issue in detail. It should be noted that the property owner is in violation of the District's current Administrative Code in that the structure was disconnected from public sewer without written notice and approval by the District required by Section 5.6.6 – Disconnection of Side Sewer.

District staff have made substantial effort verify and locate the Sewer Lateral so the property owner's costs for exploratory excavations are as small as possible, short of doing the excavation for the private owner or locating private service lines on private property using public resources. Staff have reviewed the construction record drawings for the Sewer Main, reviewed customer asbuilt drawings for 2117 and 2125 North Shore Road, and ran a camera down the Sewer Main to visually locate the Sewer Laterals. The pipes are plastic and electromagnetic or induction locating equipment cannot be used for locating. It is recommended that if the property owner desires to minimize excavation and restoration costs, it hire a private locator to locate the service line on private property up to the Sewer Lateral. The process involves pushing a duct rod or sonde up the private pressure line which can then be traced by a receiver on the surface. This is a common practice in the locating industry.

FISCAL IMPACT

None.

RECOMMENDED BOARD ACTION

The District's Administrative Code concerning disconnection of a Side Sewer reads:

5.6.6 Disconnection of Side Sewer

No structure may be disconnected from a side sewer, and no side sewer may be disconnected from a public sewer, for any reason without prior written notification to, and approval of, the District. No approval shall be given unless the disconnection is permitted under this Code and other applicable rules and regulations and satisfactory protection is given by the owner or his contractor to the public sewers and sewer works of the District, including, but not limited to, the satisfactory capping of the side sewer or public sewer. Sewer service charges for any structure



disconnected, or to be disconnected, shall continue until such disconnection is approved by the District, and the side sewer or service lateral is capped or otherwise protected to the satisfaction of the manager. [Resolution Nos. 146]

"Satisfactory protection", "satisfactory capping", and "satisfaction of the manager" all require professional judgement by the General Manager to protect the public sewer system. District maintenance crew, the District Engineer, and technical staff all agree that a cap needs to be installed as close to the Sewer Main as possible. A quick review of requirements adopted by other public sewer systems corroborate that this requirement is a common and best practice in the industry. While the District's code does not specifically state the exact location of the cap, it does however, imply that "best practice judgement" be exercised by the General Manage.

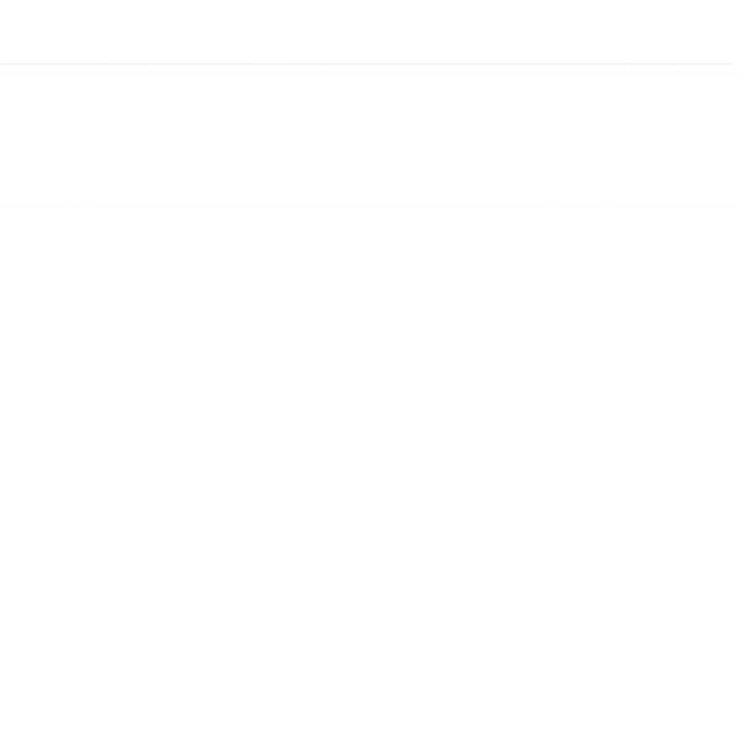
The petition argues "Nothing in the language of the administrative code requires the side sewer to be capped next to the sewer main." The reverse is also true: Nothing in the language of the administrative code requires the side sewer to be capped at the property owner's choice of location. It is in the best interest of all to cap the Sewer Lateral as close to the Sewer Main as possible.

The petition argues "This is a judgement call which the Commissioners are legally empowered to make considering the costs of the customer and the need to protect the lake." Through the decades, the District has expended substantial resources in time and funding for the purpose of protecting the lake. The petition asks the commissioners to only go "half-way" on protecting the lake by allowing something less than the best and readily attainable improvement.

The petition agues "There is simply no reasonable risk that the side sewer will fail." District staff's experience has been otherwise. As infrastructure ages it eventually fails and must be renewed or replaced. The PVC Side Sewer has been in the ground 38-years, since 1979.

The petition argues "This particular side sewer has served the home for years with complete integrity." It should be noted that the property owner also states "The home on this lot had been abandoned for 14 years and the sewer system has not been in use for this entire time." How can it be known the service has complete integrity if it has not been in use for 14 years? The petitioner has not provided any visual inspection reports, flow or pressure test results, or camera video to verify this claim.

The petition argues "All over the District's territory, the District trusts side sewers all day – every day. Why then, would the District only distrust this particular side sewer just because it is not being used?" As the commissioners are aware, the District employs 18 people. Of those 12 are tasked nearly full time with the responsibility of maintaining, repairing, replacing, or renewing District infrastructure before it fails. District staff does not trust anything to function indefinitely. Infrastructure must constantly be inspected, repaired, renewed, or replaced. It is not if, but when something will fail. Staff agrees with the petitioner in that "There is no reasonable basis to think that this side sewer is any different." It is not very often when the District has an opportunity to remove infrastructure from the system, reducing the overall risk of the system by that small amount. The goal is to eliminate risk, or at a minimum reduce the risks as much as possible.



The petition acknowledges "It is clear that the lake and District's sewer system is protected if the house end of the side sewer is capped." If a cap installed at the house end protects the lake, it follows that a cap installed at the source of the risk is even better protection.

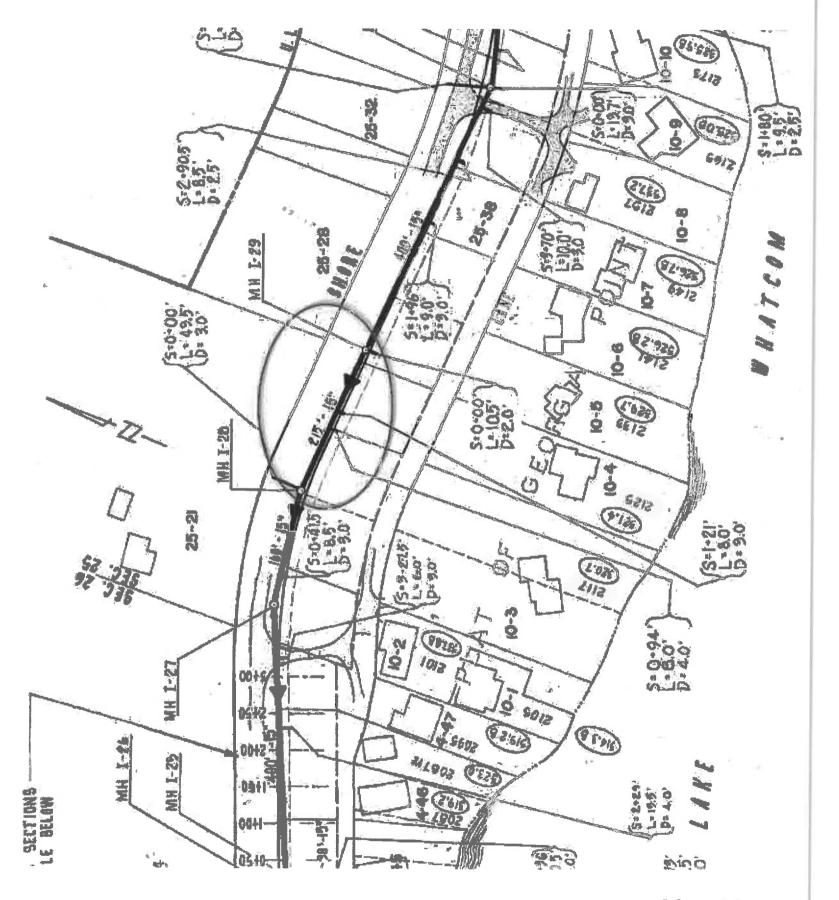
After careful consideration of all the petition's arguments, staff recommends:

- 1. Applying the current District policy for billing suspension. When the sewer is capped as close to the Sewer Main as possible, inspected, and approved by the District, sewer charges may be suspended.
- 2. Denying the request for refund of past charges. The District's Administrative Code includes Section 2.10.6 Voluntary Temporary Suspension of Sewer Service Billing which provides a means to suspend billing for sewer-only customers. To be consistent and fair to all customers who have complied with this District policy, staff recommends that the same policy apply to this petition request.

PROPOSED MOTION

- 1. Uphold the General Manager's decision to require the sewer cap on the Sewer Lateral as close to the Sewer Main as possible and that sewer service billing can be suspended per District policy when that work has been inspected and approved by the District.
- 2. Deny request for refunding of back sewer charges.





WATER DISTRICT NO. 10 SEWER INSPECTION REPORT OF HOUSE CONNECTION DATE 11-5-79 PERMIT NO. 11-10-3 Harley ADDRESS SERVICE ADDRESS SAME W/ MR. MACKAZIANE CONTRACTOR WITH 2125 NS ROAD ROADS TENNA Telephone pole O Coal 2117 145 ABPOOK 2125 pump PIPE MATERIAL PUC. TOTAL LENGTH 400 Appare COVER OVER PIPE MIN-9' SLOPE BUNG SOIL CONDITION MET Soil CONNECTION TO MAIN STUS TEST DATA_ INSPECTOR M. Circles +Lyn Bruke

WATER DISTRICT NO. 10 SEWER INSPECTION REPORT OF HOUSE CONNECTION DATE 11/5/79 PERMIT NO. 11-18-4 NS ROAD SERVICE ADDRESS BANKE. CONTRACTOR 17 6" STUB WITH 6" YOU COULDED TO FET Bendines ROAD TEXALS Telephyn Court 2125 Direk with Perme. 2.117 THE CONTES PIPE MATERIAL 700 TOTAL LENGTH COVER OVER PIPE SLOPE SOIL CONDITION NOT SA CONNECTION TO MAIN TEST DATA_

Bill Hunter

From: Sent: Tim Farris <timfarris@me.com>
Sunday, April 23, 2017 9:22 AM

To:

John Carter; Curtis Casey; Bruce Ford; Todd Citron; Laura Weide

Cc:

Bill Hunter; Tim Farris

Subject: Attachments:

Petition for Review of Manager's Decision on 2125 North Shore Road ATT00001.htm; 2125 North Shore Road Sewer Petition.pdf; ATT00002.htm; 2125 North Shore Road Account 130111105 2.pdf; ATT00003.htm; 2125

North Shore Road Account 130111105.pdf; ATT00004.htm; 2125 North

Shore Road 2.pdf; ATT00005.htm; 2125 North Shore Road 3.pdf;

ATT00006.htm

Hello, John, Curtis, Bruce, Todd and Laura,

Attached is a Petition to Review the Manager's Decision as allowed by Section 3.7.1 and 3.7.2 of the Administrative Code to allow a disconnected side sewer line to be capped near the house instead of near the road.

As indicated in my petition, I have nothing but good things to say about the staff and their professionalism. I just think there is a better solution, given the costs, that provides satisfactory protection of our lake and watershed.

I would appreciate it if this could be placed on your agenda at a coming Commissioner's meeting that is convenient to the Commission and staff. I think the attached petition provides a complete description of all the facts. However, I would be happy to appear if you think that would provide any further clarification.

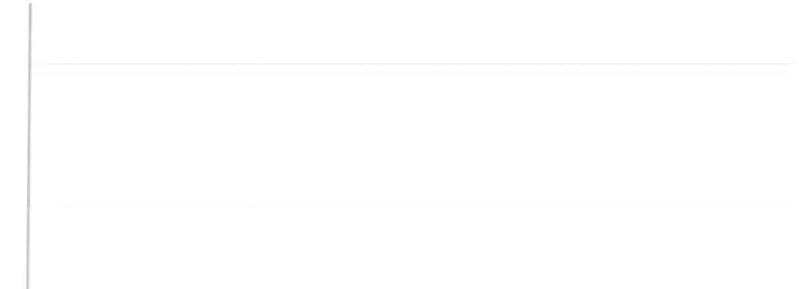
If you or Bill or the appropriate staff could let me know how to proceed from her, I would really appreciate it.

Thank you.

Tim

Tim Farris
2133 North Shore Road
Bellingham, Washington 98226

•



(360) 220-0800 (m) <u>TimFarris@me.com</u>

Total Control Panel

Login

To: bill.hunter@lwwsd.org

Remove this sender from my allow list

From: timfarris@me.com

You received this message because the sender is on your allow list.

2

To: Lake Whatcom Water and Sewer District Commissioners

John Carter

Curtis Casey

Bruce Ford

Todd Citron

Laura Weide

From: Tim Farris

Dear John, Curtis, Bruce, Todd and Laura:

Let me thank you for your service as a Commissioner. I believe that community

service is important and it is nice to see our neighbors contributing their time.

Thank you.

Pursuant to Section 3.7.1 and 3.7.2 of the Administrative Code, I would like to

formally petition the Commissioners review the Manager's decision and allow

2125 North Shore Road the following relief:

1. To allow the the side sewer at 2125 North Shore Road to be capped to be

capped, as part of a disconnection, near the former house site where there

is ready access to the side sewer.

1

2. I would also like to Petition the Commissioners for a refund of the

fees paid during the period of time that the house was abandoned or

destroyed and the sewer was not being used.

Background:

We purchased 2125 North Shore Road in September of 2015. The home on this

lot had been abandoned for 14 years and the sewer system has not been in use

for this entire time. In September 2015, we obtained proper Demolition and

Shoreline Permits from Whatcom County. We retained Fountain Construction

(District approved and bonded contractor) and demolished the abandoned house

in September of 2015. A few months ago, I realized that we have been paying for

a monthly sewer fee (about \$100) that we are not (and have not) been using. The

District is collecting the monthly fee but is providing no service. I contacted the

District to inquire about suspending the \$100 sewer connection charge until we

rebuild. I was told that, in order to suspend the sewer connection charge, we

would need to cap the side sewer. I began to look into how to cap the side sewer.

Two Options to Cap the Side Sewer

2

There are two possible ways to cap the side sewer - at one of the two ends of the side sewer.

- 1. House End: The side sewer servicing the old (now demolished house) runs from North Shore Road for approximately 100' to the former house site. At the house site, the side is readily available through a man hole next to the house site. To cap the side sewer, all we have to do is lift the man hole cover and cap the side sewer. My guess is that this would take about 10 minutes and cost less than \$100.
- 2. Road End: The other end of the side sewer is located adjoining North Shore Road. With the help of the District's camera crew and Fountain Construction, we have learned that the exact location (as determined by District camera crews) is not precisely known but capping the side sewer near the road would require:
 - 1. Digging up an asphalt driveway (that serves three properties) at a cost of several thousand dollars. The best estimate is around \$4,000.
 - 2. Interfering with our neighbors ingress and egress during the construction.

3

3. There is also the risk that, after excavating the driveway, we would learn that this was not the actual side sewer connection and may have to do the construction all over in another location - for another \$4,000 or so.

In sum, the side sewer can be capped at one end for less than \$100 or at the other end for several thousand dollars - if not substantially more.

Staff Review:

Several months ago, I contacted the District about suspending the sewer connection fee until we rebuild. I was put in touch with Mr. Bill Hunter. I should say that Mr. Hunter has been nothing but pleasant and professional at all times. I've attached emails between Bill and I that should provide additional background. Mr. Hunter explained to me that 1) the monthly fee can be suspended without prejudice to rebuilding and 2) to suspend the monthly fee I needed to cap the side sewer. Mr. Hunter also indicated it might be possible to get a refund for the fees that have been previously paid while the house was abandoned or disconnected. Later in our conversations, Mr. Hunter indicated that he wanted the side sewer disconnected close to the main sewer line because it would eliminate the risk that the existing side sewer might fail.

Over the next several months, I spent a substantial amount of time working with

the District and Fountain Construction to try and locate exactly where the side

sewer connects to the main sewer. In time, we learned that it would require

digging up and repaving an expensive driveway shared by three properties. It

would be very expensive. And, there is some uncertainty in the District's mind as

to where they they have identified the actual side sewer location connection

point.

I would like to petition the Commissioners to allow the side sewer to be capped

next to the house site - something that can be done quickly and at far less cost.

Here is my reasoning for allowing the side sewer to be capped next to the house:

1. This is Discretionary with the Commissioners:

Nothing in the language of the administrative code requires the side sewer to be

capped next to the main sewer. The District's Administrative Code provides:

5.6.6 Disconnection of Side Sewer

No structure maybe disconnected from the science server,, for any reason without prior written notification to, and approval of the district. No

5

approval shall be given unless the disconnection is permitted under this Code and other applicable rules and regulations and satisfactory protection is given by the owner or his contractor tot he public sewers or public sewer. Sewer service charges for an structure disconnected, or to be disconnected, shall continue until such disconnection is approved by the District, and the

side sewer or service lateral is capped or otherwise protected to the satisfaction of the manager.

Nothing in 5.6.6, any at time, mandates that the side sewer must be capped next to the main sewer line. It only requires that it be capped "to the satisfaction of the manager".

This is a judgment call which the Commissioners are legally empowered to make considering the costs of the customer and the need to protect the lake.

2. Side Sewers are Routinely Trusted By the District

There is simply no reasonable risk that the side sewer will fail. All over the District's territory, the District trusts side sewers all day - every day. Why then, would the District only distrust this particular side sewer just because it is not being used? The integrity of the side sewer pipe walls has not changed. This particular side sewer has served the home for years with complete integrity. Nothing has changed other than one end is no longer connected to a house - a

6

matter quickly and completely fixed by putting a cap on the end of the side sewer

next to the house.

3. Further Risk Reduction

If it is capped at the house end of the side sewer and if (by remote chance) the

side sewer cracked, we live right next door to the side sewer and would

immediately smell a leak and could promptly repair a leak in the line.

4. Cost Benefit Analysis

Finally, and most importantly, I would hope that the District's judgment employs a

sense of fairness to the property owner and a cost benefit analysis. It is clear that

the lake and District's sewer system is protected if the house end of the side

sewer is capped. No sewer can leak down and out of the side sewer. For

hundreds of homes around the lake, the District allows and trusts side sewers

every day. There is no reasonable basis to think this side sewer is any different.

The lake is going to be just as protected by capping the side sewer at the house

end. And, it would cost me about \$4,000 more to cap it at the other end with no

realist improvement to the environment.

For these reasons, I ask the Commissioners to 1) suspend the monthly billing until we rebuild on the lot 2) allow the side sewer to be capped at the house end of the side sewer and 3) refund, if possible, the monthly fees for the time that the District has been collecting sewer fees while the house was abandoned or demolished. The District has been paid but has not been providing a service that was being used.

Thank you for your consideration.

Tim Farris
2133 North Shore Road
Bellingham, Washington 98226
(360) 220-0800 (m)
TimFarris@me.com

8 00 20

From: Bill Hunter bill.hunter@lwwsd.org

Subject: RE: 2125 North Shore Road Account # 130111105

Date: January 18, 2017 at 3:30 PM
To: Tim Farris timfarris@me.com

Cc: Patrick Sorensen patrick.sorensen@lwwsd.org

Hi Tim,

Capping the stub near the main is also to protect both the private property and the public sewer main. If the abandoned piping remained in place and the public sewer main backed-up due to a blockage, wastewater could backflow through the abandoned piping, into the old pump vault and overflow into Lake Whatcom. Capping the stub near the sewer main protects the public system from water infiltration, rocks, sand, critters, and other debris from entering the public sewer system.

The District's Administrative Code below indicates the District can stop sewer billing when "the side sewer or service lateral is capped or otherwise protected to the satisfaction of the manager." It appears the code's intent is to properly cap and protect the public system, then suspend billing. It doesn't allow for a retroactive billing suspension.

I know this is not what you wanted to read, but it is the policy District staff has to follow. Please call me or the General Manager, Patrick Sorensen, if you'd like to talk further.

5.6.6 Disconnection of Side Sewer

No structure may be disconnected from a side sewer, and no side sewer may be disconnected from a public sewer, for any reason without prior written notification to, and approval of, the District. No approval shall be given unless the disconnection is permitted under this Code and other applicable rules and regulations and satisfactory protection is given by the owner or his contractor to the public sewers and sewer works of the District, including, but not limited to, the satisfactory capping of the side sewer public sewer. Sewer service charges for any structure disconnected, or to be disconnected, shall contin

until such disconnection is approved by the District, and the side sewer or service lateral is capped otherwise protected to the satisfaction of the manager. [Resolution Nos. 146]

The full text of the District's Administrative Code can be found here: http://lwwsd.org/about-us/administrative-information/

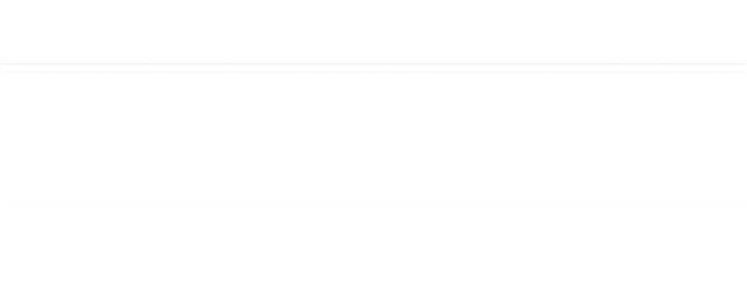
Bill Hunter, P.E. | Assistant General Manager / District Engineer



LAKE WHATCOM WATER & SEWER DISTRICT 1220 Lakeway Drive Bellingham, WA 98229

8am – 5pm, Monday – Thursday (360) 734-9224, Fax: (360) 738-8250 www.lwwsd.org

NOTICE: The information contained in this electronic message is confidential and only for the use of the intended recipient(s);



and contains confidential and/or privileged information belonging to Lake Whatcom Water and Sewer District or its customers or consultants or vendors. Any unauthorized review, use, copying, disclosure or distribution of this message is strictly prohibited. If you are not an intended recipient of this message, please contact the sender and destroy all copies of the message and any attachments immediately.

Email from this address is subject to public disclosure pursuant to RCW 42.56.

From: Tim Farris [mailto:timfarris@me.com] Sent: Thursday, January 12, 2017 3:44 PM

To: Bill Hunter

Subject: Re: 2125 North Shore Road Account # 130111105

Hi Bill,

Thank you.

Thanks for your email and time. I appreciate it. I dropped by, signed the paperwork and left a check for \$115.

In your email, you ask that I excavate and cap the 6" stub near the sewer line. Today, at the front desk, it was explained to me that this was to assure that the line was unusable.

I have a request. I would like to ask the District to accept the demolition of the house as proof that the sewer line cannot be used in lieu of excavating the ground, locating the sewer and capping it.

I certainly understand the policy of capping the sewer line in most instances. The District has a need to assure owners are not surreptitiously using their sewer system. This is a reasonable policy. A house on a lot, without capping the line, could surreptitiously use the sewer line without paying the monthly fee. However, in this case, there is more than adequate proof that the line cannot be used. In September 2015, we removed the house, the tennis court and an old garage. At the other end of the line, there is nothing connected to the sewer system. No house, no toilet, no plumbing system. This is more compelling proof that the line cannot be used than capping the line. And, today, I understand, your inspector came by and confirmed there is no building or toilet on the lot.

The reason for my request is the cost of excavating and capping the line. In addition to the cost of locating the line and excavating it, we recently landscaped the area where the sewer line would be capped. It was expensive to landscape and we would need to rip out the landscaping (at significant expense) to find the line and cap it.

In sum, excavating and ripping out our landscaping and capping one end of the line seems to be unnecessary when there is proof and assurance that the line cannot be used because the house was demolished and there are no facilities that could use the line.

For these reasons, I ask that the District accept removal of the house (and its visual confirmation that it has been removed) as assurance the line cannot be used. If for reason, this is not a discretionary matter at the staff level, can I take this up to the commissioners?

Thanks Dill Consideration

9

I nanks Bill for your consideration.

Tim

On Jan 12, 2017, at 12:16 PM, Bill Hunter < bill.hunter@lwwsd.org > wrote:

Hi Tim,

Attached is a copy of the original 1979 sewer permit for 2125 Northshore Road. Since the property has already paid for and obtained a side sewer permit in 1979, sewer service can be resumed after a billing suspension.

If a new house were to be constructed on the property in the future, the District will require a new pump discharge line from the 6" stub near the sewer main to a pump system that meets current District standards. There would be a sewer inspection fee (\$75 currently) and permit processing fee (\$40 currently) related to

To disconnect the sewer from the lot, excavate and cap the 6" stub near the sewer main. After the District has visually inspected the capped stub, you can backfill and mark the end of the stub for a future reconnection. The \$115 sewer permit is

<image002.png>

I'll investigate what District policies are in place that might allow a retroactive billing suspension and let you know what I find.

Bill Hunter, P.E. Assistant General Manager / District Engineer

<image001.jpg>

LAKE WHATCOM WATER & SEWER DISTRICT 1220 Lakeway Drive

Bellingham, WA 98229

8am - 5pm, Monday - Thursday (360) 734-9224, Fax: (360) 738-8250

www.lwwsd.org

NOTICE: The information contained in this electronic message is confidential and only for the use of the intended recipient(s); and contains confidential and/or privileged information belonging to Lake Whatcom Water and Sewer District or its customers or consultants or vendors. Any unauthorized review, use, copying, Water and Sewer District or its customers of consumants of vehicles. Any unauthorized review, use, copying disclosure or distribution of this message is strictly prohibited. If you are not an intended recipient of this



message, please contact the sender and destroy all copies of the message and any attachments immediately.

Email from this address is subject to public disclosure pursuant to RCW 42.56.

From: Tim Farris [mailto:timfarris@me.com] Sent: Wednesday, January 11, 2017 3:41 PM To: Bill Hunter

Subject: 2125 North Shore Road Account # 130111105

Hi Bill,

Thanks again for the guidance.

As indicated, the house at 2125 North Shore Road has been empty for 14 years. We purchased the lot in early September 2015. The house was demolished in September of 2015 as it was in very poor condition. The house demolition was completed (per watershed regulations) by September 30, 2015. Your inspection will confirm that the house is gone. Nothing has been connected to the sewer system and it has not been used since.

Even though the house was removed, we have been billed (and paid) for sewer fees. Today, I completed the application for a sewer inspection fee pursuant to your request. We would appreciate a refund of the fees we have paid for the months of October 2015 to present. Please send the refund to our home address at 2133 North Shore Road.

We intend to build another home on the property. Our timetable on that has not yet been decided. I want to confirm your assurance to me, today, that suspending the sewer permit fees will not preclude us from rebuilding on the lot. (We understand there will be an inspection fee before resuming payment

I will be by tomorrow afternoon to drop the check off for \$115.

Thanks so much.

Tim

Tim Farris 2133 North Shore Road Bellingham, Washington 98226 (360) 220-0800 (m) TimFarris@me.com

Attached are the following documents:

• Demolition Contract

- Demolition Permit
- SEPA Permit
- Water District Map
 Photo of the cap to the sewage vault.
 <130111104.pdf>

Tim

Tim Farris 2133 North Shore Road Bellingham, Washington 98226 (360) 220-0800 (m) TimFarris@me.com

From: Bill Hunter bill.hunter@lwwsd.org

Subject: RE: 2125 North Shore Road Account # 130111105

Date: January 12, 2017 at 12:17 PM To: Tim Farris timfarris@me.com

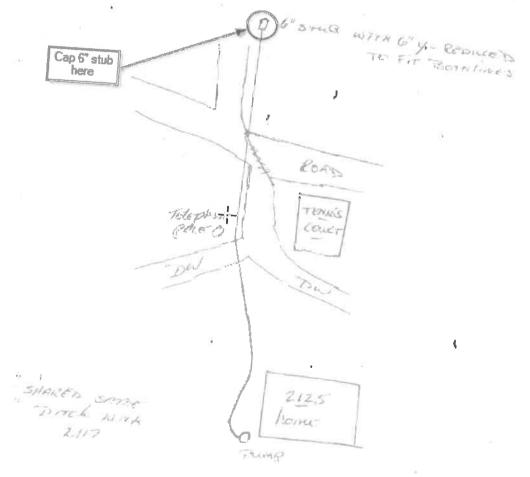
ro: பா rams மானாகமாகமா Cc: Kristin Hemenway kristin.hemenway@lwwsd.org, Rich Munson rich.munson@lwwsd.org

Hi Tim,

Attached is a copy of the original 1979 sewer permit for 2125 Northshore Road. Since the property has already paid for and obtained a side sewer permit in 1979, sewer service can be resumed after a billing suspension.

If a new house were to be constructed on the property in the future, the District will require a new pump discharge line from the 6" stub near the sewer main to a pump system that meets current District standards. There would be a sewer inspection fee (\$75 currently) and permit

To disconnect the sewer from the lot, excavate and cap the 6" stub near the sewer main. After the District has visually inspected the capped stub, you can backfill and mark the end of the stub for a future reconnection. The \$115 sewer permit is ready to pickup and issue.





I'll investigate what District policies are in place that might allow a retroactive billing suspension

Bill Hunter, P.E. | Assistant General Manager / District Engineer



LAKE WHATCOM WATER & SEWER DISTRICT

1220 Lakeway Drive Bellingham, WA 98229

8am – 5pm, Monday – Thursday (360) 734-9224, Fax: (360) 738-8250 www.lwwsd.org

NOTICE: The information contained in this electronic message is confidential and only for the use of the intended recipient(s); NOTICE: The information contained in this electronic message is confidential and only for the use of the intended recipient(s); and contains confidential and/or privileged information belonging to Lake Whatcom Water and Sewer District or its customers or and contains confidential allujor privileged information belonging to take viriation violet and sewer district of its customers or consultants or vendors. Any unauthorized review, use, copying, disclosure or distribution of this message is strictly prohibited. If you are not an intended recipient of this message, please contact the sender and destroy all copies of the message and any

Email from this address is subject to public disclosure pursuant to RCW 42.56.

From: Tim Farris [mailto:timfarris@me.com] Sent: Wednesday, January 11, 2017 3:41 PM

To: Bill Hunter

Subject: 2125 North Shore Road Account # 130111105

Hi Bill,

Thanks again for the guidance.

As indicated, the house at 2125 North Shore Road has been empty for 14 years. We purchased the lot in early September 2015. The house was demolished in September of 2015 as it was in very poor condition. The house demolition was completed (per watershed regulations) by September 30, 2015. Your inspection will confirm that the house is gone. Nothing has been connected to the sewer system and it has not been used since.

Even though the house was removed, we have been billed (and paid) for sewer fees. Today, I completed the application for a sewer inspection fee pursuant to your request. We would appreciate a refund of the fees we have paid for the months of October 2015 to present. Please send the refund to our home address at 2133 North Shore Road.

We intend to build another home on the property. Our timetable on that has not yet been decided. I want to confirm your assurance to me, today, that suspending the sewer permit fees will not preclude us from rebuilding on the lot. (We understand there will be an inspection fee before resuming payment on sewer fees for the new house.)

I will be by tomorrow afternoon to drop the check off for \$115.

Thanks so much.

Tim

Tim Farris 2133 North Shore Road Bellingham, Washington 98226 (360) 220-0800 (m)

TimFarris@me.com

Attached are the following documents:

- Demolition Contract
- Demolition Permit
- SEPA Permit
- Water District Map
- Photo of the cap to the sewage vault.



130111104.pdf

From: Bill Hunter bill.hunter@lwwsd.org Subject: RE: 2125 North Shore Road

Date: March 27, 2017 at 4:10 PM To: Tim Farris timfarris@me.com

Hi Tim,

I'll have our Maintenance Supervisor (Randy) contact Jake to meet onsite and discuss the details.

Bill Hunter, P.E. | Assistant General Manager / District Engineer



LAKE WHATCOM WATER & SEWER DISTRICT 1220 Lakeway Drive Bellingham, WA 98229

8am – 5pm, Monday – Thursday (360) 734-9224, Fax: (360) 738-8250 www.lwwsd.org

NOTICE: The information contained in this electronic message is confidential and only for the use of the intended recipient(s); and contains confidential and/or privileged information belonging to Lake Whatcom Water and Sewer District or its customers or consultants or vendors. Any unauthorized review, use, copying, disclosure or distribution of this message is strictly prohibited. If you are not an intended recipient of this message, please contact the sender and destroy all copies of the message and any Email from this address is subject to public disclosure pursuant to RCW 42.56.

From: Tim Farris [mailto:timfarris@me.com]

Sent: Friday, March 24, 2017 1:53 PM To: Bill Hunter

Cc: jake breakey

Subject: Fwd: 2125 North Shore Road

Bill,

I sent this to you a couple or weeks ago and did not receive a response.

I just wanted to make sure it is okay to cap the side sewer just off the easement. Is this okay?

Thank you,

Tim

Begin forwarded message:

From: Tim Farris < timfarris@me.com>

Subject: Re: 2125 North Shore Road Date: March 6, 2017 at 2:13:28 PM PST To: Bill Hunter < bill.hunter@lwwsd.org>

Hi Bill,

Thanks for sending out the camera crew to locate the side sewer. That helps.

I spoke with Jake Breakey today and he is ready to do this in the next couple of weeks. He says that it would save some expense to cap it just off the road easement. Apparently, if you excavate in the road easement, you need to refill it with gravel which increases the cost. So,

Also, I filled out and paid for a permit which you should have. Does that take care of all the

I have copied Jake with this email so your response can go to both of us.

Thank you.

Tim

On Feb 23, 2017, at 10:34 AM, Bill Hunter < bill.hunter@lwwsd.org > wrote:

<image004.png>

Tim

Tim Farris 2133 North Shore Road Bellingham, Washington 98226 (360) 220-0800 (m) TimFarris@me.com

Tim

Tim Farris
2133 North Shore Road
Bellingham, Washington 98226
(360) 220-0800 (m)
TimFarris@me.com

From: Bill Hunter bill.hunter@lwwsd.org

Subject: RE: 2125 North Shore Road Date: April 12, 2017 at 3:50 PM

To: Tim Farris timfarris@me.com

To: Tim Farris timfarris@me.com Cc: Patrick Sorensen patrick.sorensen@lwwsd.org, Randy Craker randy.craker@lwwsd.org, fc.wecijg@gmail.com

I just returned from visiting the site with our Maintenance Supervisor. For reasons explained in previous correspondence the correct way to abandon a sewer service is to cap the service at the sewer stub near the sewer main. This what the District will require at this location. The District has done everything it can to locate the side sewer stub. In addition to the District's efforts, you could have your contractor push a metal fish tape up the private pressure line and have that

The photo below shows a green "X" which is our best estimate of the sewer stub location. We can meet with your contractor onsite to review everyone's location efforts and results if needed





Bill Hunter, P.E. | Assistant General Manager / District Engineer



LAKE WHATCOM WATER & SEWER DISTRICT 1220 Lakeway Drive Bellingham, WA 98229

8am – 5pm, Monday – Thursday (360) 734-9224, Fax: (360) 738-8250 www.lwwsd.org

NOTICE: The information contained in this electronic message is confidential and only for the use of the intended recipient(s); and contains confidential and/or privileged information belonging to Lake Whatcom Water and Sewer District or its customers or consultants or vendors. Any unauthorized review, use, copying, disclosure or distribution of this message is strictly prohibited. If you are not an intended recipient of this message, please contact the sender and destroy all copies of the

Email from this address is subject to public disclosure pursuant to RCW 42.56.

From: Tim Farris [mailto:timfarris@me.com]

Sent: Tuesday, April 4, 2017 1:47 PM

To: Bill Hunter

Subject: Re: 2125 North Shore Road

Hi Bill.

I've spent a lot of time on trying to arrange for the side sewer line to be capped at the main line (instead of capping it near the old house). I arranged for the locate service to come out and locates utilities. WWD10 came out and sent a camera down the main line. I met with them. And, I had numerous emails and telephone calls with Jake Breakey to arrange to cap the line.

Today, Jake Breakey came by and we had a conference call with Miguel (after also talking with Randy) while looking at the locate markers on the ground. Here is the problem after sending a camera down the sewer line, there are two possible connections where the side sewer connects to the main sewer line. Your people think it may be one connection but say they can't be sure. The "as built" drawings suggest it is the other connection. The "as built" drawings do not line up with the camera imaging. Your camera crew thinks it may one of the two connections because there is no "sewage spray" but it may not have "sewer spray" because the line has not been used for 15 years. Which connection is unclear. More importantly, both possible connections are under an asphalt driveway shared by three homes. This dramatically increases the cost. What we learned today was that we would have to dig up an asphalt driveway, impede our neighbors access to their homes and repave the driveway section. Perhaps, more importantly, it is going to cost thousands of dollars to excavate the asphalt driveway and repave it. It is cost prohibitive and makes no sense to spend thousands of dollars to save \$120 a month. If that is the only option available to me to get out of paying a \$120 a month, it is not worth it.

Here is why I'm hoping the District will reconsider and allow us to cap the line near the

The rationale for the WWD10 for capping the side sewer line at the main line is that the existing side sewer line may be old and if your mainline has a problem and sewer backs up and the old side sewer line fails, there could be a leak that could go into the lake. My understanding is that such a failure by your main line is very unusual. Since it is cost prohibitive for me to tear out an asphalt driveway, we have three options left:

- Your crew exposes the line and repaves the neighbor's driveway. (I can pay 1. to cap the line once exposed.)
 - Leave the line as it or. 2.
 - Cap the side sewer line near the house.

The best option would be if your crew exposed the line and restored the site (with paving)

If your office does not want to expose the line and repave it, we have just the other two options remaining. What provides the best protection for the lake?

If your main line leaked, the greater risk is that there is no cap on the other end of the side sewer line and that sewage flowing from your main line would go out the end of the side sewer line and into the lake. To me, it makes a lot more sense to protect the lake by capping the side sewer line near the house than do nothing. I realize we still have the concern that there is an old sewer line in the ground, but so do hundreds of other homes

I hope you know that I really appreciate the District's philosophy and efforts to protect the quality of the lake. And, because I agree with it, I think I've made a good faith effort to further this cause by attempting to cap the side sewer line at the main line. As noted, I've been working on this for months trying to get all the right people out here. But at just \$120 a month, it just becomes unreasonable and cost prohibitive to spend the thousands of dollars to save \$120 a month.

It seems to me that under these circumstances a reasonable compromise, that provides better protection for the lake, is to cap the side sewer near the house. This would provide very good protection if your main sewer line had a back up problem. If capped near the house, it would involve no more risk than every other home on Lake Whatcom.

Bill, thanks for you time on this. I'm hoping you and the Commissioners can either do the first option or allow the line to be capped near the house.

I look forward to your response.

Thanks a lot.

Tim

On Mar 27, 2017, at 4:10 PM, Bill Hunter < bill.hunter@lwwsd.org > wrote:

I'll have our Maintenance Supervisor (Randy) contact Jake to meet on site and

Bill Hunter, P.E. | Assistant General Manager / District Engineer

<image001.jpg>

LAKE WHATCOM WATER & SEWER DISTRICT 1220 Lakeway Drive

Bellingham, WA 98229

8am – 5pm, Monday – Thursday (360) 734-9224, Fax: (360) 738-8250 www.lwwsd.org

NOTICE: The information contained in this electronic message is confidential and only for the use of the intended recipient(s); and contains confidential and/or privileged information belonging to Lake Whatcom Water and Sewer District or its customers or consultants or vendors. Any unauthorized review, use, copying, water and sewer district or its customers of consumants or vendors. Any unauthorized review, use, copying disclosure or distribution of this message is strictly prohibited. If you are not an intended recipient of this message, please contact the sender and destroy all copies of the message and any attachments immediately.

Email from this address is subject to public disclosure pursuant to RCW 42.56.

From: Tim Farris [mailto:timfarris@me.com]

Sent: Friday, March 24, 2017 1:53 PM To: Bill Hunter

Cc: jake breakey

Subject: Fwd: 2125 North Shore Road

Bill,

I sent this to you a couple or weeks ago and did not receive a response.

I just wanted to make sure it is okay to cap the side sewer just off the

Is this okay?

Thank you,

Tim

Begin forwarded message:

From: Tim Farris < timfarris@me.com> Subject: Re: 2125 North Shore Road Date: March 6, 2017 at 2:13:28 PM PST To: Bill Hunter < bill.hunter@lwwsd.org>

Hi Bill,

Thanks for sending out the camera crew to locate the side sewer. That helps.

I spoke with Jake Breakey today and he is ready to do this in the next couple of weeks. He says that it would save some expense to cap it just off the road easement. Apparently, if you excavate in the road easement, you need to refill it with gravel which increases the cost. So, does doing the capping just next to

Also, I filled out and paid for a permit which you should have. Does that take

I have copied Jake with this email so your response can go to both of us. Thank you.

Tim

On Feb 23, 2017, at 10:34 AM, Bill Hunter

bill.hunter@lwwsd.org wrote:

<image004.png>

Tim

Tim Farris

2133 North Shore Road Bellingham, Washington 98226 (360) 220-0800 (m) TimFarris@me.com

Tim

Tim Farris
2133 North Shore Road
Bellingham, Washington 98226
(360) 220-0800 (m)
TimFarris@me.com

Tim

Tim Farris
2133 North Shore Road
Bellingham, Washington 98226
(360) 220-0800 (m)
TimFarris@me.com



LAKE WHATCOM WATER AND SEWER DISTRICT

AGENDA BILL

DATE SUBMITTED:	M 2 2017
TO BOARD OF COMMISSIONERS	May 2, 2017
FROM: Patrick Sorensen	
MEETING AGENDA DATE:	MANAGER APPROVAL Karib August 10, 2017
AGENDA ITEM NUMBER:	5.B
SUBJECT:	Connection Fees – Presentation by FCSG
LIST DOCUMENTS PROVIDED ⇒ NUMBER OF PAGES	FCS Group Power Point
INCLUDING AGENDA BILL:	2.
	3.
TYPE OF ACTION REQUESTED	RESOLUTION FORMAL ACTION/ INFORMATIONAL/ OTHER 🖂
PACKOP OF	CIHER

BACKGROUND / EXPLANATION OF IMPACT

FCSG was contracted to examine our current General Facilities Charge (connection fee) for both water and sewer. These fees were last modified through Resolution 757 with an effective date of January 1, 2009. Findings and recommendations will be presented.

FISCAL IMPACT

The District has issued about 31 water/sewer availabilities in the trailing 12-months. If all those properties were to come in for permits starting June 1, the District revenue from fees would be approximately \$289K (31x \$4,110+\$5,201). With new proposed fees, the revenue would be approximately \$423K (31x \$6,301+\$7,367). A difference of \$135K.

RECOMMENDED BOARD ACTION

Consider updating General Facilities Charges.

PROPOSED MOTION

38

Lake Whatcom Water & Sewer District



2017 Water and Sewer General Facilities Charge Update

Gordon Wilson, Senior Program Manager Tage Aaker, Project Manager

May 10, 2017



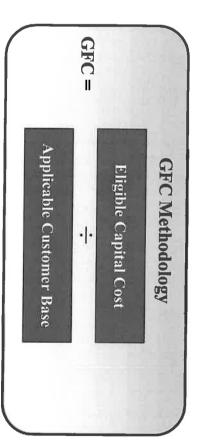


- Update the general facilities charge (GFC) for water and sewer utilities
- Background
- Existing charges
- Calculation methodology
- Assumptions
- Results
- Implementation



What is a General Facilities Charge?

- A one-time charge for new development or upsizing of existing development
- igoplusRecovers a proportionate share of existing and future system capacity cost
- New customer considered financially equivalent to a comparable existing customer after paying a GFC
- General calculation methodology
- Numerator = costs
- Denominator = customers





Legal Authorit

Specific language related to the calculation of GFCs for Districts

- Section 57.08.005 (11) cites guidelines such as the following:
- Existing assets (original cost)
- Plus: Interest (maximum 10 years)
- Less: Contributions (developer/grants)
- Plus: Future capital (maximum 10 years)

FCS GROUP

Page 4



Existing District GFCs

District already has an adopted GFC charge for each utility

- Fees have not increased since at least 2008
- These fees typically increase over time has a utility invests in the system

Different fees by utility;

 increase by meter size (estimate of capacity)

\$152,545	29.33		4
\$114,422	22		ω
\$41,608	00		N
\$26,005	5		1.5
\$10,402	2		_
\$5,201	1		$5/8 \times 3/4$
			Sewer
\$120,546	29.33	440	4
\$90,420	22	330	ω
\$32,880	œ	120	2
\$20,550	61	75	1.5
\$8,220	2	30	_
\$4,110	_	15	$5/8 \times 3/4$
			Water
cnarge	Ratio	Flow (gpm)	(inch)
	Meter Capacity	Continuous	Meter Size
	Existing 2017	District GFCs: Existing 2017	

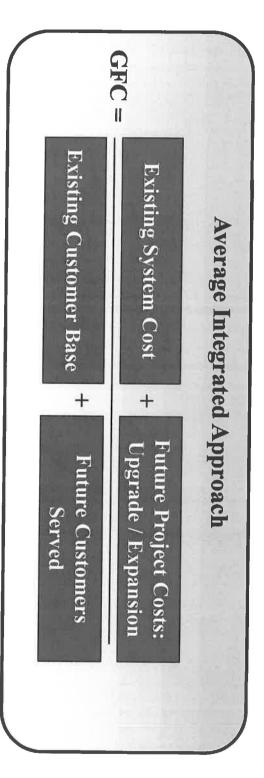
FCS GROUP

43



Calculation Methodology

- "Average integrated" calculation method
- Divides all costs (existing and future) by customer base (existing and future)
- Equity between existing and future customers is emphasized
- Method is relatively stable in its results; additional equity





*** Cost Basis Details

Existing Cost

- Existing assets (original cost)
- Less: Meter & Services
- Less: Contributions (developer/grants)
- ✓ Plus: Interest (max. 10 years)

Future Cost

- ✓ Future capital (max. 10 years)
- ✓ Less: Repair & replacement



Cost Basis Notes

Existing asset data available in replacement cost through 2013

- Original cost estimated based on in-service year and Engineering News Record's Construction Cost Index
- Major assets since 2013 added to inventory
- Capital costs are from District's adopted budget and capital plan (2016-2021)
- Staff identified replacement versus expansion related capital

Conservative assumptions

 \spadesuit

- Excluded miscellaneous assets such as small tools, vehicles, office equipment
- Excluded assets where in-service year unavailable; assumed to be donated
- Excludes payments to COB for right to discharge sewage
- Forgoes provision for repair & replacement projects replacing existing assets
- Using six-year CIP, which is less than ten-year allowable period

FCS GROUP

Page 8



Water Utility: Customer Basis

2010 Water System Comprehensive Plan

- System capacity expected to increase 6% with execution of CIP
- 3,917 ERUs in 2012 | 4,143 ERUs capacity with execution of CIP
- Equates to an estimated capacity of 3,853 meter capacity equivalents (MCEs)
- Based on the number of accounts by meter size → meter capacity ratio

Capacity limitations vary by area

- Sudden Valley & Geneva: limited by storage
- North Shore / Eagleridge: limited by peak hour demand
- North Shore / Wells Source limited by Agate Heights treatment plant



** Water Utility: Customer Basis (details

3.642		3,480	TOTAL
22	22.00	1	3.00
43	8.00	O1	2.00
93	5.00	19	1.50
58	2.00	29	1.00
3,426	1.00	3,426	0.625
	Schedule)		
	District Rate	(2012)	
MCEs (2012)	Ratio (from	Accounts	Weter Size (inches)
	Equivalent	Average	
	Meter Capacity		

Area	2012 ERUs	Existing + CIP Capacity (2027)
Sudden Valley	2,674	2.768
Geneva	1.130	1 236
North Shore / Eagleridge	60	00 00
North Oboro (Moll)		8
North Store / Wells	4	54
Total	3,917	4,143
Total Change		6%
Estimated 2012 MCEs		3,642
Total Change		6%
Apply Total Change to Existing MCEs		3,853

FCS GROUP



Water Utility: Results

- Existing charge for 5/8 x 3/4 meter is \$4,110
- Calculated charge 5/8 x 3/4 meter is \$6,301
- An increase of \$2,191

Resulting Charge			
Charge Components	Cost Basis	MCEs	Charge
Component for Existing Assets	\$ 22,587,608	3,853	\$5,863
Component for Future Assets	\$ 1,686,906	3,853	\$438
	\$ 24,274,514	3,853	\$6,301
TOTAL GFC PER MCE			\$6,301
Existing GFC per MCE			\$4,110
Increase (%) - Calculated Above Existing GFC	FC		53%
Increase (\$) - Calculated Above Existing GFC	FC		\$2.191



*** Water Utility: Schedule of Charges

	District GFCs	
Meter Size (inch)	Existing 2017	Calculated Charge 2017
Water		
5/8 x 3/4	\$4,110	\$6,301
_	\$8,220	\$12,602
1.5	\$20,550	\$31,505
2	\$32,880	\$50,407
ω	\$90,420	\$138,620
4	\$120,546	\$184,806



** Water Charge: Implementation

- implementation until January 1, 2018 at that time, charge would be \$6,458. Despite having an updated charge for 2017 (\$6,301), we recommend delaying
- Allows time for communication and outreach
- District can increase calculated charge with ENR CCI inflation
- 2.5% per year is a conservative assumption (5-year actual is 2.65%)
- Two Options: No Phase-in or Two-Year Phase-in

Water	2017	2018	2019	2020	2021
Existing Charge	\$4,110				
Calculated Charge	\$6,301				
Recommended Schedule Annual Adjustment		2.50%	2.50%	2.50%	2.50%
No-Phase		\$6,458	\$6,620	\$6,785	\$6,955
Two-Year Phase		\$5,365	\$6,620	\$6,785	\$6,955



Sewer Utility: Customer Basis

- Sewer utility does not have same capacity limitations as the water utility
- ϕ additional investment into capacity expanding infrastructure Sewer utility can essentially handle a full-buildout scenario without significant,
- Pump station maintenance and replacement schedule is still key
- Additional treatment capacity costs assumed to be covered through service charge
- 2014 Comprehensive Sewer Plan: 27% growth to buildout
- 4,208 ERUs in 2012

 ϕ

- 5,355 buildout ERUs
- As applied to Meter Capacity Equivalents (MCEs)
- 4,010 estimated sewer MCEs in 2012 → 5,103 MCEs at buildout



*** Sewer Utility: Customer Basis (details)

No meter data in sewer data	
However, we will take (total sewer accounts ÷ total water accounts) * total water MCEs. This assumes same composition in sewer system, just slightly larger customer base.	unts) * total water MCEs. larger customer base.
Total Water Accounts in 2012	3,480
Total Sewer Accounts in 2012	3,832
Sewer + Water	10%
Water MCEs in 2012	3,642
Adjusting Water MCEs by Sewer to Water Account ratio Estimated Sewer MCEs in 2012	110%
WCE Base	4,010

ERUs	2012	Buildout
(Table 4 & 7: 2014 Comprehensive Sewer Plan)	Existing ERUs	ERUs
Sudden Valley / Geneva ERUs North Shore ERUs	3,842 3 66	4,810 5 45
Total Change	4,208	5,355 27%
Existing MCEs Total Change Apply Total Change to Existing MCEs		4,010 27% 5,103



Sewer Utility: Results

- Existing charge for 5/8 x 3/4 meter is \$5,201
- Calculated charge 5/8 x 3/4 meter is \$7,367
- An increase of \$2,166
- All capital projects through 2021 assumed to be replacement in nature

Existing GFC per MCE Increase (%) - Calculated Above Existing GFC Increase (\$) - Calculated Above Existing GFC	TOTAL GFC PER MCE	Charge Components Component for Existing Assets Component for Future Assets	Resulting Charge
SFC FC		Cost Basis \$ 37,597,880 \$ - \$ 37,597,880	
		MCEs 5,103 5,103 5,103	
\$5,201 42% \$2,166	\$7,367	Charge \$7,367 <u>\$0</u> \$7,367	

FCS GROUP

*** Sewer Utility: Schedule of Charges

				_				
4	ω	2	1.5	_	5/8 x 3/4	Sewer	Meter Size (inch)	
\$152,545	\$114,422	\$41,608	\$26,005	\$10,402	\$5,201		Existing 2017	District GFCs
\$216,085	\$162,082	\$58,939	\$36,837	\$14,735	\$7,367		Calculated Charge 2017	



Sewer Charge: Implementation

- implementation until January 1, 2018 at that time, charge would be \$7,552. Despite having an updated charge for 2017 (\$7,367), we recommend delaying
- Allows time for communication and outreach
- District can increase calculated charge with ENR CCI inflation
- Two Options: No Phase-in or Two-Year Phase-in

Sewer	2017	2018	2019	2020	2021
Existing Charge	\$5,201				
Calculated Charge	\$7,367				
Recommended Schedule Annual Adjustment		2.50%	2.50%	2.50%	2.50%
No-Phase		\$7,552	\$7,740	\$7,934	\$8,132
Two-Year Phase		\$6,471	\$7,740	\$7,934	\$8.132

FCS GROUP

56



Summary / Next Steps

Adopt updated GFCs

- No-phase in period; versus
- Two-year phase in period

Timing

- Can adopt multi-year period to match service rate schedule
- First charge increase being effective January 1, 2018
- Allows time for communication and outreach

Contact FCS GROUP: (425) 867-1802

www.fcsgroup.com





LAKE WHATCOM WATER AND SEWER DISTRICT

AGENDA BILL

DATE SUBMITTED:	May 2, 2017
TO BOARD OF COMMISSIONERS	
FROM: Patrick Sorensen, General Manager	MANAGER APPROVAL Lands Au
MEETING AGENDA DATE:	May 10, 2017
AGENDA ITEM NUMBER:	С
SUBJECT:	Updated Presentation: North Shore Water System Consolidation
LIST DOCUMENTS PROVIDED NUMBER OF PAGES INCLUDING AGENDA BILL:	Revised North Shore Water System Consolidation Power Point Presentation
	2. District Mission/Goals & Vision/Values Statements
	3. Draft Questionnaire
TYPE OF ACTION REQUESTED	RESOLUTION FORMAL ACTION / INFORMATIONAL / OTHER ☑

BACKGROUND / EXPLANATION OF IMPACT

Attached is a copy of Wilson Engineering's revised power point presentation on the proposed consolidation of the North Shore water system. This is a follow-up to the presentation made to the Board at your April 26, 2017 meeting. This draft seeks to address the questions raised by the Board at the prior meeting. Melanie will again present this information and take questions. We will also be addressing the specifics of a proposed public hearing planned for Tuesday, June 20, 2017. The purpose of the hearing would be to meet the requirements of the Washington Department of Health's consolidation grant accepted by the District earlier and gauge the interest of the public in merging the water systems and making available water service.

An important question asked at the April 26 meeting was why the District would investigate the feasibility of consolidating our water systems on the North Shore and make municipal water available to existing and unserved customers within our boundaries. As adopted previously by the Board of Commissioners, the District operates within the general guidelines of both its "Mission and Goals" and the "Vision and Values" statements. Copies of these statements are attached for your information.

The opportunity to investigate and evaluate the potential of consolidating the North Shore system is also driven from our existing Comprehensive Water Plan the goals section of the District's Mission statement and the first three Values statements (Service, Financial Responsibility, & Environmental Stewardship).

\\DC01\Data\users\gm\Documents September 2010 +\Board of Commissioners\Board Meetings\2017\5-10-17 Updated North Shore Consolidation Presentation_Agenda Bill.doc

59



FISCAL IMPACT

The potential fiscal impact is described within Wilson's power point report.

RECOMMENDED BOARD ACTION

Further review and discussion.

PROPOSED MOTION

Provide staff policy direction at this time as it relates to preparing for a public hearing regarding the North Shore water consolidation study.

60

Exhibit 1



Lake Whatcom Water and Sewer District

Consolidation Feasibility Study North Shore Water Systems



Melanie Mankamyer, PE Senior Project Manager



OUTLINE

- V WHY ARE W_E HERE?
- BENEFITS OF PUBLIC WATER
- V BACKGROUND
- V APPROACH
- V DESCRIPTION OF ALTERNATIVES
- V FINANCING OPTIONS FOR THE DISTRICT
- V COST SHARING ANALYSIS
- V EXAMPLE RATES, FEES AND CHARGES
- V SUMMARY AND CONCLUSIONS



Page 2



WHY ARE WE HERE?

- 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. Lake Whatcom Water and Sewer District applied for and received a Consolidation grant to study the feasibility of combining its Eagleridge



Page 3



BENEFITS OF PUBLIC WATER

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





BACKGROUND

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



Page 5

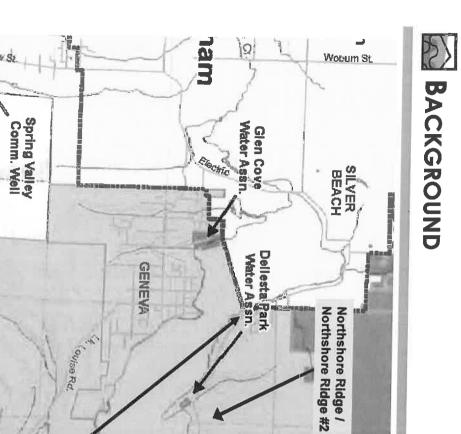


BACKGROUND

- 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



Page 6



The Russell Group Water System

North Shore Solar Acres

Jensen Rd

Scott Water System

Agate Bay Trailer Park

SURVEY/ENGINEERING

Page 7

LWWSD

SUNNYSIDE

-Agate Heights -Eagleridge & -South Shore Water System



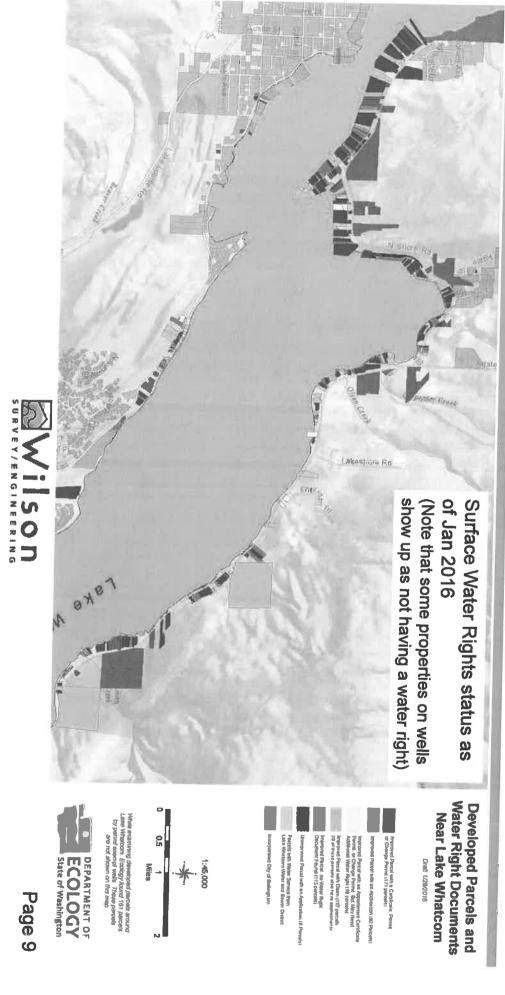
BACKGROUND

Other Water Users:

- There are approximately 330 residences are on either individual wells or direct draw of surface water from Lake Whatcom
- Estimated residences on surface water = 250
- Estimated residences on individual wells = 80
- V There are approximately 60 additional potential connections from new residential development



BACKGROUND





FEASIBILITY STUDY APPROACH

- V In 2004 the District investigated the possibility of connecting its two eastern end of Northshore Road. For this study a fourth zone was added that would extend service to the water systems on the North Shore and identified three service zones.
- V Several Alternatives were developed with District staff input
- V assessed (existing water users, sewer-only customers; consolidated lots) 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





ALTERNATIVE 1 - MATCH THE EXISTING DISTRICT SEWER SERVICE AREA



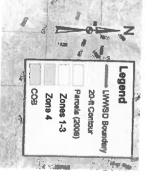
Page 11

ALTERNATIVE 2 – EXTEND FROM EAGLERIDGE TO EAST END OF NORTHSHORE RD



ALTERNATIVE 3 - EXTEND FROM EAGLERIDGE TO Y ROAD





Page 13



DESCRIPTION OF ALTERNATIVES

			Estimated Project Cost	rulure connection capacity		Connections Connections	_	New fire hydrants	and a capacity	Additional storage on	transmission pumping capacity	Upgrade the Water To L.		Connect and extend water main	
SURVEY/ENGINEERING		W8\$ - WC.\	400	Ò	120		39	l objudu gallons	105 000 ::		280 gpm	1	District sewer service	Match the existing	Alternative #1
	4-14	\$10M - \$11M	530		120	<u>ن</u>	7	333,000 gallons		200 gpm		or Northshore Road	to east end		Alternative #2
Page 14	\$6.5M - \$7.1M		355	120		သွ	SUOIIDE COCCO.	185 000 0010	<u>.</u>	190 gpm		only to Y Road	to east end to east end to the cast		Alternative #3

Page 14



FINANCING OPTIONS FOR DISTRICT

Drinking Water State Revolving Fund Consolidation Loan – 1.5%; 24 years

V

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





COST SHARING OPTIONS

- Utility Local Improvement District (ULID)
- 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
- V Pay over time with security interest recorded against property
- Surcharge on water bill to collect funds over time





COST SHARING ANALYSIS

<u>\</u>		90% Participation		75% Participation		70% Famicipation	508	
	\$33,300	\$28,500	\$39,200	\$33,500	\$56,500	\$48,000	Lump Sum Fee (range)	Cost Share p
	\$2,183	\$1,868	\$2,570	\$2,196	\$3,704	\$3,146	Annualized Fee (based on 20-year	Cost Share per Connection





EXAMPLE RATES, FEES AND CHARGES

- **District Fees:**
- General Facilities Charge = \$4,110 (or whatever the general/admin portion is)
- Permit Processing = \$40.00
- Service Installation / Initial Inspection = \$725 (included for early participants)
- V Example Bi-monthly water charges:

Base Rate = \$62.31/two months

- Water Usage over 600 cubic feet (CF) = \$8.85/100 CF
- Bi-monthly Base + average usage = \$171.43 (\$85.72/month; based on Agate Height water system customers)



Page 18



SUMMARY AND CONCLUSIONS

- V Consolidating and expanding the District's North Shore water systems will be a substantial undertaking
- Offers "economies of scale" for District operations
- Needs a minimum number of new customers to be financially feasible:
- \checkmark Minimum 75% participation for Bond-funded Project
- \checkmark Minimum 50% participation <u>IF</u> District secures a Consolidation Loan with 50% principal forgiveness



Questions?

Comments?



Exhibit 2



LAKE WHATCOM WATER AND SEWER DISTRICT

MISSION AND GOALS

<u>Mission</u>

To provide the best possible water and sewer services to District customers at an affordable cost, and in a way that contributes to protecting Lake Whatcom's water quality.

<u>Goals</u>

- To provide safe and reliable drinking water and sewerage collection to District customers.
- To establish connection charges and utility rates necessary to maintain the District's financial viability.
- To protect the natural resources within the Lake Whatcom watershed through cooperative efforts with other community and governmental organizations.
- To be recognized as an outstanding public utility that is responsive to the diverse expectations of its customers.
- To maintain the District's facilities through effective planning, prevention, and corrective maintenance practices.
- To provide sewer and water service to those portions of the District as may reasonably be served.
- To have an organization environment that is responsive to customer needs, promotes teamwork, and allows all people to achieve their full potential.

Exhibit 2



LAKE WHATCOM WATER AND SEWER DISTRICT

VISION AND VALUES

Service

We believe the District has been entrusted with the opportunity to provide a vital public service. The District is dedicated to earning that trust each day by meeting the expectation of the customers it serves.

Financial Responsibility

We believe that the District's customers have placed a special trust in us to manage the District's financial resources wisely. We will allocate and manage these resources prudently to achieve the District's long – and short – term goals.

Environmental Stewardship

We believe the District has an obligation to work with others to protect the environment and to use our natural resources wisely and safely.

Leadership

We believe that the Board of Commissioners should be open and responsive to customer and community needs and that the District's General Manager should be responsible for effective planning, management, and day-to-day office, administration, maintenance, and operations.

Teamwork

We believe the District's effectiveness increases when we work together to foster productive partnerships, both internally and externally, knowing that through collective effort we produce excellence.

82

X:\users\aa\document\LYN\Personnel\Personnel Policy Manual\vision and values.doc

Exhibit 3

North Shore Water System Consolidation Public Input Survey

Lake Whatcom Water and Sewer District is gathering information on current residential water sources and interest in connecting to a public water system in order to make an informed decision regarding extending its water distribution system along North Shore Road. This water system expansion will not financially impact current District water customers.

1.	What is the current use of your property? Vacant Single Family Other
2.	What is the water source for your property? Individual Well Lake draw / surface water Water system (name) Other
	Are you interested in connecting to a public water system? Yes No
4.	If you are interested, what is your motivation to connect to a public water system? Reliability Water Quality Other
5.	If you are interested, what will drive your decision-making process? (Rank 1-4, with 1 being most important) Overall cost to connect Ability to pay connection fee over time Estimated water bills Other
Com	ments:
Please	e provide your contact information if you would like to be kept informed about this project.
Name	::
Addre	ss:
inall;	





Page 1

LAKE WHATCOM WATER AND SEWER DISTRICT

AGENDA BILL

DATE SUBMITTED:	May 4,2017						
TO BOARD OF COMMISSIONERS							
FROM: Bill Hunter, PE Melanie Mankamyer, PE	MANAGER APPROVAL LOW Dung						
MEETING AGENDA DATE:	May 10, 2017						
AGENDA ITEM NUMBER:	5.D.						
SUBJECT:	Water Comp Plan Boundaries						
LIST DOCUMENTS PROVIDED ⇒	1. DOH Fact Sheet - Service Areas in planning documents						
NUMBER OF PAGES	2. Exhibit 1 - Existing District Service Area map						
INCLUDING AGENDA BILL:	3. Exhibit 2 - Academy Road Residential Water Sources						
4. Exhibit 3 - Potential LWWSD Wholesale Service							
	5. District Administrative Code, Section 3.4 Requirements for Water and Sewer Service						
TYPE OF ACTION REQUESTED	RESOLUTION FORMAL ACTION INFORMATIONAL MOTION						

BACKGROUND / EXPLANATION OF IMPACT

Department of Health (DOH) Guidelines require the District to identify its Service Areas by type (see attached Fact Sheet). After discussions with District staff, we propose to define the Retail Service Area as the area currently served plus 200 feet beyond the end of existing water mains which meshes with current policy regarding (see Admin Code Section 3.4 attached). The Retail Service Areas are outlined with a dotted black line on the Service Area Map (attached)

The Future Service Area definition closely aligns with our previous "Study Area" designation. In general, we propose to change our "Study Areas" to "Future Service Areas". There are areas of overlap with other water systems that should be reviewed and eliminated, if possible. One is the overlap on Academy Road with Whatcom County Water District #7 (WCWD#7). This overlap came to light with the request for denial of service from 1915 Academy Road. We contacted WCWD#7 and discovered that they are serving some properties on the south side of Academy Rd. Of the remaining properties within the District Boundary, only one is vacant (see Exhibit 2). Given the extremely small quantity of potential connections, and the fact that WCWD#7 already has water mains halfway up Academy Rd, the District may want to consider removing the Academy Road properties from its Future Service Area, and possibly from the overall District Boundary.



The DOH definition of Service Area as being the most expansive type of service area would coincide with the District Boundary, unless the District decides to investigate providing wholesale water to other public water systems, such as WCWD#7.

District staff met with WCWD#7 to discuss the potential of LWWSD wholesaling water to WCWD#7. WCWD#7 currently purchases water from the City of Bellingham, and has been limited by the City to serving lots created before 1991. This subject will be discussed at WCWD#7's Board Meeting on Tuesday, May 9, 2017.

LWWSD has excess water rights on its Agate Heights well and is already planning a capacity upgrade to the water treatment plant. A new pump station (next to the upper tank) and pipes would be needed to connect to WCWD#7's water system.

A potential wholesale service area is presented in Exhibit 3. Note that it does not include all of WCWD#7's service area. WCWD#7 would continue to purchase water from the City for those areas. It also includes area outside of WCWD#7 that is in the Y Squalicum (future) service area. It is our understanding that these property owners are interested in water service but do not have a commitment from Y Squalicum to provide water.

FISCAL IMPACT

Unknown at this time.

RECOMMENDED BOARD ACTION

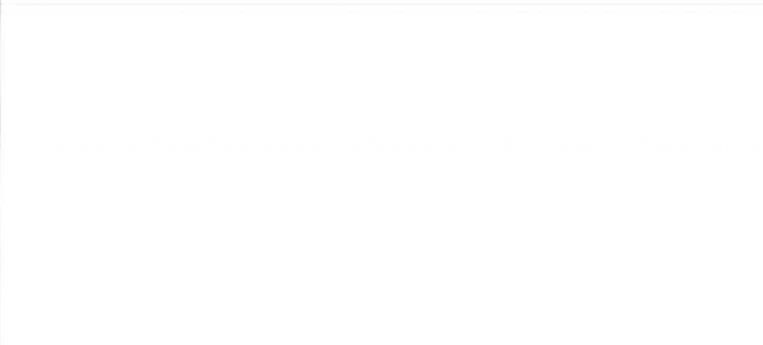
Provide direction to Staff on:

- Pursuing Future Service Area / Boundary adjustment at Academy Road
- Pursuing potential Wholesale Service Area

PROPOSED MOTION

None at this time.

Page 2



DOH Fact Sheet



Fact Sheet

Municipal Water Suppliers

Service areas in planning documents

The 2003 Municipal Water Law allows municipal water suppliers to expand their water right place-of-use to the service area identified in an approved Water System Plan (WSP) or Small Water System Management Program (SWSMP). Municipal suppliers should understand service area definitions and requirements before they develop their planning documents.

Service Area Definitions and Requirements

Retail Service Area is the specific area, defined by the municipal supplier, where the supplier has a duty to provide service to new service connections as set forth in RCW 43.20.260. For details, see the Municipal Water Law: Duty to Provide Service Requirement fact sheet, DOH 331-366.

Municipal suppliers must include a map of their retail service area in their WSP. The map must show where service is currently provided and may include areas where new service is planned. The distribution system may extend beyond the approved retail service area as long as it does not go outside the overall service area.

Future Service Area is the specific area to which a water system in a Critical Water Supply Service Area is to provide water service as provided in a written agreement between purveyors under chapter 70.116 RCW and chapter 246-293 WAC.

All water systems in a Critical Water Supply Service Area must identify their future service area on map. These systems have the exclusive opportunity to provide water service in their respective future service areas. This is known as the "right of first refusal." A system may choose to decline the request if it cannot or will not provide the new service in a timely and reasonable manner as defined in the local Coordinated Water System Plan. A municipal supplier may have their future service be the same as their retail service area, but it is not required. The future service area must be fully contained within the service area.

All water systems planning under the Public Water System Coordination Act determine their future service area by written agreement. Modifications to the future service area must be consistent with the local Coordinated Water System Plan. For more information on service requests in the future service area, see DOH Pub. 331-444.

Service Area is the most expansive of all the service area types. It is the specific area a water system currently serves and areas where future water service is planned. This may include areas where wholesale water is provided to other public water systems.



DOH Fact Sheet

All water systems must identify their service area in their WSP or SWSMP. For municipal water suppliers, the service area includes areas where it provides direct and remote service, and the area it plans to serve in the future. Unless the WSP is amended, water service may not be provided outside the service area. If wholesale water is supplied to other public water systems through an intertie, those areas must be included in the service area. The service area may represent a water right's expanded place of use if the requirements of WAC 246-290-107 are met.

Retail Service Area: Duty to serve conditions

A municipal supplier must serve an applicant for new service within its retail service area if all of the following conditions are met. These conditions apply only to the retail service area:

- 1. The water system has sufficient capacity to serve water in a safe and reliable manner.
- 2. The service request is consistent with adopted local plans and development regulations.
- 3. The water system has sufficient water rights to provide service.
- 4. The water system can provide service in a timely and reasonable manner.

The Department of Health oversees physical capacity determinations and ensures consistency with adopted local plans and development regulations (conditions 1 and 2). We consider these factors during WSP review. The Department of Ecology oversees water right determinations (condition 3). WSPs must contain a water right self-assessment. We will send a copy of the WSP to Ecology for review and incorporate water rights into service capacity determinations.

Whether a municipal supplier can provide new service in a timely and reasonable manner (condition 4) is specific to each system and application for service. It is a civil matter between the parties. The Department of Health ensures that a WSP includes service area policies and conditions of service that articulate how the system will provide new service.

Retail Service Area Boundary: Factors to consider

Because the retail service area carries a duty to serve obligation (WAC 246-290-106), a municipal supplier should consider the following before delineating its retail service area:

- Size, location, and physical features of its existing and future service areas and those of adjacent utilities.
- Population projections and land-use designations.
- How the service will be provided to the retail service area.
- System capacity and the number of connections approved by the Department of Health.
- Resources available to construct facilities needed to meet growth demands.
- Commitments, pending requests, and potential requests for water service.
- Water right limitations.
- Utility service extension ordinances for cities and towns.

For more information:

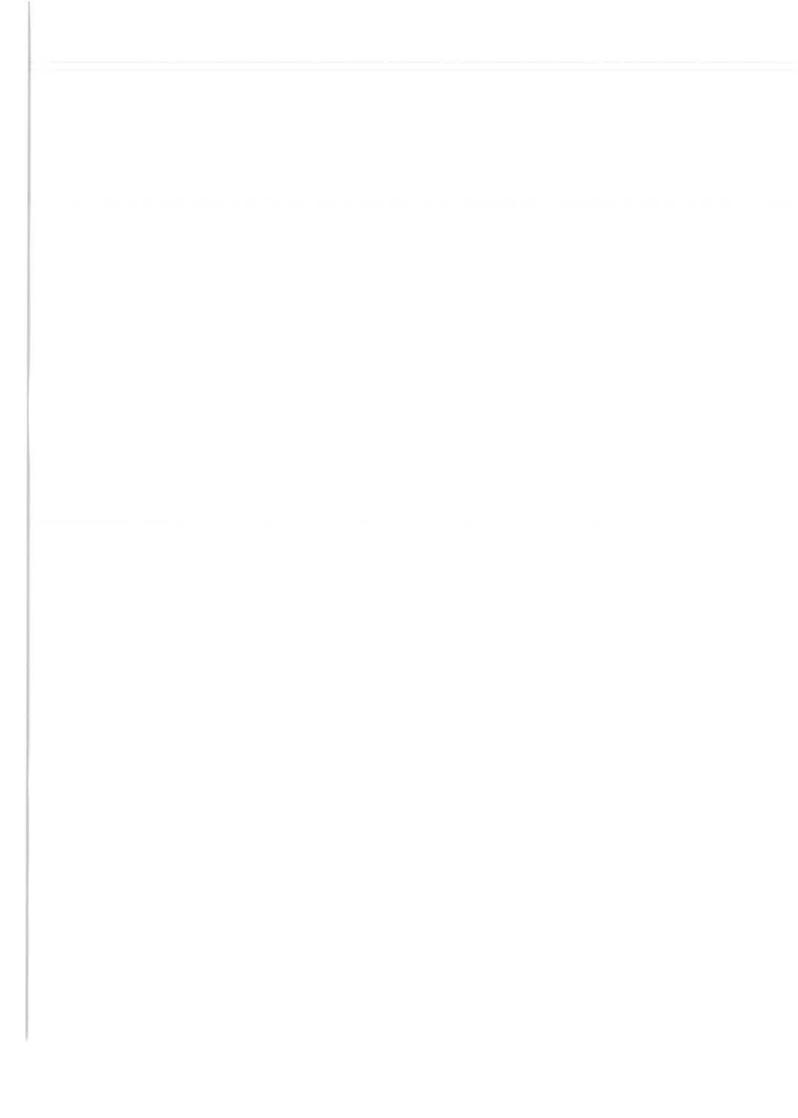
Call your ODW regional office:

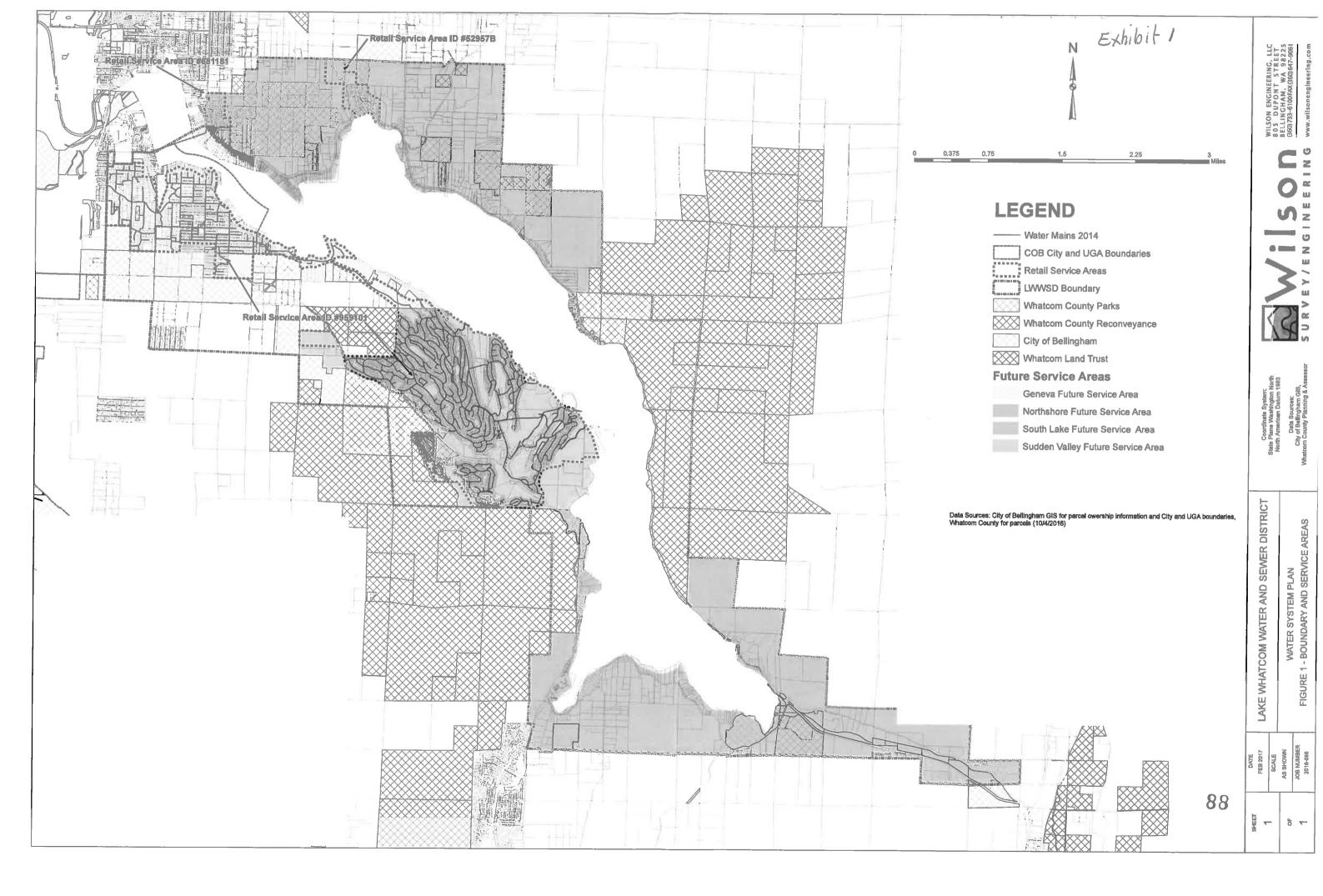
Eastern Region: Spokane Valley 509-329-2100

Northwest Region: Kent 253-395-6750 Southwest Region: Tumwater 360-236-3030

Our publications are online at https://fortress.wa.gov/doh/eh/dw/publications/publications.cfm

For people with disabilities, this document is available on request in other formats. To submit a request, please call 1-800-525-0127 (TDD/TTY call 711).





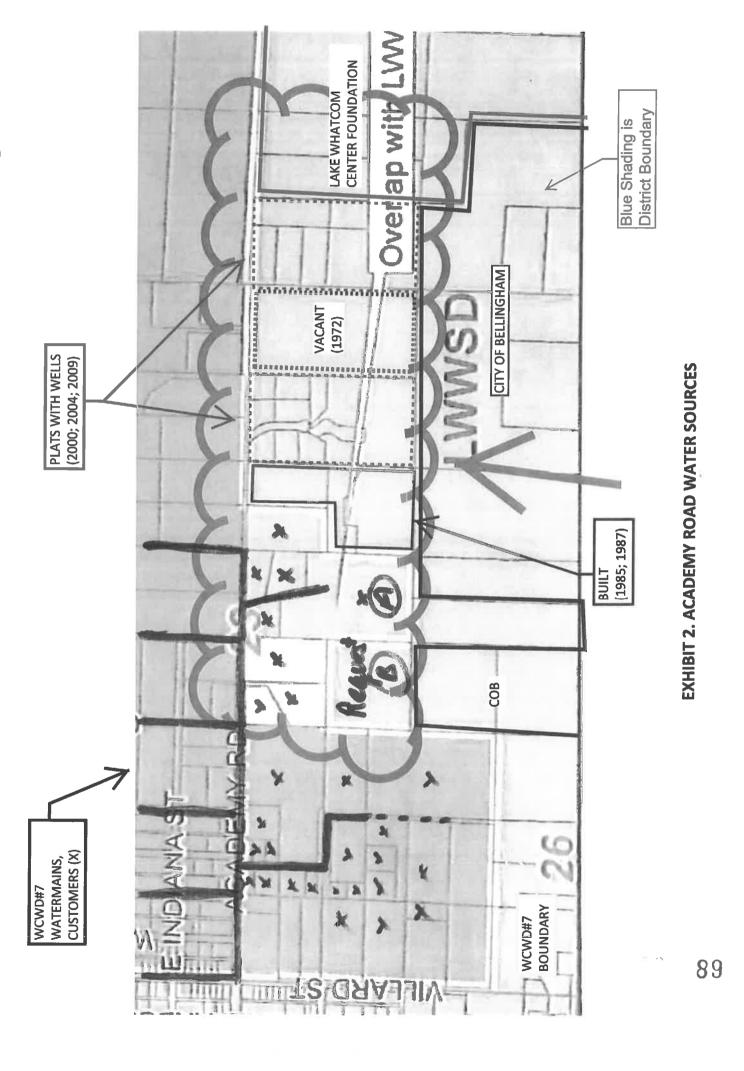


EXHIBIT 3. POTENTIAL LWWSD WHOLESALE SERVICE AREA

District Admin Code

3.3.4 Repeat Violation Penalty

A person who repeats a violation shall be subject to a penalty as set forth in the Master Fees and Charges Schedule. Failure to correct a violation within the time limit provided in the Notice of Violation, shall be subject to a penalty as set forth in the Master Fees and Charges Schedule, from the date of the time limit provided in the Notice of Violation. Each day that a violation of this Code continues may be deemed a separate violation. [Resolution No. 783, 799]

3.3.5 Water Loss As A Result of Damage

Charges shall be levied for the loss of water resulting from damage to the District's water system facilities caused by persons other than District employees. In addition to paying for repairs, the party responsible for the damage shall be charged the District's estimated cost. [Resolution No. 783]



3.4 Requirements for Water and Sewer Service

3.4.1 Capacity and Connection Availability

There is overall system capacity when the system as a whole has the capability to serve additional service connections. There may be localized areas in the system that are insufficient in size or are in too poor condition to allow local connections, but the system can still be considered to have overall system capacity. Water and/or sewer connections are available on a first come, first served basis, where capacity exists. [Resolution No. 757]

3.4.2 Single Parcel with Single Family Residence.

A request for service or request for denial of service by an Owner of a single parcel for a single family residence shall be reviewed by determining: (1) the parcel's distance to the District's water and sewer system, and (2) the sufficiency of the size and condition of the mains serving the parcel as determined by the District.

1. SEWER SERVICE

If the parcel is located inside UGA or LAMIRD:

- A. District Sewer Adjacent to Property and Main is Sufficient. Connection to District sewer is required. The connection shall be made in accordance with current District Standards.
- B. Sufficient Sewer Main within 200-feet of Property. Connection to the District sewer is required. Owner extends and/or replaces main past and/or through property and connects to the sufficient main by Developer Extension Agreement and in accordance with current District Standards.
- C. Sufficient Sewer Main more than 200-feet from Property. District has the option of extending and/or replacing mains to within 200 feet of the property and then requiring the Owner to complete the extension and/or replacement past or through their property. The Owner extension and/or replacement of the main will be by Developer Extension Agreement and in accordance with current District Standards. If the District elects not to bring a sufficiently sized main in adequate condition within 200 feet of the property, the Owner may develop an onsite sewage disposal system in accordance with Whatcom County and State regulations after executing a "Covenant Binding Property Regarding Future Water and/or Sewer Service."

Administrative Code February 2017 3-29



If the parcel is located outside UGA or LAMIRD:

- A. Sufficient Sewer Main within 150-feet of Property. Connection to the District system is required, and shall be in accordance with current District Standards.
- B. Sufficient Sewer Main more than 150-feet from Property. The Owner may develop an onsite sewage disposal system in accordance with Whatcom County and State regulations after executing a "Covenant Binding Property Regarding Future Water and/or Sewer Service." The Owner also has the option of extending the main to and past the parcel provided Whatcom County determines the extension is consistent with the County's Comprehensive Plan and the District's Sewer Comprehensive Plan is amended to include the extension.
- C. Health Department Required Connection. The Owner may connect even if more than 150 feet from a sufficient sewer main and outside a UGA or LAMIRD if connection is required by Whatcom County Health Department. The connection shall be made in accordance with current District Standards. [Resolution No. 757]

2. WATER SERVICE INSIDE OR OUTSIDE UGA OR LAMIRD:

- A. District Water System Adjacent to Property and Main is Sufficient. Connection to District water system is required. The connection shall be made in accordance with current District Standards.
- B. Sufficient Water System within 200-feet of Property. Connection to the District water system is required. Owner extends and/or replaces main past and/or through property and connects to the sufficient main by Developer Extension Agreement and in accordance with current District Standards.

If District determines that a public water main extension is not warranted, the District will install a water service from the main to meter. Meters will be set adjacent to the main near the edge of the public right-of-way or easement corridor in which the public water main is located. The property Owner installs the private water service line from the meter to the building. Properties not fronting the public water main such as those located beyond the end of the main or behind lots fronting the main will require a longer private water service line installed by the Owner from their property to the meter.

C. Sufficient Water System more than 200-feet from Property. District has the option of extending and/or replacing mains to within 200 feet of the property and then requiring the Owner to complete the extension and/or replacement past or through their property. The Owner extension and/or replacement of the main will be by Developer Extension Agreement and in accordance with current District Standards. If the District elects not to bring a sufficiently sized main in adequate condition within 200 feet of the property, the Owner may develop an alternate and temporary water supply in accordance with Whatcom County and State regulations after executing a "Covenant Binding Property Regarding Future Water and/or Sewer Service." [Resolution No. 757]

3.4.3 Other Development

All other developments (such as but not limited to subdivisions, plats, short plats, commercial, institutional, industrial, etc.) shall connect to the District's water and sewer system as follows:

Administrative Code February 2017 3-30



1. SEWER SERVICE

Site is located inside UGA or LAMIRD:

A. Connection to District sewer system is required. The developer shall extend the sewer system past and/or through property by Developer Extension Agreement and in accordance with current District Standards. Improvements shall be sized, designed, and constructed per District Standards to serve full build-out of the area.

Site is located outside UGA or LAMIRD:

- A. Sufficient Sewer Main within 150-feet of Site. Parcels within 150-feet of sufficient sewer main shall connect to the District sewer system in accordance with current District Standards.
- B. Sufficient Sewer Main more than 150-feet from Property. The Owner may develop an onsite sewage disposal system in accordance with Whatcom County and State regulations after executing a "Covenant Binding Property Regarding Future Water and/or Sewer Service." The Owner also has the option of extending the main to and past the parcel provided Whatcom County determines the extension is consistent with its Comprehensive Plan and the extension is amended to the District's Sewer Comprehensive Plan. The sewer extension and connections shall be in accordance with current District Standards.
- C. Health Department Required Connection. The Owner may connect even if more than 150 feet from a sufficient sewer main and outside a UGA or LAMIRD if connection is required by Whatcom County Health Department. The connection shall be made in accordance with current District Standards. [Resolution No. 757]

2. WATER SERVICE INSIDE OR OUTSIDE UGA OR LAMIRD:

A. Connection to the District water system is required. Owner extends and/or replaces main past and/or through property and connects to the sufficient main by Developer Extension Agreement per current District Standards. [Resolution No. 757]

3.4.4 Petition to Waive or Adjust Connection Requirements

The Owner may petition the Board of Commissioners to waive or adjust the connection requirements if the parcel is located such that service is unlikely to be extended to the parcel within the next 20 years as determined by the District. The Board of Commissioners will evaluate the petition considering:

- 1. Expansion of the system to serve the new development is considered part of the cost of the new
- 2. Costs for some developments will be more than others due to location and physical challenges.
- 3. Waiving connection requirements will make it increasingly more difficult and costly to serve the same development in the future.
- 4. Some required improvements may not be immediately placed into service but will greatly reduce the costs and complexity to serve the development in the future (example, building a waterline across the parcel frontage that remains dry until service is extended to the site).
- 5. A distance of approximately ½ mile is considered close enough to require connection. Longer distances to connect to the system may be appropriate for larger developments.

Administrative Code February 2017 3-31



6. It is considered a minimum requirement to construct the system across or through the development whether they are immediately used for service or are placed into service in the

If the connection requirement is waived or the required system improvements cannot immediately be placed into service, the Owner may develop an alternate and temporary water supply and/or onsite sewage disposal systems in accordance with Whatcom County and State regulations after executing a "Covenant Binding Property Regarding Future Water and/or Sewer Service. [Resolution No. 757]

3.4.5 Covenant Binding Property Regarding Future Water and/or Sewer Service

The covenant runs with the land and is signed and notarized by the property owner and District General Manager. The owner records the document at the County Auditor's office and delivers the original to the District. The covenant allows the owner to develop a temporary water supply and/or onsite disposal system, restricts the owner from protesting the formation of a utility local improvement district to extend water and/or sewer to the parcel, and requires the owner to connect to the District system when service becomes available at such time as the District so determines. [Resolution No. 757]

Permits and Connection Charges

3.5.1 Permit Fees

At the time the Water and/or Sewer Permit is applied for, the applicant shall pay to the District, or its designated representative, the Permit Fee in accordance with the District's current Master Fees and Charges Schedule. The Permit Fee is a component of the connection charge. Water and/or Sewer Permits are not transferable, nor are the fees or charges paid for them refundable.

3.5.2 Connection Charges

Property owners seeking to connect serviceable properties to the District's water and/or sewer system will be charged a connection fee so that they will bear an equitable share of the cost of the existing system and the cost of facilities planned for construction within the next ten years. Connection charges shall be in accordance with the District's current Master Fees and Charges Schedule and shall be collected prior to the issuance of a permit for the connection. The connection charge is applicable for the calendar year issued. Thereafter shall be subject to such additional or higher fees as may thereafter be due, if such additional or higher fees are adopted by the District and the water and/or sewer connection(s) have not been inspected and accepted by the District. [Resolution Nos. 675, 778, 799]

3.5.3 Service Laterals

All costs and expenses incidental to the installation and connection of a side sewer shall be borne by the property owner. The property owner shall indemnify the District for any loss or damage to the District's facilities that may result directly or indirectly from the installation of a side sewer.

Properties with service laterals that have been installed by the District may be assessed a service lateral charge. For those not assessed, the lateral shall be installed by a Bonded Side Sewer Contractor, as required, and all costs shall be borne by the property owner, including restoration of the public right of way. In the event that any property owner desires an additional lateral to be installed from the District's main to the property line, in addition to the single lateral installed by the District for the parcel, such additional laterals must be installed by a Bonded Side Sewer Contractor solely at the property owner's

Administrative Code February 2017 3-32





LAKE WHATCOM WATER AND SEWER DISTRICT

AGENDA BILL

DATE SUBMITTED:	May 2, 2017						
TO BOARD OF COMMISSIONERS							
FROM: Patrick Sorensen	MANAGER APPROVAL Rosh. Have						
MEETING AGENDA DATE:	May 10, 2017						
AGENDA ITEM NUMBER:	5.E.						
SUBJECT:	Utility Billing Reconciliation Report						
LIST DOCUMENTS PROVIDED ⇒	February 21, 2017 Report from legal counsel with attachments						
NUMBER OF PAGES INCLUDING AGENDA BILL:	2. Sample Customer Letter from 2013 Reconciliation						
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 95

PROPOSED MOTION

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

oo **9**6 Page 2



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.

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. 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.² 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,

³ When a written contract accurately describing the connections does exist, the six-year statute of limitations at RCW

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, 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 Sarah 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 Scrensen -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. 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

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

¹¹ 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); Gustaveson v. Dwyer, 83. Wn. 303 (1950).

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

Washington Public Power Supply System v. General Electric Co. 113 Wn.2d 288, 291 (1989)

Municipality of Metro. Seattle v. Div. 587, Amaleamated 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).

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

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

Felida Nelchburhood Assoc. v. Clark County; 81 Wn. App. 155, 162 (1996) Clark County Pub. 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, Millar 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

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 Deliesta 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 newer 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 peld, however there is correspondence regarding the connection fee being Minutes May 29, 2013 Page 2

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 quality 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
- 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
- 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 alx 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 plus tax. Motion passed.

LAKE WHATCOM WATER AND SEWER DISTRICT REGULAR BOARD MEETING

SUMMARY OF ACTION ITEMS

1000年100日 - 1000年100日 - 1000年100日 - 1000日 - 1 To: Commissioners, pm, am, et, as, de, de, Wilson Engineering, Brian Hansen, Stan Bulletin Board

" NOTE FOR COMMISSIONERS " Please review and advise Lyn by close of business on Tuosday, June 10, 2013 if any action item is incompletely or inaccurately stated, or if any are missing

- 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 less 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.
 - Late fees will not be applied to the six-month uncollected sawer service
 - 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.
- 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
 - Staff will negotiate a payment plan with the property owners on the six month uncollected sewer service belance.
 - Late fees will not be applied to the six month uncollected sewer service
 - 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.
- BILLING/PERMITTING RECONCILIATION 1185 LAKEWOOD LANE
 - 3.1. Staff will work with the property owners to resolve the billing issue for the
 - 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 sawer volume charges for the accessory dwelling unit.
 - Late fees will not be applied to the sbr-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
 - 4.1. Staff will set up utility billing accounts for each property as applicable.



Page 1 of 2

- Billing for the regular bi-monthly sewer or water utility service will begin as
- 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.
- Connection fees will not be collected due to the statute of limitations for
- connections that are six or more years old.

 Property owners will be billed for the last six (6) months of back sewer and/or water service account charges where applicable.
- Staff will negotiate payment plans with the property owners for each 4.7.
- Late fees will not be applied to the str-month uncollected utility account
- Staff will reformet all bi-monthly water and sewer bills to show water and sawer 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
- POLO PARK BRIDGE REPLACEMENT WATERLINE RELOCATION-AWARD CONTRACT 5. 5.1. Staff will notify Strider Construction that the waterline relocation contract was awarded to them for the amount of \$31,200.00 + tax.
- SURPLUS/SALE OF VACTOR TRUCK
 - 6.1. The surplus 1983 Camel Vactor truck will be sold to the City of livracco
- PURCHASE OF FLUSH/VAC TRUCK
 - 7.1. Mechanical evaluation not yet completed; decision postponed to June 12,
- 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.
- FUTURE BOARD MEETING AGENDAS
 - 9.1. Lyn will include on the June 12, 2013 Regular Meeting Agenda the 9.1.1. Purchase of Flush/Vec Truck

Page 2 of 2

Sample Letter



LAKE WHATCOM WATER & SEWER DISTRICT

1220 Lakeway Drive Bellingham, WA, 98229

(360) 734-9224 Fax 738-8250

May 7, 2013

100 S. Forest St. Bellingham, WA 98225

Re:

Sanitary Sewer Service

Dear Mr.

It has come to the District's attention that the property at 2058 Dellesta Drive is receiving sanitary sewer service and has not been billed for the service.

According to District records a sewer permit was paid for and issued on July 26, 1979. However, the current residence was constructed and hooked up to sewer without the District's knowledge. According to County assessor records the structure was built in 1984.

The following corrective actions are required:

• The District will begin billing for sewer service immediately.

The District will bill for back sewer charges beginning May 1, 2010 (3 years back)

Please contact the District with any questions.

Sincerely,

(AKE WHATCOM WATER & SEWER DISTRICT

Patrick Sorensen General Manager

Attachments:

Sewer Permit dated 7/26/1979 Sewer As-Built Inspection dated 12/20/1978 Aerial GIS photo

Sample Letter



LAKE WHATCOM WATER & SEWER DISTRICT

1220 Lakeway Drive Bellingham, WA, 98229

(360) 734-9224 Fax 738-8250

June 4, 2013



100 South Forest Street Bellingham, WA 98225

Subject:

Billing/Permitting Reconciliation

. . 1562

Dear Mr. & Ms. Buetow:

Based upon the decision of the Lake Whatcom Water & Sewer District's Board of Commissioners at their regular meeting on May 29, 2013, the District will take the following actions as they relate to the issues addressed within our May 7, 2013 letter originally addressed to you:

- All but the last or prior six (6) months of sewer service charges will be waived; (November/December 2012, January/February 2013 and March/April 2013 services).
- District staff will negotiate a payment plan with you on the last six (6) months of uncollected sewer service fees;
- Late fees or penalties will not be applied to the six (6) month uncollected sewer service balance;
- District staff will set up a sewer service account for the property and begin the regular bi-monthly billing for service as of June 1, 2013.

Please feel free to contact my office in order to set up a time to address any of the points described herein, or to address the sewer user fee repayment schedule.

Patrick Sorensen General Manager

cc: File

Sincerel;

Board of Commissioners Thomas Fryer

Enclosure



LAKE WHATCOM WATER AND SEWER DISTRICT

AGENDA BILL

DATE SUBMITTED:	May 2, 2017		
TO BOARD OF COMMISSIONERS		1	
FROM: Debi Denton	MANAGER APPROVAL		
MEETING AGENDA DATE:	May 10, 2017		
AGENDA ITEM NUMBER:	5.F.		
SUBJECT:	Monthly Budget Analysis		
LIST DOCUMENTS PROVIDED ⇒	Monthly Budget Analysis through 4/30/2017		
NUMBER OF PAGES			
INCLUDING AGENDA BILL:			
TYPE OF ACTION REQUESTED	RESOLUTION	FORMAL ACTION/	INFORMATIONAL/ OTHER ⊠

BACKGROUND / EXPLANATION OF IMPACT

Information only

FISCAL IMPACT n/a

RECOMMENDED BOARD ACTION n/a

PROPOSED MOTION

n/a



LAKE WHATCOM WATER AND SEWER

INVESTMENTS/CASH AS OF 04/30/2017

Cash		\$	810,740		0.30%
LGIP		\$	1,004,560		0.78%
		P	AR VALUE		YIELD
FNMA - ProEquity FICO - ProEquity FICO - ProEquity FICO - ProEquity FFCB - ProEquity FFCB - ProEquity	Callable 10/2017 Non-Callable Non-Callable Non-Callable Callable 10/2017 Callable 8/2017	\$ \$ \$ \$ \$ \$ \$	1,000,000 440,000 375,000 250,000 500,000 750,000	Jul-18 Aug-18 Dec-18 Dec-18 Oct-19 Aug-20	1.00% 0.91% 0.90% 0.90% 1.44% 1.10%
US Bank		\$	3,315,000		
TOTAL		\$	5,130,300		





LAKE WHATCOM WATER AND SEWER FUND SUMMARY 2017

2017 EXPENDITURES AND TRANSFERS OUT 2017 REVENUES AND TRANSFERS IN MONTH END BALANCE
ALLOCATED TO OPERATING RESERVES CASH/INVESTMENTS 2016 CARRYOVER OPERATING \$2,242,058 -\$800,000 \$1,442,058 (1,719,345) 1,980,328 1,981,075 401 420 SYSTEM REINVESTME NT (131,209) 131,209 8 SEWER/STORM
WATER
CONTINGENCY \$851,853 (34,613) 878,723 7,743 WATER CONTINGENCY \$440,000 426 440,000 2016 BOND PROJECTS \$396,681 300,000 98,444 (1,763) ট্র DWSRF PROJECTS \$432,199 308,711 (537,864) 661,352 DEBT SERVICE (129,038) 106,048 80 22,990 2009 BOND RESERVE (RESTRICTED) \$767,509 763,229 4,935 (655) \$5,130,300 -\$800,000 \$4,330,300 (2,554,487) 2,839,721 TOTAL 4,845,066

	Description	Budget	YTD
COSO ATIMO STAND 404	MONTHLY BUDGET ANALYSIS	2017	4/30/2017
OPERATING FUND - 401			33%
EXPENDITURES			
401-53X-10-10	Admin Payroll (2.4% cola plus step increases - 2017)	639,252	218,98
401-53X-10-20	Admin Personnel Benefits (Medical, Retirement etc)	269,830	74.68
401-53X-10-31	Gen Admin Supplies	25,000	5,70
401-53X-10-31-01	Meetings/Team building	1,500	1,16
401-53X-10-40	Web pay/Bank Fees (WA Fed; Xpress, Chase)	20,000	9,48
	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)		
	County Auditor Filing Fees (Simplifile)	65,000	5,31
	Data Bar (Statement processing)	4,500 21,000	
	Answering Service	1,700	
	Data Pro (Time clock system)	1,500	
	BIAS Financial Software	20,000	
	Web Check services	5,000	
	WA State Auditor	22,000	
	CPA (Internal audit and Financial statements)	6,000	
	Docuware/Web site maintenance and upgrade Legal Counsel	5,000	
	3D - Computer support	60,000	
	Watchguard	20,000	
	Building security	1,500	
	Building custodial	7,700	
	Pest control	600	
	Landscaping service	5,500	
	South Whatcom Fire (hydrant maintenance)	2,000	
	GE Scada System Software Maintenance - Operations	7,500	
	Wilson Engineering	7,000	
	Camera Van Software	1,500	
	SCADA/PLC Support - Engineering/Operations Cartegraph - Engineering/Operations	5,000	
	Auto Desk (DLT) - Engineering	8,000 1,000	
	GIS Partnership	1,000	
	Rockwell - Engineering/Operations	500	
	IT Pipes	1,500	
	ESRI - ARC GIS	1,500	
	Innovyze - Engineering	2,500	
	Master Meter	2,000	
	Generator Load Testing	22,000	
	Cyberlock software Whatcom Co Emergency Management	1,000	
	Misc (Bid notices etc.)	20,000 3,000	
01-53X-10-41-01	Professional Services (TOTAL)	270,000	132,997
01-53X-10-42	Communication	50,000	18,370
01-53X-10-45	Admin Lease	2,000	450
01-53X-10-46	Property Insurance	138,000	-
01-53X-10-49	Admin Misc.	1,000	39
01-53X-10-49-01 01-53X-10-49-02	Memberships/Dues	15,000	13,878
01-53X-10-49-02 01-53X-40-43	WA State Dept of RevenueTaxes/Permits	208,000	61,934
01-53X-40-43-01	Training & Travel Tultion reimbursement	35,000	7,332
01-53X-50-31	Maintenance Supplies	1,000	
01-53X-50-48	Operations Repair/Maint	180,000	37,598
01-53X-50-49	Insurance Claims	5.000	99,704
D1-53X-60-41	Operations Contracted	9,000	1,237
01-534-60-47	Water City of Bellingham	40,000	10,005
01-535-60-47	Sewer City of Bellingham Treatment Fee	615,000	270,500
01-53X-80-10	Operations Payroli (2.4% cola plus step Increases - 2017)	951,544	317,924
01-53X-80-20 01-53X-80-32	Operations Personnel Benefits (Medical,Retirement etc)	414,930	120,713
01-53X-80-32 01-53X-80-35	Fuel System Countries	20,000	5,812
01-53X-80-35-01	Safety Supplies	10,000	<u>5,661</u>
01-53X-80-35-02	Safety Supplies Boots Emergency Preparedness	2,500	
)1-53X-80-47	General Utilities	10,000	PO 470
01-53X-80-49	Laundry	208,000 4,000	80,475 1,232

	Description	Budget	YTD
	MONTHLY BUDGET ANALYSIS	2017	4/30/2017
	OPERATING EXPENDITURES	4,340,556	1,501,210
TOANOFERO			
TRANSFERS	Transfers Out to System Reinvestment Fund 420	1,598,000	112,087
	Transfers Out to Sewer Contingency Reserve Fund 425	100,000	-
	Transfers Out to 2009 Bond Debt Service Fund 450	890,172	106,048
	TOTAL EXPENDITURES	6,928,728	1,719,345
ODERATING FUND			
OPERATING FUND	OPERATING REVENUES	6,298,017	1,981,075
	EXPENDITURES	(6,928,728)	(1,719,345)
	CASH/INVESTMENTS BALANCE CARRYOVER	1,750,000	1,980,328
	RATE STABILIZATION RESERVES	(800,000)	(800,000)
	CASH/INVESTMENTS BALANCE	319,289	1,442,058

		Description	Budget	YTD
		MONTHLY BUDGET ANALYSIS	2017	4/30/201
CVCTEH DEHNIEDTHENT COMP.				
SYSTEM REINVESTMENT FUND - 420				
420-333-66-00-00		North Shore Consolidatoin Feasibility Study		40.44
420-343-40-19-21		DEA Permits		12,41
420-343-40-19-22		DEA Permits		
420-343-41-20-00	<u>-</u>	Permits Capital Portion (10 new connection permits)	70,000	6,70
420-343-50-20-00		Latecomer Fees	70,000	0,70
420-397-10-00-01		Transfers In from Operating Fund 401	1,598,000	112,08
		TOTAL REVENUES	1,668,000	131,20
120-534-10-41-21		DEA 16-01	-	47
		DEN 10-01		4/
		Active Projects to be completed in 2017	777,500	
	C13.00	Sewer Air Vac Valve Replacement		
	C 14.07	Lowe Sewer PS VFD	0.450	96
		Reservoir Site Security	3,450	4 00
	C15-04	Whatcom Falls Manhole Repair	5,000	1,86
	C16-03	Marina-Tomb Stationary Generator	17,350	25
	C 16-05	Water System Plan Update	6,785	1,04
	C 16-05	Replace SCADA Hardware	100,000	27,81
		Little Strawberry Water Leak on bridge	2,670	
	C 16-11	Country Club Sewer Pump Station	10,000	44.04
	0 10-11	Country Glub Sewer Fullip Station	632,245	11,21
		New 2017 Capital Projects (see CIP detail - 2017)	890,500	
	0.47.04	Tool truck		
			65,000	
	C 17-02	Admin staff vehicle Locator/Meter reading van	26,000	25,23
		New Admin Server	28,000	
	C 17-04	Geneva Pump Station pre-design and permits	15,000	
	C 17-05	Geneva Pump Station pre-design and permits Geneva Pump Station delsgn and bidding	100,000	
	C 17-05	Par Pump Station delsign and bidding Par Pump Station pre-design and permits	100,000	
		Par Pump Station design and bidding	100,000	
	C 17.08	Strawberry Canyon Back up Generator	100,000	40
	C 17-00	Beaver and Flat Car Level Transmitter Replacement	20,000	42
	C 17-07	Install Ball Check Valves	50,000	
	C 17-09		10,000	
	C 17-09	Eagleridge Fire Pump Control Upgrade - Scope and estimate	25,000	
	C 17-10	Eagleridge Fire Pump Control Upgrade Construction	5,000	
	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	
		SWTP Floor coating	50,000	
	C 17-15	SVWTP pumps and turbidimeter	5,000	4.40
		Water System rehab and replacement projects	7,500	1,18
		Water meter replacements	40,000 110,000	5,82 54,92
		TOTAL EXPENDITURES	1,668,000	131,20
YSTEM REINVESTMENT FUND		REVENUES	1,668,000	131,209
		EXPENDITURES	(1,668,000)	(131,209
		CASH/INVESTMENTS BALANCE CARRYOVER	(1,000,000)	(131,208
		CASH/INVESTMENTS BALANCE	-	

	Description	Budget	YTD
	MONTHLY BUDGET ANALYSIS	2017	4/30/2017
SEWER/STORM WATER CONTINGENCY FUND - 425			
			-
425-361-11-00	Investment Interest	3,750	7,743
425-397-10-00	Transfers In from Operating Fund 401	100,000	7,743
		100,000	
	TOTAL REVENUES	103,750	7,743
425-535-10-42	Investment Service Charges		
425-594-38-63	Investment Service Charges	200	77
	16-07 North Shore Sampling	75.000	24.500
	C 16-12 Cedar Hills Storm Drain Relocate (Wilson Eng)	75,000	34,536
	7 13-12 Geoda Filins Storin Brain Relocate (Wilson Eng)	135,000	
	TOTAL EXPENDITURES	210,200	34,613
CEMEDISTABLE MATER ACCURATION TO THE			
SEWER/STORM WATER CONTINGENCY FUND	REVENUES	103,750	7,743
	EXPENDITURES	(210,200)	(34,613)
	CASH/INVESTMENTS BALANCE CARRYOVER	887,000	878,723
	CASH/INVESTMENTS BALANCE (CAPITAL RESERVES SEWER)	780,550	851,853
WATER CONTINGENCY FUND - 426		1	
426-361-11-00	Investment Interest	2,500	
	TOTAL REVENUES	2,500	
426-594-38-64	Machinery/Equipment	1	
	TOTAL EXPENDITURES		
	TOTAL EN ENDITORES	-	-
WATER CONTINGENCY FUND	REVENUES	2,500	
	EXPENDITURES	-	-
	CASH/INVESTMENTS BALANCE CARRYOVER	440,000	440,000
	CASH/INVESTMENTS BALANCE (CAPITAL RESERVES WATER)	442,500	440,000

	Description	Budget	YTD
204¢ CARITAL ROUR BRO INCHES	MONTHLY BUDGET ANALYSIS	2017	4/30/2017
2016 CAPITAL BOND PROJECTS FUND - 431 RESTRICTED			
	Transfers In from Fund 440		300,000
	TOTAL REVENUES		300 000
		-	300,000
431-594-38-63	Strawberry Point Pump Station C14-05	156,923	4 762
		130,823	1,763
	TOTAL EXPENDITURES	156,923	1,763
CAPITAL BOND PROJECTS FUND	REVENUES		300,000
	EXPENDITURES	(156,923)	(1,763)
	CASH/INVESTMENTS BALANCE CARRYOVER	156,923	98,444
	CASH/INVESTMENTS BALANCE	-	396,681
DWSRF PROJECTS FUND -440			
440-391-70-46-41			
140-391-70-46-42	Geneva AC Mains	-	
	Division 22 Reservoir	229,950	308,711
140-397-10-41	Transfers In from Operating Fund 401		
	TOTAL REVENUES	229,950	308,711
40-594-34-62-40		220,000	
40-594-34-62-41	Division 22 Reservoir Geneva AC Mains	1,058,100	237,864
	Transfers Out to Fund 431		300,000
	TOTAL EXPENDITURES	1,058,100	537,864
WSRF PROJECTS FUND	REVENUES		
	EXPENDITURES	229,950	308,711
	CASH/INVESTMENTS BALANCE CARRYOVER	(1,058,100) 828,150	(537,864) 661,352
200 Ala	CASH/INVESTMENTS BALANCE	020,130	432,199
xpenditures offset by draws as projects progress.			702,100

	Description	Budget	YTD
DEBT SERVICE FUND - 450	MONTHLY BUDGET ANALYSIS	2017	4/30/201
		2017	4/30/20
450-397-10-00			
	Transfers In from Operating Fund 401	890,172	106,0
	TOTAL REVENUES		
	TOTAL REVENUES	890,172	106,0
450-535-10-41-50	Bond Admin Fee		
	Bollo Admin Fee	100	
150-591-34-77-41	Principal Geneva AC Mains		
150-591-34-77-42	Principal Div 22 Reservoir	43,023	
50-591-34-77-73	Principal Loan 064	119,937	
150-591-35-72-50	Principal Bond 2009	47,252	
50-591-35-72-51	Principal Bond 2016	265,000	
50-592-34-83-41	Interest Geneva AC Mains	125,000	
50-592-34-83-42	Interest Div 22 Reservoir	14,923	
50-592-34-83-73	Interest Loan 064	34,182	
50-592-35-83-50	Interest Bond 2009	5,670	
50-592-35-83-51	Interest Bond 2016	30,900	15,45
	interest boild 2018	227,175	113,58
	TOTAL EXPENDITURES		
	TOTAL EXITENSIONES	913,162	129,03
EBT SERVICE FUND	REVENUES		
	EXPENDITURES	890,172	106,04
	CASU/INVESTMENTS DATAMENT	(913,162)	(129,03
	CASH/INVESTMENTS BALANCE CARRYOVER CASH/INVESTMENTS BALANCE	22,990	22,99
	CASH/INVESTMENTS BALANCE	-	
BONDS RESERVE FUND - 460			
ESTRICTED			
60-361-11-00	Investment Interest		
	mvesurient interest	3,850	4,93
	TOTAL REVENUES		
	TOTAL REVERSES	3,850	4,935
0-535-10-41	Investment Service Charges		
	THOSE HOLE CHarges	200	65
	TOTAL EXPENDITURES		
	TO THE ENDITORES	200	65
ONDS RESERVE FUND (RESTRICTED)	REVENUES		
	EXPENDITURES	3,850	4,935
		(200)	(655
	CASHINVESTMENTS BALANCE CARRYOVER	773,200	763,229
	CASH/INVESTMENTS BALANCE	776,850	767,509



LAKE WHATCOM WATER AND SEWER DISTRICT

AGENDA BILL

DATE SUBMITTED:	May 2, 2017			
TO BOARD OF COMMISSIONERS				
FROM: Patrick Sorensen	MANAGER APPROVAL			
MEETING AGENDA DATE:	May 10, 2017			
AGENDA ITEM NUMBER:	5.G.			
SUBJECT:	Reschedule August 9, 2017 Regular Meeting			
LIST DOCUMENTS PROVIDED ⇒	1.			
NUMBER OF PAGES INCLUDING AGENDA BILL:	2.			
	3.			
TYPE OF ACTION REQUESTED	RESOLUTION	FORMAL ACTION/ MOTION □	INFORMATIONAL/ OTHER ⊠	

BACKGROUND / EXPLANATION OF IMPACT

At the April 26, 2017 meeting Commissioner Citron requested to reschedule the August 9, 2017 Regular Meeting.

FISCAL IMPACT

None

RECOMMENDED BOARD ACTION

Discuss whether or not to reschedule the August 9, 2017 Regular Meeting and choose another date and time for the meeting.

PROPOSED MOTION

No proposed motion.



LAKE WHATCOM WATER AND SEWER DISTRICT

AGENDA BILL

DATE SUBMITTED:	May 1, 2017			
TO BOARD OF COMMISSIONERS				
FROM: Patrick Sorensen	MANAGER APPROVAL YCCH June			
MEETING AGENDA DATE:	May 10, 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 / 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

May 10, 2017

Regular Meeting

6:30 p.m.

Important Upcoming Dates:

- Meetings Associated with the Lake Whatcom Management Program:
 - Policy Group Meeting: Reminder: 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 31, 2017 at 8:00 a.m.
- <u>Employee Staff Meeting</u>: 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:

- <u>Committee Meeting Reports as Needed</u>: 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.
- Rescheduling August 9 Board Meeting: At the last Board meeting it was requested that the
 August 9 meeting be rescheduled to another date. FYI, Commissioner Weide will not be
 available at the May 10, 2017 meeting.